How well are Wiltshire Businesses tackling the Climate Crisis?

An assessment of the business policies and actions taken to reduce climate impacts for 49 organisations across Wiltshire.

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Disclaimer

This report, entitled 'How well are Wiltshire Businesses Tackling the Climate Crisis?' published by the Business Engagement Group of the Wiltshire Climate Alliance, represents the authors' views and interpretations of publicly available information that is self-reported by the companies assessed. Due to the fragmentation, inconsistency and ambiguity of some information provided by the assessed companies, the authors cannot guarantee the factual accuracy of all information presented in this report.

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The research team did make direct contact with every firm in the assessment list and requested further engagement to check accuracy of published data, to provide further clarification on policy and to seek comment on each individual company assessment. Only 5 of the listed firms responded to this contact request.

'How well are Wiltshire Businesses Tackling the Climate Crisis?'

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Foreword & Acknowledgements

There is strong evidence that human activity when engaged in operating, managing and working in business organisations, is responsible for more than half of global carbon emissions into the Earth's atmosphere.[1] In Wiltshire, WCA's analysis of the UK published data[2] for Greenhouse Gas (GHG) by source, showed that 54% of the county's <u>direct</u> carbon dioxide (CO_2) emissions were associated with 'industrial, commercial and agricultural' activity.

The Wiltshire Climate Alliance (WCA) are supportive of Wiltshire Council's Climate Strategy commitment to become a Carbon Neutral organisation by 2030, while also '*seeking to make the county of Wiltshire carbon neutral in the same timeframe*'[3]. However, it is clear that delivery on the latter statement will be dependent upon many businesses in the region following a similarly ambitious pathway towards carbon neutral operations in the next 5 - 10 years.

During 2022, the WCA Business Engagement group conducted a research project to discover and assess the environmental strategy, policy and reported actions of 49 Wiltshire-based firms. This report presents the main findings from that study and provides observations made from analysis of the collected data. This snap-shot review of Wiltshire business climate policy should be both useful and thought-provoking for interested stakeholders and companies aiming to improve their environmental performance.

We look forward to collaborating with those organisations and support services who are working to promote best practice for sustainable business management and to help catalyse the rapid rate of change needed to meet the UK Government's climate goals.

Production of this report has been made possible by the hard-work and support of a group of volunteers who share a deep concern about the future of our planet and the growing impact that greenhouse gas emissions have on global warming. I would like to express my personal thanks to the members of the Research Team who have given many hours of their own time to deliver an important project in a timely and professional manner.

Keith Freegard

Business Lead – Wiltshire Climate Alliance

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[1] https://ourworldindata.org/emissions-by-sector

[2] https://naei.beis.gov.uk/reports/reports?section_id=3

[3] https://www.wiltshire.gov.uk/article/1004/Climate-strategy

Executive Summary

This report presents the findings of a research project to assess the climate emissions reduction policies and actions of 49 organisations across Wiltshire during 2022.

The aim of the project was to provide a snapshot of the way that organisations are managing their climate change responsibilities and indicate where the major gaps exist in terms of action required to transition to a low-carbon business economy in the region.

The project was carried out by a team of volunteers working with the WCA Business Engagement Group. A standardised method of assessment and scoring was used to make a quantitative and qualitative comparison between the businesses, covering the areas of policy, governance, targets, reporting and progress towards set milestones. All company assessments were peer reviewed for consistency and accuracy within the research group and each company was contacted to give them an opportunity to comment on the accuracy of information used in the study.

A detailed description of the working methodology and analysis of results is given in the main body of the report. The main findings and observations from the project are:

- It appears that most of the progress on business carbon reduction is being made by large organisations who fall above the size threshold for statutory Streamlined Energy and Carbon Reporting (SECR) set by UK government in 2019. (i.e., Turnover > £36 million, >250 employees).
- Generally, these large organisations have started earlier on the journey to manage and report on their climate impacts than small or medium sized firms. Shareholder pressure, investor scrutiny and brand values all contribute to drive strong policy, targets, and better reporting of performance.
- Two medium sized enterprises (50 – 250 employees) fall within our top-nine ranking and have strong environmental brand identity that motivates them to promote their carbon reduction efforts to their customers, even though they are not regulated to do so.
- We found very little evidence of change in policy or action being taken to reduce carbon impact by small and micro sized businesses (below 50 employees).
- Well defined governance and a strong statement of policy delivers the best quantified targets and from that good performance tends to follow. Adherence to internationally recognised standards of management and reporting drives confidence in the end results.
- Most firms remain focussed on their Direct Emissions (Scope 1 & 2), with only 16 companies having set targets for Upstream and Downstream Emission (Scope 3) reduction.
- Those that have addressed Scope 3 emissions are concentrating upon the Upstream supply-side categories that they can control via their procurement functions. Good evidence of managing and reporting on Downstream emissions is rare.
- Most of the performance reporting starts from baseline years in the 2018- 2020 period, so the short length of trend data makes it difficult to see if companies are 'on-track' to hit their 2030 milestone targets (and beyond).
- Our evidence suggest that most firms have focussed upon the 'easy wins' to make early gains in emission reduction (e.g., switching energy supply). In many cases the next big steps in reducing climate impact place huge challenges on the fundamental aspects of their core business model, where the major carbon impacts are firmly embedded within their traditional raw materials, product designs and choice of manufacturing technology.

Recommendations for Change

WCA has estimated that over 50% of Wiltshire's direct carbon emissions can be allocated to industrial and commercial activities. This estimate excludes Scope 3 emissions, which can account for more than 75% of total business climate impacts. In 2020, there were over 13,000 premises registered in the county to pay business rates. This report has estimated that more than 95% of UK firms with 10+ employees, are not currently covered by any emissions reporting regulation.

Given these figures, it is clear that any progress towards a 'low carbon economy' must address the large number of business organisations in the small and medium size range who have yet to get started, or who are new starters on the task of reducing their carbon emissions. The WCA Business Engagement Group propose three levels where actions could be taken to create the necessary catalyst for change that is required across the whole spectrum of business activities as follows:

UK Government Action

- Extend the current statutory requirement for businesses to report on their carbon emission to include Scope 3 emissions, both Upstream and Downstream.
- Extend the scope of the reporting requirement to include the vast majority of SME's with size threshold defined by employee number and level of sales turnover.
- Within the above extension of carbon reporting responsibilities, insist that larger firms publish a progress plan with milestone targets showing a rate of emissions reduction that is consistent with science-based Target Initiative for their particular industry sector.
- Strengthen the procurement rules that apply to the awarding of central government contracts to include an assessment of suppliers' carbon reduction plans and progress.

Wiltshire Council Actions

- Review the procurement system for county council contracts to make sure that sustainability measures and evidence of carbon reduction form a key part of supplier selection.
- Provide support to the Wiltshire business community to help firms find the tools and services needed to change their carbon footprint.
- Support local schemes that promote businesses who are implementing carbon-reduction and sustainable business actives within their organisations (e.g., Green Business certification schemes).
- Develop green infrastructure by ensuring that planning controls for new commercial sites and premises include robust rules on the use of sustainable best-practice in building construction (e.g., insulation standards, solar panels, low-carbon lighting and heating, adequate public transport links etc).

Businesses in Wiltshire

For those organisations who are already managing and reporting their carbon emissions: -

- Provide greater clarity and more detailed explanation about the scope and scale of operational activities that are included in (or excluded from) your reporting framework.
- Check that your policy statements and emissions reduction targets are quantified and time-bound, with clear milestones along the journey to a carbon neutral future that aligns with U.N. global warming limits. Avoid bland and woolly statements.

- Measure, monitor and report on your full scope of emissions, both direct Scope 1 & 2 emissions AND Scope 3 impacts created along your supply chain from suppliers through to end-user consumers of your products and services.
- Sign-up to an approved and well-recognised certification scheme. Make full use of international reporting standards and guidelines that best-suit your business type, to increase the validity and integrity of your published results.
- Fully integrate carbon impact management into your day-to-day business operations and overall company strategy. Utilize the competitive advantages gained from being more sustainable in your sector.
- Ensure that your key stakeholders – shareholders, investors, employees, suppliers and customers are kept informed of progress and remain firmly on-board for the challenges of this long journey.

For those SMEs yet to start managing carbon emissions: -

- Take the first steps to move off from 'base 1' by accessing external sources of business support and learning about becoming a 'Lower Carbon' business. This report recommends the **Zero Carbon Business**[4] website as a great starting point for this.
- Speak with your business partners, managers, and workforce to understand their views about being more environmental in the workplace. Find out what your customers think.
- Most of the easy-wins in reducing carbon impacts also deliver significant cost-savings. So, focus upon doing a few simple changes that deliver financial benefits and make your business greener.

Wiltshire Residents

- Be more discerning as consumers of products, by selecting local commercial operators who are providing more environmental, low-carbon goods and services.
- As staff and employees of Wiltshire-based firms, insist that your company has a strong environmental and carbon reduction policy.
- Tell your friends, family, and peer-group about every change you have made in your lifestyle to help save the planet.

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[4] **https://zerocarbonbusiness.uk/**

Introduction

This report provides a snapshot of the strategy, policy and reported progress for a sample of 49 organisations, in relation to their published information on reducing the carbon emissions and environmental impacts of doing business in Wiltshire.

The project has been delivered by a team of volunteer researchers working for the Wiltshire Climate Alliance's Business Engagement workgroup.

The aim of the project was to investigate, evaluate and assess the extent to which business managers across the county are changing their company objectives and activities to tackle the huge environmental issue of climate change. The evaluation is based on a standardised assessment of open-source information as freely published by companies and organisations.

This report offers important insights into sustainable business practices across a range of organisations. It will enable the WCA and other key collaborative stakeholder groups to engage with companies and promote change towards a lower carbon commercial sector in Wiltshire.

Wiltshire Climate Alliance

Wiltshire Climate Alliance (WCA) is an umbrella organisation for groups and individuals in Wiltshire working together to promote action on the Climate and Ecological Emergency. The organisation includes over 30 local groups spread across the main towns and villages of Wiltshire, as well as individual members, in total around 400 people.

WCA Objectives:

1. To build a coalition of like-minded Wiltshire organisations and individuals to work together to achieve our vision.

2. To both support and challenge local government, **business,** civil society and other **organisations** in taking action towards achieving our vision.

3. To support our members in taking individual and collective action towards achieving a shared vision.

To learn more about the activities and membership of the WCA please visit our website[5].

Business Engagement Group

The Business Engagement group at the WCA exists to help deliver the objectives and goals of the WCA as they relate to the activity of conducting commercial and industrial business in the county (Objective 2).

In early 2022, Keith Freegard was appointed as Lead person for the WCA's Business Engagement Group, and he agreed a set of objectives (see Annex A) and a work program with the Steering Group for delivering positive Business Engagement, split into 3 main themes:

1. Research and Analysis
2. Collaboration
3. Engagement

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[5] https://www.wiltshireclimatealliance.org.uk/our-members

Following earlier WCA work carried out during 2020/21 to learn about the scale and scope of Wiltshire businesses and their environmental management activities, a plan was formulated to research the policy and actions being taken in the local business sector. Having gained this useful knowledge, the group could then offer to collaborate with other interested bodies and organisations working in the business support area.

This report describes the work carried out in 2022 under theme 1 and presents our findings from the research project, plus it makes some recommendations to share with potential collaborators when jointly promoting change in sustainable business practice. During 2023 our focus will move onto themes 2 and 3, as we build collaborative partnerships across the county and engage directly with local business managers to deliver change.

Research Project Plan

The Business Research Project to investigate the reported policy and actions of Wiltshire companies was structured into these main tasks:

a) Identify a sample set of circa 50 representative businesses across typical markets and sectors operating within the county or region.
b) Develop a quantitative and qualitative methodology to assess and score the environmental and climate-change policy, actions and reported progress of those firms.
c) Create a team of researchers to conduct a thorough, methodical and peer-reviewed evaluation of the listed companies.
d) Train the team and start the research.
e) Analyse and report on the main findings from the work.
f) Disseminate the finding and discuss recommendations for action with other potential collaborative business-facing organisations and stakeholders.

Further description about how the stages in the work program were delivered are given in Annex B.

Assessment Methodology

The project team developed a simple but comprehensive Business Assessment tool which was used as a structured guide for researchers to investigate and evaluate the publicly available information about each firm. A form was created consisting of a set of 45 questions and scored checkpoints which covered the main areas needed in a comprehensive and complete environmental business strategy.

The Business Assessment Form (BAF), section headings and list of questions can be found at Annex C. The following main headings were used:

- Business Description
- Environmental Policy
- Targets / Goals
- Reporting
- Stakeholder Engagement
- Governance
- Environmental Achievements
- Quantified Performance
- Overall Opinion

To generate quantified results from the research and enable subsequent comparative analysis, each researcher was required to select a score between 0 – 10 based upon the following table, using their judgement about the quality and adequacy of evidence found.

Score Range	Status	Description of criteria
7 - 10	Green	'Good Evidence' - shows specific measurable targets with dates, use of statistics, qualified information
4 - 6	Amber	'Some evidence' - show some targets, with limited dates and limited use of statistics
0 - 3	RED	'No Evidence' - Shows no substantial data, targets, or data is unqualified

Table 1 – Assessment Scoring

All researchers were asked to provide references to evidence their scoring decisions. Any relevant examples of tables, reports and diagrams used in the assessment were also saved to a central shared dataspace. Once complete, the assessment was peer reviewed.

Scope of Assessment

This section describes the range of companies and organisations (the cohort) taken into scope of the study.

Assessment Cohort

49 companies and organisations are included in the study, covering a range of sectors and company sizes. The cohort included public and private organisations, a range of sectors and sizes. The included organisations are shown in the table below.

Business Name	Legal registered Status	Type of Business	Approximate Workforce Size
Accord SW Group	Charity	Property	250+ Large
Airsprung Group PLC	Quoted PLC	Manufacture	250+ Large
AJ Cocks Transport	Ltd Company	Logistics	0-10 Micro
Aldi Stores Limited	Ltd Company	Retail/Wholesale	250+ Large
Anthony Best Dynamics Ltd	Ltd Company	Manufacture	50-250 Med
Apetito UK	Ltd Company	Catering	250+ Large
Ark Data Centres	Ltd Company	IT/Technology	50-250 Med
Arla Foods Ltd	Ltd Company	Agriculture	250+ Large
Avon Protection	Quoted PLC	Manufacture	50-250 Med
BMW Plant Swindon	Ltd Company	Manufacture	250+ Large
Cereal Partners (Nestle Cereals)	Quoted PLC	Manufacture	250+ Large
Chemring Countermeasures UK	Quoted PLC	Defence	250+ Large
Cooper Tires & Co Europe Ltd	Ltd Company	Manufacture	250+ Large
D S Smith Packaging	Ltd Company	Manufacture	250+ Large
Devizes Taxis Limited	Ltd Company	Transport	0-10 Micro
DPD Group UK Ltd	Ltd Company	Logistics	250+ Large
Dyson	Ltd Company	Manufacture	250+ Large
Good Energy Group Plc	Ltd Company	Energy	50-250 Med

Business Name	Legal registered Status	Type of Business	Approximate Workforce Size
Great Western Hospitals NHS Foundation Trust	Public Body	Health	250+ Large
Hams Transport	Ltd Company	Logistics	10-50 Small
Herman Miller	Ltd Company	Manufacture	250+ Large
Hills UK	Ltd Company	Materials	250+ Large
Hobbs House Bakery	Ltd Company	Retail/Wholesale	50-250 Med
Homebase	Ltd Company	Retail/Wholesale	250+ Large
James Hay Pensions Trustees Limited	Ltd Company	Financial Services	250+ Large
Kinch Fuel Oils	Ltd Company	Energy	10-50 Small
Longford Farms Ltd	Ltd Company	Agriculture	0-10 Micro
Mike Garbutt Transport Limited	Ltd Company	Logistics	10-50 Small
Ministry of Defence	Public Body	Defence	250+ Large
Moulton Bicycles	Ltd Company	Manufacture	10-50 Small
Nationwide Building Society	Partnership	Financial Services	250+ Large
NovaCast	Ltd Company	Manufacture	10-50 Small
P D Manufacturing (Avon Group)	Ltd Company	Manufacture	10-50 Small
QinetiQ	Quoted PLC	Defence	250+ Large
Royal Mail Group	Quoted PLC	Logistics	250+ Large
Salisbury Investment Castings	Ltd Company	Manufacture	0-10 Micro
Siemens Mobility Limited	Ltd Company	Manufacture	250+ Large
SPC Europe	Ltd Company	Manufacture	50-250 Med
Stonegate Farmers Ltd	Ltd Company	Agriculture	250+ Large
T.J.Morris Ltd	Ltd Company	Retail/Wholesale	250+ Large
Tarmac	Quoted PLC	Materials	250+ Large
Transport SW	Ltd Company	Logistics	0-10 Micro
Virgin Media Ltd	Ltd Company	IT/Technology	250+ Large
Watson Fuels (World Fuel Services)	Ltd Company	Energy	250+ Large
WAVIN Plastic Pipes	Ltd Company	Manufacture	250+ Large
Welton Bibby & Baron	Ltd Company	Manufacture	250+ Large
Westbury Car Auctions	Ltd Company	Retail/Wholesale	0-10 Micro
Wiltshire College and University Centre	Public Body	Education	250+ Large
Wincanton	Quoted PLC	Logistics	250+ Large

Table 2 – Assessment Cohort

The organisations are distributed by size like this:

Workforce Size Breakdown

50-250 Med, 6   0-10 Micro, 6

10-50 Small, 6

250+ Large, 31
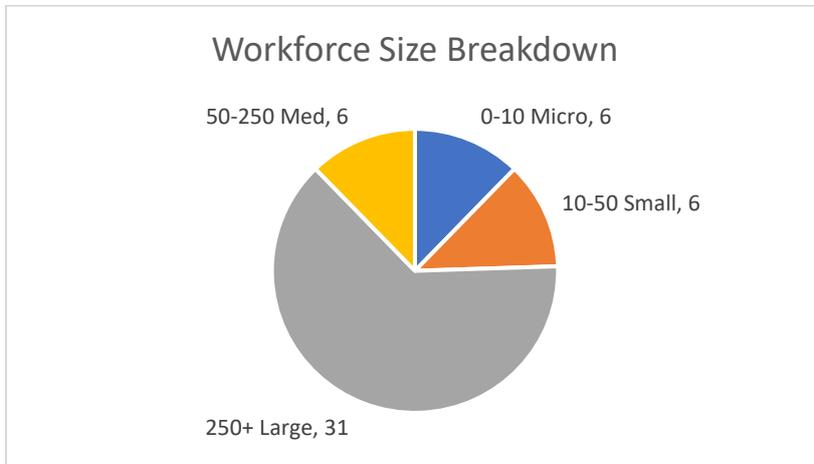
Figure 1 – Cohort Workforce Size Breakdown

And by sector like this:

Sector Breakdown

Retail/Wholesale, 5   Transport, 1   Agriculture, 3
Catering, 1
Property, 1   Defence, 3
Materials, 2   Education, 1
Energy, 3
Financial
Services, 2
Health, 1
IT/Technology,
2
Manufacture,
17
Logistics, 7
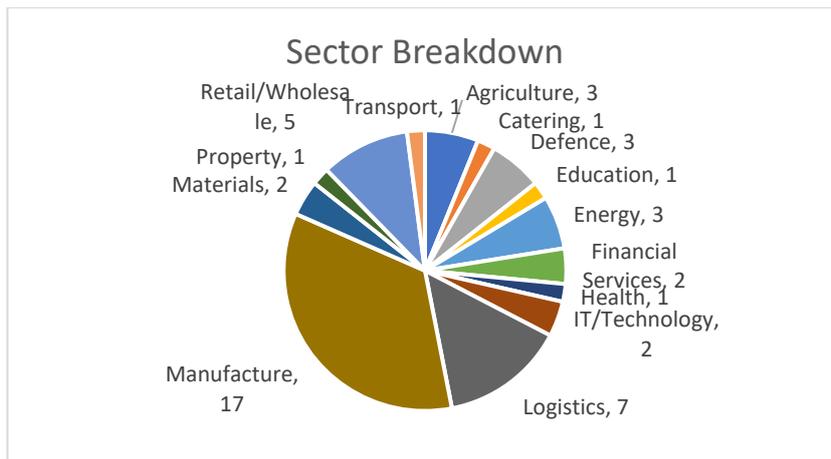
Figure 2 – Cohort Sector Breakdown

And by legal registered status like this:
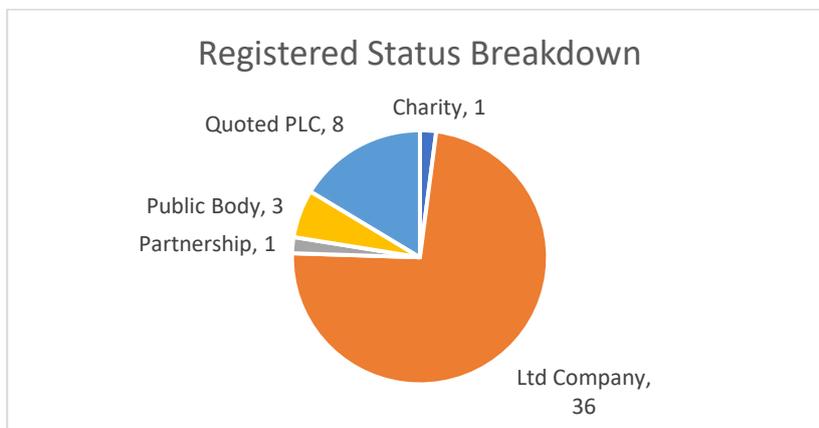
Registered Status Breakdown

Quoted PLC, 8   Charity, 1

Public Body, 3
Partnership, 1

Ltd Company,
36

31 (60%) of the cohort are large businesses; 18 are Small & Medium Enterprises (SME[6]). The data has a good spread of sectors (14) and is strongly weighted toward private limited companies (73%). The logistics and manufacturing sectors make up 49% of the cohort.

Compared with recently published figures on the number and size of UK registered businesses[7], our sample list of firms is skewed heavily to large firms. Nationally, of the 261,000 Small, Medium and Large UK firms (ignoring Micro businesses), only 3% have over 250 employees. However, the large firms represent 49% of total Turnover and 39% of Employment. Our sample list was created from names submitted by the WCA membership as 'potentially big impact' local companies, this probably explains the focus on larger sized firms and those with visible factory sites in the manufacturing sector.

It is worth reiterating that the assessments used only publicly available information, and this raises a number of important observations on what organisations choose to say about themselves:

- We found that in general, the smaller the company size, the less likely it is to have published carbon emissions information.
- Statutory emission reporting (Streamlined Energy & Carbon Reporting, SECR) applies to companies above a size threshold[8]. [Quoted Plc's, Private Limited Companies and LLP Partnerships with turnover >£36 million; balance sheet worth >£18 million; more than 250 employees]. For companies outside that statute, reporting is a choice.
- For companies inside the statute, the minimum requirement is meeting the reporting obligation. Some companies choose only to meet the minimum. This proved more likely for large Limited Companies. Public Limited Companies are more likely to commit to periodic audit and science-based targets, mostly driven by external pressure from shareholders, investors and market forces.
- For some companies, taking a strong public-facing position on environmental matters is clearly part of their brand, and helps them to differentiate their product or service to discerning buyers.
- For some companies, taking an opaque public-facing position may be part of maintaining security of Intellectual Property vested in their products or services, or avoiding deeper public scrutiny of their plans and actions.
- Companies who supply to Government departments are likely to be subject to conditions of supply which include specific requirements on environmental action. This is a clear driver of change.

It is worth noting that the statutory SECR requirement covers a small fraction (11,900) of 5.5m registered UK businesses[9]. It also does not require business to do anything to actually reduce emissions (specific sector targets are set under different regulations). As the UK economy is underpinned by SME, there is

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[6] As of Jan 22, "**An SME is any organisation that has fewer than 250 employees <u>and</u> a turnover of less than €50 million or a balance sheet total less than €43 million".** Note that we have only taken employees into account, so we may have classified a number of companies with >250 employees as large whereas in fact they are SMEs.
7 https://commonslibrary.parliament.uk/research-briefings/sn06152/

[8] https://www.carbontrust.com/news-and-insights/insights/secr-explained-streamlined-energy-carbon-reporting-framework-for-uk

[9] House of Commons Research Briefing - Georgina Hutton, 6 Dec 2022 Number CBP 06152 commonslibrary.parliament.uk

much more chance of any company being outside a statutory responsibility to reduce emissions than inside.

Companies may choose to act out of social conscience, a desire for operational efficiency, stakeholder pressure, brand differentiation or any combination. But for those who don't, studies and empirical evidence shows that continuous public pressure is a strong motivator.

Research Method Limitations

All the assessments are based on open-source information. Typically, this is a combination of company literature (company website and publications) and filed company results in the form of Annual Reports or environmental (or climate) audit reports. We don't know what's going on within a company beyond their public declarations. In some cases, we can sense that there may be more work going on than is published, but we have only used the evidence we can find to form our opinion. Assessments are therefore as much a judgement on what companies choose to **say** to their stakeholders as it is a judgement on what they choose to **do**. A low score may result from no information as much as no activity.

It has become clear that some sectors have a particular way of describing their actions in sector-specific terms, or in sector-specific agreements. We have tried to understand these and make our assessments on the basis of that understanding.

Key Findings

This section summarises the overall rankings and key findings arising from our analysis of the assessment results.

Overall rankings

An overall ranking has been developed. The rankings are based on overall score, with additional weighting given to smaller companies, then for same score/size ordered alphabetically.

Business Name	Legal registered Status	Type of Business	Approximate Workforce Size	Overall Score
QinetiQ	Quoted PLC	Defence	250+ Large	8
Tarmac	Quoted PLC	Materials	250+ Large	8
Wincanton	Quoted PLC	Logistics	250+ Large	8
Good Energy Group Plc	Ltd Company	Energy	50-250 Med	7
Hobbs House Bakery	Ltd Company	Retail/Wholesale	50-250 Med	7
BMW Plant Swindon	Ltd Company	Manufacture	250+ Large	7
Cereal Partners (Nestle Cereals)	Quoted PLC	Manufacture	250+ Large	7
Nationwide Building Society	Partnership	Financial Services	250+ Large	7
Royal Mail Group	Quoted PLC	Logistics	250+ Large	7
Ark Data Centres	Ltd Company	IT/Technology	50-250 Med	6
Aldi Stores Limited	Ltd Company	Retail/Wholesale	250+ Large	6
Arla Foods Ltd	Ltd Company	Agriculture	250+ Large	6
Cooper Tires & Co Europe Ltd	Ltd Company	Manufacture	250+ Large	6
D S Smith Packaging	Ltd Company	Manufacture	250+ Large	6
DPD Group UK Ltd	Ltd Company	Logistics	250+ Large	6
Great Western Hospitals NHS Foundation Trust	Public Body	Health	250+ Large	6
Virgin Media Ltd	Ltd Company	IT/Technology	250+ Large	6
WAVIN Plastic Pipes	Ltd Company	Manufacture	250+ Large	6
Apetito UK	Ltd Company	Catering	250+ Large	5
Chemring Countermeasures UK	Quoted PLC	Defence	250+ Large	5
Herman Miller	Ltd Company	Manufacture	250+ Large	5
Ministry of Defence	Public Body	Defence	250+ Large	5
NovaCast	Ltd Company	Manufacture	10-50 Small	4
Avon Protection	Quoted PLC	Manufacture	50-250 Med	4
Accord SW Group	Charity	Property	250+ Large	4
Siemens Mobility Limited	Ltd Company	Manufacture	250+ Large	4
Stonegate Farmers Ltd	Ltd Company	Agriculture	250+ Large	4
Anthony Best Dynamics Ltd	Ltd Company	Manufacture	50-250 Med	3
Hills UK	Ltd Company	Materials	250+ Large	3
Homebase	Ltd Company	Retail/Wholesale	250+ Large	3
James Hay Pensions Trustees Limited	Ltd Company	Financial Services	250+ Large	3
T.J.Morris Ltd	Ltd Company	Retail/Wholesale	250+ Large	3

Business Name	Legal registered Status	Type of Business	Approximate Workforce Size	Overall Score
Watson Fuels (World Fuel Services)	Ltd Company	Energy	250+ Large	3
Longford Farms Ltd	Ltd Company	Agriculture	0-10 Micro	2
Dyson	Ltd Company	Manufacture	250+ Large	2
Airsprung Group PLC	Quoted PLC	Manufacture	250+ Large	1
P D Manufacturing / part of Avon Group	Ltd Company	Manufacture	10-50 Small	1
SPC Europe	Ltd Company	Manufacture	50-250 Med	1
Welton Bibby & Baron	Ltd Company	Manufacture	250+ Large	1
Wiltshire College and University Centre	Public Body	Education	250+ Large	1
AJ Cocks Transport	Ltd Company	Logistics	0-10 Micro	0
Devizes Taxis Limited	Ltd Company	Transport	0-10 Micro	0
Salisbury Investment Castings	Ltd Company	Manufacture	0-10 Micro	0
Transport SW	Ltd Company	Logistics	0-10 Micro	0
Westbury Car Auctions	Ltd Company	Retail/Wholesale	0-10 Micro	0
Hams Transport	Ltd Company	Logistics	10-50 Small	0
Kinch Fuel Oils	Ltd Company	Energy	10-50 Small	0
Mike Garbutt Transport Limited	Ltd Company	Logistics	10-50 Small	0
Moulton Bicycles	Ltd Company	Manufacture	10-50 Small	0

Table 3 – Overall Rankings

The 3 top-ranking companies, scoring 8, are PLCs with strong evidence to support their claims. Of these top-ranking companies, Tarmac and Wincanton are highly dependent on fossil fuels to deliver their primary business outputs. Their ability to transition depends on fundamental change to their business operations (e.g. electric HGVs - some way off) or finding viable alternatives to bitumen and cement.

Nine companies scored 7+ and of these, 7 are large. The 2 medium companies (Good Energy & Hobbs House Bakery) show strong evidence of change, driven through deep-seated leadership commitment and brand identity.

The top half of the rankings is dominated by large companies; this is certainly because they have a legal obligation to report and thus reveal more, and possibly because they have more resources to spend on managing transition.

The bottom half of the rankings (those scoring 4 or less) is dominated by micro and small businesses but also contains 12 large businesses/organisations. Given the wider observation that large businesses have tended to achieve higher scores, this is a disappointing observation. However, the smallest businesses are also likely to have less environmental impact and perhaps less inclination to publish detailed information about themselves.

Primary Results & Findings

The assessment analysis section which follows provides more detail on analysis of results which summarise to a number of primary findings, as follows:

- There is a strong correlation between company size and its publicly declared position and action on emissions and climate change.
- Large companies, particularly those inside the Streamlined Energy and Carbon Reporting (SECR) legislation are generally further ahead than small companies.
- There is strong correlation between a company having a distinct Environmental Policy and its overall results.
- Enumerated targets make a real difference – they focus company time and effort.
- Of those who report emissions, it is more likely they will focus on their Direct emissions (Scopes 1 & 2) while ignoring or remaining silent on Scope 3 emissions.
- Of the 25 companies with a declaration on Scope 3 emissions, it is much more likely they focus on emission sources in their direct control (e.g. business travel) and those in their upstream, supply-side value chain.
- Only one third of the companies (16/49) have set a target for reduction of Scope 3 impact. Only one of these sets out to measure and control the full extent of their Scope 3 emissions, both upstream and downstream from the business.
- In terms of reported performance and achievements, only 4 companies show clear evidence that their progress towards their targets was on-track.
- For most firms the baseline year for the start of climate emissions reporting was during 2018-2020. So latest reports, dated 2021, do not yet show reliable trend results. This time period was also greatly affected by the Covid-19 pandemic, with significant impact upon business activity levels.
- Most firms who report progress towards targets have focussed upon the 'easy-wins' under their direct control, (i.e. energy supply, company transport). Few appear to be tackling more fundamental aspects of their core business model, where the big impacts are set within the traditional materials, product design and technology choice for their market sector.

Assessment Analysis

This section presents an analysis of the data obtained, with associated discussion, which lead to the findings and overall rankings summarised in the previous section.

Overall Scores

Figure 4 below shows the frequency distribution of the number of organisations across the range of assessment scores given, with red, amber, green shading to indicate the 'No; Some; Good' evidence levels.
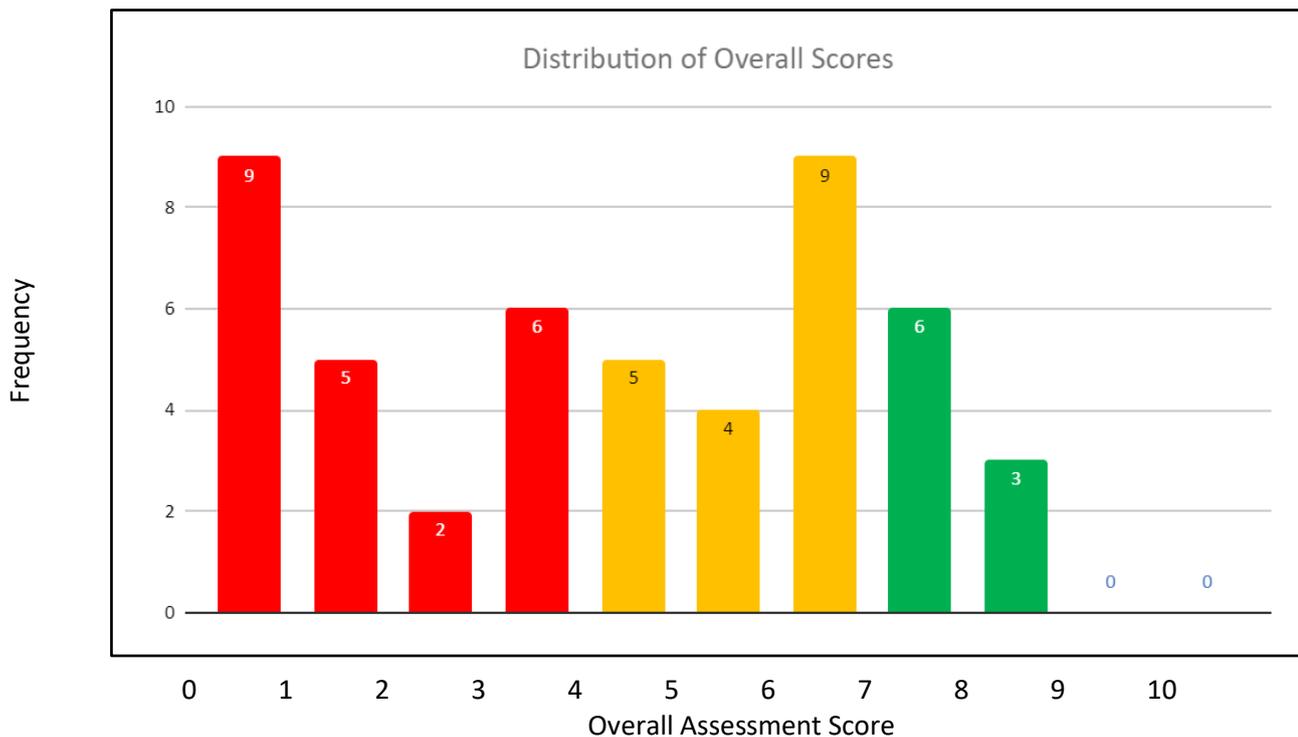

Figure 4 – Overall Assessment Score Distribution

The assessed scores range from 0 to 8 with no organisations scoring 9 or 10. The overall score is a judgement based on the whole assessment. Some companies might score well in one area (e.g. environmental achievements) but poorly in others.

Of the overall scores: based upon evidence found:
● 22/49 (45%) are Red (0-3)   'No Evidence'
● 18/49 (37%) are Amber (4-6)   'Some Evidence'
● 9/49 (18%) are Green (7+)   'Good Evidence'

Overall, companies are less likely to have **good** evidence of policy, strategy, engagement and action. Encouragingly, over half the companies (27, 55%) have **some** or **good** evidence supporting their climate journey. Large companies are more likely to have published information to support their climate journey and our analysis, suggesting that organisation size correlates positively with scoring well in the assessment.

The low overall **good** result of 18% of firms is disappointing. For many of the companies surveyed, their journey typically started less than 3 years ago and we recognise that it takes effort and time to build a baseline and plan to Net Zero. Our evidence suggests a company's environmental efforts are likely to be

driven by: regulation / legislation; ethos / genuine concern; brand / reputation. In the case of regulation, the SECR reporting obligations set a minimum expectation for large companies which, coupled to more recent stakeholder pressure to perform on ESG (environmental, social and governance) practices, raises the bar on commitment to ethical and sustainable business practice.

For companies inside the statutory SECR size threshold, the minimum requirement is meeting the reporting obligations. Some companies choose only to meet the minimum, typically large private limited companies. Public Limited Companies are more likely to have policies and plans in place and commit to periodic audit and science-based targets, probably driven by pressure from shareholders or market forces.

The table below shows overall score distribution by company size:

Company Size	Overall Score								
	0	1	2	3	4	5	6	7	8
0-10 Micro	5		1						
10-50 Small	4	1			1				
50-250 Med		1		1	1		1	2	
250+ Large		3	1	5	3	4	8	4	3
Totals	9	5	2	6	5	4	9	6	3

Table 4 – Company Size vs Overall Score

For **Micro businesses**, there is a high tendency to score 0. The reason is unknown but might be related to a lack of public disclosure, or that maintaining a coherent overall climate plan is seen as an unnecessary business overhead relative to the number of employees and any associated premises.

For **Small businesses**, there is also a strong tendency to score 0. Of the zeroes: two are logistics companies, one is a fuel supply business and one is a bike manufacturer. The transport/fuel businesses are maybe unsurprising – they typically operate on thin profit margins, and burning or supplying carbon is their business. In the case of logistics, there are no viable electric HGVs yet in production, constraining their freedom to change. Given the wider societal focus on active travel solutions, the bike making business appears to be missing a marketing opportunity. Novacast, a metal casting (manufacture) business shows some evidence of environmental awareness.

Medium businesses demonstrate a wider spread of results. There are 3 manufacturing companies in this spread, and it is notable that they are the 3 lowest scoring. Medium sized manufacturing appears to lag in terms of environmental action. The 2 companies with Green scores are Hobbs House Bakeries and Good Energy. In both cases, their environmental credentials are an intrinsic part of their brand and company ethos/mission. Ark Data Centres is in this grouping. They are in a well-regulated sector with trade group and international level agreements on carbon reduction. Evidence shows their progress compares very well with sector performance.

Large businesses demonstrate a broad mix of scores, with:
- 9/31 (29%) Red
- 15/31 (48%) Amber
- 7/31 (23%) Green

Encouragingly, 71% are 'off the ground' and making effort toward environmental and climate management; nearly half score 6 or more. As the large business cohort is bigger, we explored the relationship between overall score and legal status of a company, with the following result:

	Score							
Company Legal Status	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
Charity				1				
Ltd Company	1	1	5	2	2	7	1	
Partnership							1	
Public Body	1				1	1		
Quoted PLC	1				1		2	3
Totals	**3**	**1**	**5**	**3**	**4**	**8**	**4**	**3**

Table 5 – Overall Score vs Company Legal Status for Large Companies in Cohort

It is notable that 5 of the 8 PLCs score 7+ compared to 1 of 19 Ltd companies. However, 11 of 19 Ltd companies score 4 – 6. It appears that PLCs are ahead of large Ltd companies in their progress.

The public bodies assessed include MOD, an NHS Trust and a College & University Centre. Of these, it is Wiltshire College who are lagging. MOD and NHS occupy an Amber 'centre ground' where some progress is being made. Public bodies have centrally directed targets, fed from the Greening Government Commitments, and departmental policy / strategy articulated at top level. In the case of MOD, we were unable to expose any link between this central policy and 'on the ground' action in Wiltshire. This is perhaps an artefact of scale, or perhaps the degrees of separation between Centre and local. In the case of NHS, the picture is clearer largely due to the semi-autonomous nature of NHS Trusts.

Environmental Policy

Our analysis shows that having a public environmental policy makes a real difference in terms of overall commitment and performance. However, the existence of an environmental policy correlates strongly with company size:

Does the company have a clearly stated environmental policy?			
Business Size	**No**	**Partial**	**Yes**
0-10 Micro	5	1	1
10-50 Small	5	1	
50-250 Med		3	3
250+ Large	3	10	17
Totals	**13**	**15**	**21**

Table 6 – Environmental Policy Quality vs Company Size

26% of companies (mainly micro/small) have no discernible, public facing environmental policy. 31% of companies make statements which, if not a distinct environmental policy, are about the company position toward environment. 43% of companies have a distinct environmental policy.

The larger a business is, the more likely it is to have an environmental policy. The worst performing groups are micro and small businesses, although it may be that their leaderships believe an environmental policy or plan excessive in the face of their relatively limited scope.

We found that PLCs are most likely to have a policy. We did not find evidence of an Environmental Policy in the following companies:

Companies without evidence of an Environmental Policy
0-10 Micro
AJ Cocks Transport
Devizes Taxis Limited
Salisbury Investment Castings
Transport SW
Westbury Car Auctions
10-50 Small
Hams Transport
Kinch Fuel Oils
Mike Garbutt Transport Limited
Moulton Bicycles
P D Manufacturing (Avon Group)
250+ Large
James Hay Pensions Trustees Limited
Watson Fuels (World Fuel Services)
Wiltshire College and University Centre

Table 7 – Cohort Companies with No evidence of an Environmental Policy

It is worth noting that where companies are subsidiaries of a larger group, they may claim that their Environmental Policy is inherited from higher up in the company structure. For example, although Watson Fuels do not appear to have an environmental policy, their parent, WFS Corp, do maintain a commitment to reduce emissions from their operations. Likewise, James Hay may claim that their parent, Epiris, include this in one of their 4 ESG pillars.

In those cases where the Wiltshire site or business unit was found lacking on a clear statement of local policy, our research team were instructed to assess the higher level 'group policy' and associated top-level reports as the core evidence base. It was not possible to evaluate how successfully these controlling group environmental policies are being implemented and acted upon at the local Wiltshire premises.

Policies are associated in business with corporate governance and the greater the level of scrutiny (regulatory or stakeholder) a business receives, the larger its portfolio of policies will tend to be. Equally, for large businesses, inadequate ESG commitments reflect badly in the Annual Report and increasingly this is influencing shareholder opinion, especially with the growth of 'ESG indices' and rankings to inform investor decision making.

However, it is fair to conclude that the existence of a policy and associated goals really directs how and where company effort is invested. This is evident by comparing the presence of environmental policy to overall score:

Environment Policy	Overall Score								
Policy	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
No Policy	9	2		2					
Partial Policy		3	2	3	3	3		1	
Good Policy				1	2	1	9	5	3
Totals	**9**	**5**	**2**	**6**	**5**	**4**	**9**	**6**	**3**

Table 8 – Environment Policy Quality vs Overall Score

This shows a clear correlation between the presence of policy in a company and overall assessment score. It also suggests that for companies in the Amber zone, it is probably an enabler in getting started along the journey to transition.

As an example of a Carbon Reduction Plan which includes a strong commitment, has clearly defined targets and shows a clear progression towards milestones, readers might like to look at the Wincanton Carbon Reduction Plan[10].

Targets / Goals

Our analysis shows that the presence of climate related targets or goals also makes a real difference in terms of performance and achievements, as shown in Table 9 below. 'You manage what you measure' holds true.

	Overall Score								
Evidence of Targets / Goals	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
No Evidence	9	5	2	2	3				
Some Evidence				4	2	2	3		
Good Evidence						2	6	6	3
Totals	**9**	**5**	**2**	**6**	**5**	**4**	**9**	**6**	**3**

Table 9 – Evidence of Targets / Goals vs Overall Score

Logically, we expected commitments to flow from policy, but many policy statements in this study had no enumerated commitment written into the policy. It seems a lot of companies seem to prefer quite 'vanilla' policy statements (e.g., 'we care; we will endeavour; we will improve') without really saying by how much or when. The quantified targets are often stated elsewhere in annual reports. However, the evidence suggests that having an environmental policy makes it more likely a business will set itself targets, even if they do not form part of the written policy commitment.

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[10] https://win-12731-s3.s3.eu-west-2.amazonaws.com/assets/3816/7342/9351/Wincanton_Carbon_Reduction_Plan_Dec_2022.pdf

It is also possible that the quality of policy in terms of quantification and timelines is related to how far the firm has travelled along the environmental journey. It seems that more mature companies (those who have been managing environmental impact longer) tend to quote more specific goals, whereas those just starting their journey may tend toward generic commitments.

Good evidence means we can see commitments, enumerated, with dates. E.g., "50% reduction in CO2e by 2025"; "80% reduction in waste by 2023" etc.

As with policy, larger businesses are more likely to have set targets, as shown in Figure 10 below:

	Evidence of Commitment to Targets?		
Business Size	No Evidence	Some Evidence	Good Evidence
0-10 Micro	7		
10-50 Small	6		
50-250 Med	1	3	2
250+ Large	7	8	15
Grand Total	21	11	17

Table 10 – Evidence of Targets vs Company Size

We did not find evidence of targets being set in the following companies:

Companies without evidence of environmental targets
0-10 Micro
AJ Cocks Transport
Devizes Taxis Limited
Longford Farms Ltd
Salisbury Investment Castings
Transport SW
Westbury Car Auctions
10-50 Small
Hams Transport
Kinch Fuel Oils
Mike Garbutt Transport Limited
Moulton Bicycles
NovaCast
P D Manufacturing (Avon Group)
50-250 Med
SPC Europe
250+ Large
Airsprung Group PLC
DYSON
Homebase
Siemens Mobility Limited
Stonegate Farmers Ltd

Companies without evidence of environmental targets
T.J.Morris Ltd
Welton Bibby & Baron
Wiltshire College and University Centre

Table 11 – Companies with No Evidence of Targets

It is noteworthy that a number of the large companies in the list above do have an environmental policy but do not make any commitment, with dates, to improving their performance. The reasons for this are unclear but might relate to business disruption during the Pandemic, wider business performance issues, or perhaps 'Green Hushing[11]'.

Green-hushing is when a company adopts a 'radio-silence' approach to environmental goals. This may be due to concerns about failing to meet set targets within defined timelines or from revealing operational performance data to competitors (e.g., energy efficiency improvements or productivity gains). Within this study, several of the larger manufacturing businesses were judged to 'fall-short' in this area, which is disappointing given that they possess the necessary in-house technical skills and resources to make a good job of measuring, monitoring and reporting on carbon metrics.

The strongest environmental commitments come from those companies who:
- decide to adopt science-based targets,
- adhere to recognised reporting standards to prepare their sustainability plans,
- create realistic performance milestones along their journey to Net Zero.

A key part of this important self-assessment process is to set a baseline year from which all future progress will be tracked. The most credible firms then provide clarity about the scope of emissions that will be included in their annual reports and separate Direct from the Indirect sources. The predicted rate of future progress on carbon reductions then tends to follow the UN curve for 'saving 1.5 C' global warming limits. Typically, around a 50% reduction in CO2 emissions by 2030 and >95% reduction by 2050, appears to be a common theme in the examples of the best plans found in this study. Readers wishing to see an example of what we consider a good practice for statement of plans and targets might look at QinetiQ's Net Zero Plan from March 2022. The target table for QinetiQ is shown in Figure 5 below:

Timeframe	Scopes 1&2	Scope 3	Total
2020	Base year	Base year	Base year
2030 (our near-term target)	-50% absolute reduction	-30% absolute reduction	-33% absolute reduction
2050 or sooner	Net-Zero	Net-Zero	Net-Zero

Figure 5 – Targets extract from QinetiQ Net Zero Plan 2022[12]

This level of clarity in setting targets against a clear baseline year is not the norm across the cohort. In many cases there appears to have been a low focus upon full measurement and assessment of existing business impacts and consequently, non-binding long-term and broad-brush target setting is then evident, e.g., 'we will aim for net zero by 2050'.

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[11] https://www.thecorporategovernanceinstitute.com/insights/lexicon/what-is-green-hushing/

[12] https://www.qinetiq.com/en/our-company/sustainability/climate-change/net-zero

We noted several firms found it necessary to re-visit and re-calculate their baseline figures as the starting point for measuring future trends in carbon reduction. This probably indicates rapid learning as companies sign up to adopt standards and attain certified performance goals. Increasing numbers of employees are gaining skills in managing environmental issues and, external auditors often become involved in reviewing the processes and measuring systems that have been adopted. This forces a reassessment of initial assumptions and baseline measurements.

Ultimately, it will be continued pressure from shareholders, external investors and customers that will force companies to be more honest and transparent in their target setting and carbon reduction actions. Of course, better regulation by government to extend the scope and scale of coverage and the quality of reporting by organisations, would also drive rapid change.

Commitment to Net Zero

There is a difference between making a commitment to reducing carbon emissions and making a commitment to achieve Net Zero in line with the 2015 Paris Accord[13] and UK Government ambition. A number of companies have chosen to set targets which are aligned to a Net Zero ambition, again with tendency toward large companies, though even here 30% of large companies do not have evidence of ambition to achieve Net Zero:

Is there a clearly defined goal and date to reach Net Zero (or better)? Company Size	No Evidence	Some Evidence	Good Evidence
0-10 Micro	6		
10-50 Small	6		
50-250 Med	1	2	3
250+ Large	10	5	16
Total	**23**	**7**	**19**

Table 12 – Evidence of Commitment and Date to Achieve Net Zero

13 https://unfccc.int/most-requested/key-aspects-of-the-paris-agreement

We did not find evidence of a Net Zero commitment being set in the following companies:

Companies without evidence of a commitment to Net Zero
0-10 Micro
AJ Cocks Transport
Devizes Taxis Limited
Longford Farms Ltd
SALISBURY INVESTMENT CASTINGS
Transport SW
Westbury Car Auctions
10-50 Small
Hams Transport
Kinch Fuel Oils
Mike Garbutt Transport Limited
Moulton Bicycles
NovaCast
P D Manufacturing (Avon Group)
50-250 Med
SPC Europe
250+ Large
Airsprung Group PLC
DYSON
Herman Miller
Hills UK
Homebase
Ministry of Defence
Stonegate Farmers Ltd
T.J.Morris Ltd
Welton Bibby & Baron
Wiltshire College and University Centre

Table 13 – Companies Without a Commitment to Net Zero

Governance & Stakeholder Engagement

Our analysis shows a strong correlation between the existence of policy / targets and the existence of an appropriate management regime to manage these. Governance and stakeholder engagement logically flow from policy, and the evidence shows this is the case.

In general, a good system of governance, stakeholder engagement and clear responsibility at a senior level, is most likely to be associated with larger companies who have made progress on embodying policy, targets and reporting.

Reporting

To enable emission reporting, first a company must measure its direct consumption and emissions, plus those upstream in its supply chain and downstream of its operations. The Greenhouse Gas Protocol[14] is a widely recognised international standard that categorises emissions as shown in Figure 6 below, which distinguishes a company's emissions between direct and indirect to support organisations in their mitigation strategy.
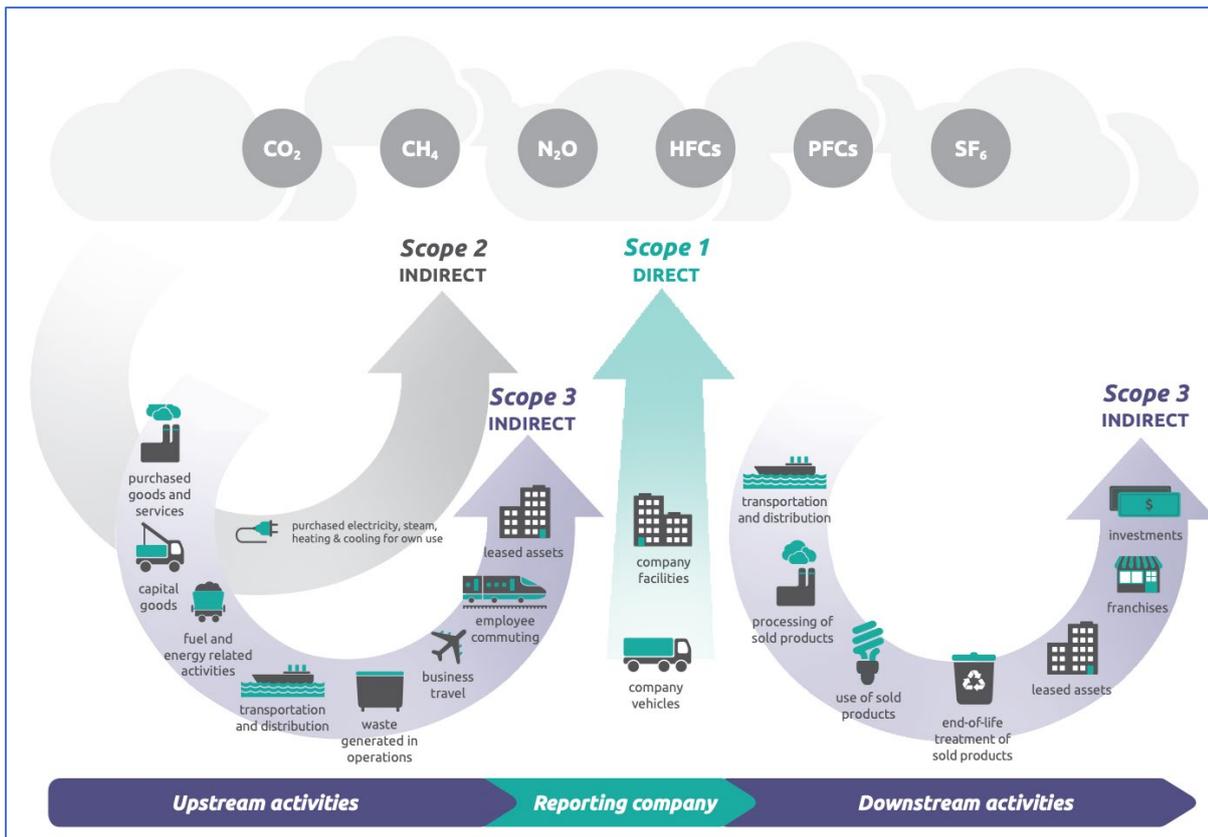

Figure 6 – Greenhouse Gas Emission Scopes

Not all categories will apply to all businesses. For those companies inside SECR regulation, they must identify and include their Scope 1 and 2 emissions in their reports. Scope 3 reporting is currently optional, however it is widely recognised that these represent a very significant proportion (i.e., estimates of over 75%) of a company's overall emission footprint, even if they are not entirely within company control.

Establishing and declaring a reporting boundary is an important step. For some companies, what they choose to leave out is more interesting than what they choose to include. Our assessment is unable to detect whether a company is measuring its emissions across all scopes, only whether they are reporting them. However, in the current economic and energy crisis it seems highly likely that any business would be closely monitoring and controlling at least energy and fuel consumption.

As general observation, our researchers found that clear definition of the reporting boundaries for businesses was uncommon, making it difficult for the external reader of these reports to understand what was included or omitted from the total company carbon footprint.

Of the cohort, 19 companies choose NOT to make any statement about their Scope 1, 2 or 3 emissions, as shown in the table below:

Companies without Scope 1, 2 or 3 emission reports
0-10 Micro
AJ Cocks Transport
Devizes Taxis Limited
Longford Farms Ltd
Salisbury Investment Castings
Transport SW
Westbury Car Auctions
10-50 Small
Hams Transport
Kinch Fuel Oils
Mike Garbutt Transport Limited
Moulton Bicycles
NovaCast
50-250 Med
SPC Europe
250+ Large
Accord SW Group
Airsprung Group PLC
Herman Miller
James Hay Pensions Trustees Limited
Siemens Mobility Limited
Wiltshire College and University Centre

Table 14 – Companies Without Emission Reports

The majority of micro and small businesses are not reporting emissions, which is consistent with the general pattern seen in this study. Of the 31 large businesses, only 6 were found not to measure and report their emissions. And even in these cases it seems unlikely they would fail to measure at least basic energy / fuel consumption data.

As a number of companies fall inside the SECR threshold (based on employee numbers only), we would expect them to be complying with at least the minimum reporting requirement for Scope 1 & 2 emissions. As stated, Scope 3 emission (upstream and downstream) reporting is currently optional in the UK. A good indicator of a larger company's commitment level is whether they manage and report their Scope 3 emissions.

Of the cohort, 25 companies claim to measure and report Scope 3 emissions of those we found that 16 have an associated Scope 3 reduction target as shown in Table 15:

Company Name – Scope 3 Reporting	In targets
AB Dynamics Anthony Best	Yes
ALDI Regional Office and Distribution Centre (Swindon)	Yes
Ark data centres	No target
Arla Foods plc	Yes
Avon Protection	No target
Cereal Partners UK	Yes
Coopers Tires & Rubber Co	Yes
DPD (parcel delivery)	Yes
Dyson LTD	No target
Good Energy	Yes
Great Western Hospital NHS trusts	Yes
Herman Millar ltd	Yes
Hobbs House Bakery	Yes
Homebase DIY stores	No target
Mini Plant Swindon / BMW Pressings	Yes
MOD	No target
Nationwide Building Society	No target
P & D Manufacturing (Avon Group)	No target
QinetiQ	Yes
Royal mail offices	Yes
Stonegate Farmers Ltd	No target
Tarmac Ltd - Lime and cement (Lafarge)	No target
Virgin media	Yes
Wavin plastic pipes	Yes
Wincanton Plc	Yes

Table 15 – Companies With Scope 3 Reports / Targets

The GHG Protocol has specific guidance for scope 3 emissions. [15] Scope 3 is focused on the value chain of a company, both upstream and downstream. In our sample, evidence of scope 3 emissions reporting following the GHG Protocol was found as follows:

Upstream:

1. Purchased goods and services: 5 companies.
2. Capital goods: 1 company.
3. Fuel and energy-related activities: 2 companies.
4. Upstream transportation and distribution: 5 companies.
5. Waste generated in operations: 10 companies.
6. Business travel: 13 companies.
7. Employee commuting: 10 companies.
8. Upstream leased assets: 1 company.

We are not surprised by Upstream categories 5,6 & 7 as these are all readily measured through normal business operations, if not for GHG then at least for cost and readily equivalence calculated to CO2e. These costs and emissions are completely inside a company boundary so are relatively simple to measure and control.

Categories 1,3 & 4 should also be relatively easy to measure and evaluate via the procurement function of a business, by placing a requirement upon the upstream suppliers and service providers to provide the required carbon impact data.

Downstream:

1. Downstream transportation and distribution: 3 companies.
2. Processing of sold products: 0 company.
3. Use of sold products: 1 company.
4. End-of-life treatment of sold products: 1 company.
5. Downstream leased assets: 0 company.
6. Franchises: 0 company.
7. Investments: 1 company.

Reporting on downstream emissions seems really poor. Very few companies appear to be making any concerted effort on downstream and yet it is the embedded carbon in use of the product or service which often dominates the end-to-end carbon content.

There is a much stronger tendency for companies to engage with their Upstream Scope 3 emissions than downstream. This is because they are able to use purchasing power to incentivise supplier change and because a number of upstream categories (such as business travel) are largely inside business direct operational control, are readily measured and converted to GHG CO2e. In fact, we found several examples where larger manufacturing businesses have implemented extensive supplier auditing and reporting systems to ensure that environmental impacts are included in selection of incoming materials and parts suppliers.

Outside of sector specific Downstream Scope 3 targets, much of what happens to goods and services once supplied, is in the hands of the user and beyond company control. It is, maybe, very difficult to measure product impacts during the use-phase, unless good quality assumptions can be made about the way goods and services are consumed (For example, applying an average annual vehicle mileage, fuel consumption and working product lifetime to all of the motor cars you have sold). One exception

may be 'as a service' offerings. Data Centres (storage/compute as a service) is a case in point where they have some control. Only one company appears to be investigating the ethical basis of investments.

It is disappointing, that after nearly two decades of increasing levels of Producer Responsibility[15] legislation in the UK & EU, (which sets specific duty on companies to contribute to the costs and record the volumes of end-of-life products being collected and recycled), there has not been an attempt to add-in the carbon impacts or benefits of these well-monitored, large-scale waste recovery activities. Long term data exists for recycling and recovery of materials in the Motor Vehicle, Electrical Products and Packaging sectors. This knowledge could be linked to life-cycle analysis data to create a reasonably accurate estimate of the Scope 3 end-of-life emissions impacts. Such systems could be extended to include other material & energy intense markets, such as textiles, clothing, furniture & sporting goods.

Perhaps cynically, if downstream Scope 3 emissions are directly proportional to volume of supply (as in 4 of the 7 categories), then firms will try hard to NOT include it in their calculations. For example, a fuel distribution business is unlikely to shout about the downstream Scope 3 emissions of a million gallons of delivered fuel oil, or a domestic appliance manufacturer focus on the embedded CO_2e in a million washing machines. And they are even less likely to shrink their businesses by selling less product!

However, the standard SECR report rules do insist that each annual report does include a representative industry 'emissions intensity ratio' which expresses the carbon intensity of the goods or services it supplies. This can be CO_2e/ UNIT sold or CO_2e/ tonne of output or £m sales. In this way a business can grow sales volumes while reporting a lower intensity ratio per unit delivered from the increased scale and efficiency of operations. For example, the 2022 Wincanton Carbon Intensity curve is shown in Figure 7 below:
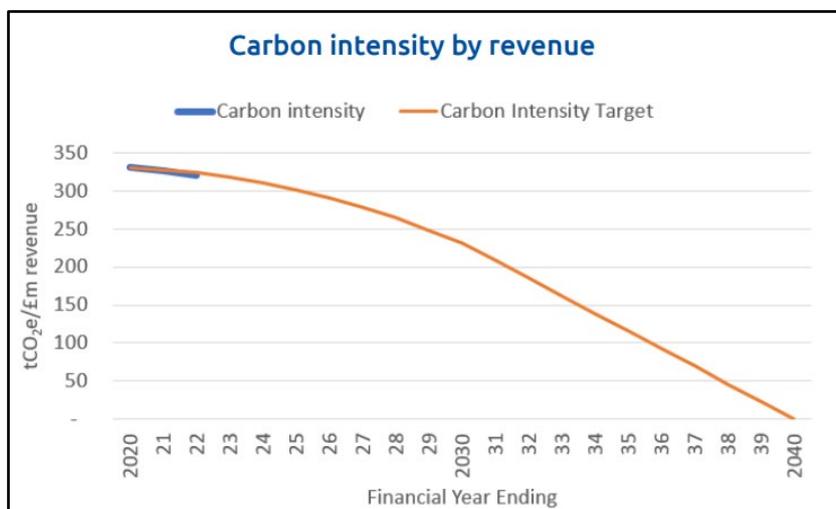

Figure 7 – Wincanton 2022 Carbon Intensity Curve

Equally important as *what* a company chooses to report is *how* it chooses to report it. Clear statements about adherence to international reporting standards, such as UN TFCD (Task Force on Climate-related Financial Disclosures) and other recognised reporting mechanisms (such as the Science Based Target Initiative, SBTI), provide high confidence in reported figures.

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[15] https://www.gov.uk/government/collections/producer-responsibility-regulations

In summary, highest credibility comes from a robust policy statement, well-defined targets within clear scope and timescale, a realistic carbon reduction plan and commitment to independent review and audit of published results.

Environmental Achievements & Quantified Performance

In this section we assess the evidence found to accurately report on actual progress that companies have made to reduce carbon emissions and achieve their set targets.

Initially we looked at those organisations which published quantified data to report on their performance outcomes since implementing their carbon reduction policies. We then reviewed the evidence in a more detailed study, to assess the following 4 test criteria:

Does the company:
- state a clear net zero target (end goal) within a set timeline
- describe a defined transition path to their end goal
- share evidence of progress in the last few (ideally 5) years
- indicate that they are on-track to meet their end goals

The result of this exercise is shown in Table 16 below:

Further analysis of Performance Reporting – best performers					
			Assessed Criteria		
Size	Companies	End goal	Transition	Progress	On track
250+ large	QinetiQ	Yes	Yes	Yes	No
250+ large	Tarmac	Yes	Yes	Yes	No
250+ large	Nationwide Building Society	Yes	No	Yes	Yes
250+ large	DPD Group UK Ltd	Yes	Yes	Yes	No
250+ large	D S Smith Packaging	Yes	Yes	Yes	Yes
250+ large	Royal Mail Group	Yes	Yes	Yes	Yes
250+ large	Virgin Media Ltd	Yes	Yes	Yes	Yes
50-250	Good energy Group Plc	Yes	Yes	Yes	Yes

Table 16 – Best Performing Reporters of Performance

The main observations on this reporting quality evaluation are:

- Only FOUR companies reported 'Yes' across all 4 criteria - D S Smith Packaging, Royal Mail Group, Virgin Media and Good Energy
- Four companies reported 'Yes' in 3 of the criteria - QinetiQ, Tarmac, Nationwide Building Society and DPD Group UK Ltd
- Only one of the best performers is in the Medium company size range – Good Energy.

Our conclusion from this simple analysis, is that strong evidence showing on-track performance to a clearly stated end-goal is still, very much, the exception in business reporting for our sample cohort.

Most companies are able to show progress over time. However, many of the firms have only been reporting since a 2019/2020 baseline year, while our research found latest reports related to 2021 year. This short period bridges the Covid-19 pandemic when business activity and production outputs were severely impacted. Few firms had data sets going back 5 years. Therefore, using extrapolation from a 2 or 3 data point trend-line to try to predict future performance is near-impossible. Trend data over the next few years will reveal if companies are able to report steady and continuous progress over an extended period, which clearly tracks toward Net Zero. For example, Wincanton's 'trend line' for last 3 years is shown in Figure 8:
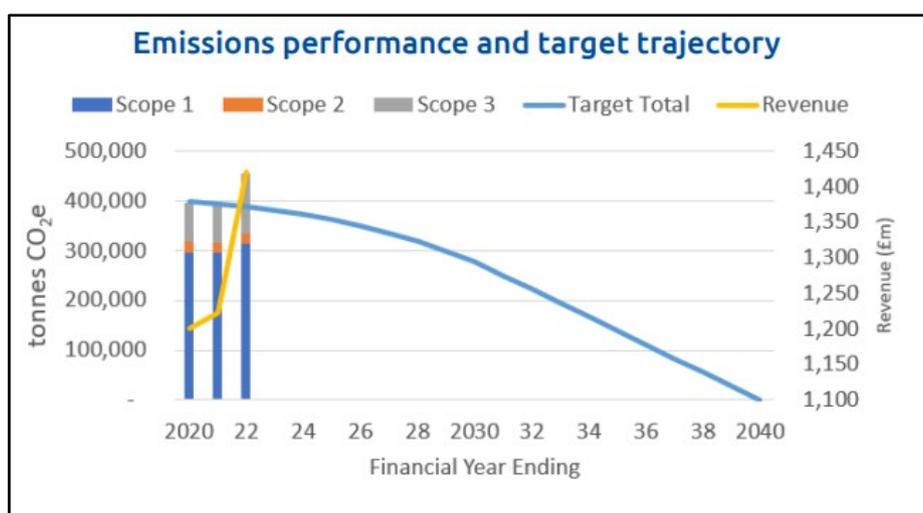

Figure 8 - Performance Trajectory from Wincanton Carbon reduction plan - 2022

The type of achievements described by firms in these early years of managing emission reductions can mostly be described as easy wins focussed upon direct sources of carbon. The most common projects found were:

- Switch to a green energy provider
- Install solar panels on roof of company premises.
- Company motor car fleet being converted to E.V. by 2025.
- Change all factory lighting to LED.

One would expect that in the next 2 – 3 years the potential for further large gains from these easy-win savings will be exhausted, after which companies will find it increasingly challenging to access further carbon reductions.

There is little evidence of companies really addressing the fundamental, core issues that dictate their primary sources of carbon impact. For example, manufacturing products which are made from a high-carbon feedstock (e.g., oil-based plastics) and use lots of heat-energy to mould those raw materials into a product (e.g., drainage pipes), is the core activity for one of the firms we assessed. Finding alternative raw material feedstocks with low-carbon footprints, changing to low-energy conversion technologies and finding a way to transport large pipes full of air, places a much greater challenge on a management team to keep up the rate of progress. Several of the manufacturing businesses we studied appear to be operating in these high-impact raw-material / high energy of conversion / high transport cost business models, in market sectors where there are currently very few viable alternative technologies that offer a significant basis for change (e.g., cement, bitumen, fuel supply, plastics, tyres, metal castings).

As an example of what 'Good' Carbon reporting looks like, Figures 9 & 10 are extracted from Good Energy's 2021 annual Report[16]. These show a high attention to detail, clarity about scope and a strong commitment to progress using science-based targets. Although, it is fair to comment that this is an office-based service business, so has a much simpler overall structure to its carbon footprint than a multi-site manufacturing company.
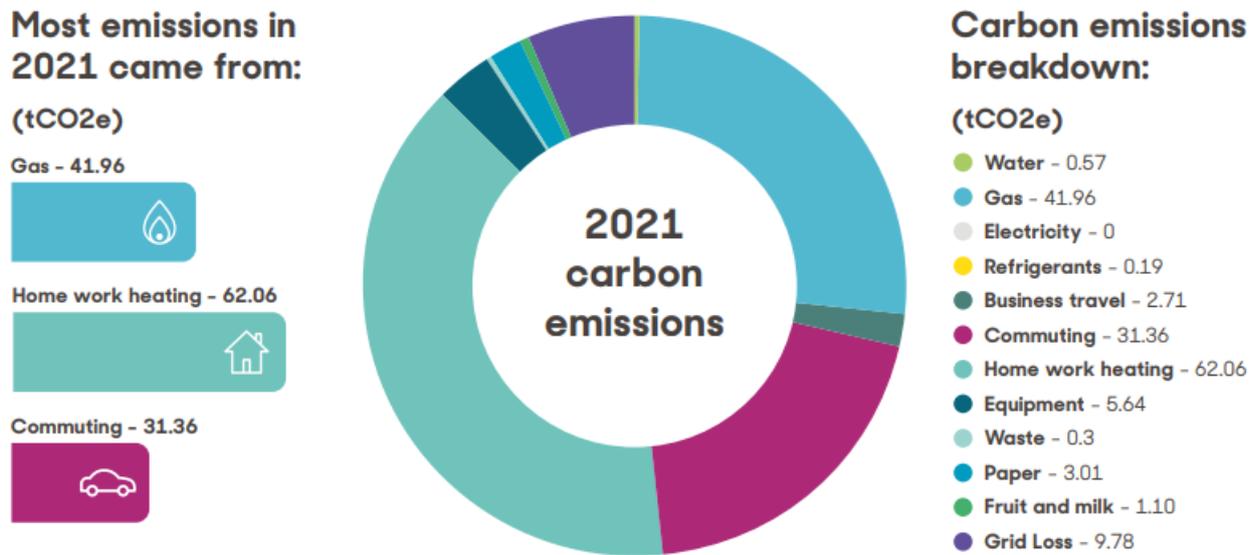
Most emissions in 2021 came from:

(tCO2e)

Gas – 41.96

Home work heating – 62.06

Commuting – 31.36

2021 carbon emissions

Carbon emissions breakdown:

(tCO2e)

- Water – 0.57
- Gas – 41.96
- Electricity – 0
- Refrigerants – 0.19
- Business travel – 2.71
- Commuting – 31.36
- Home work heating – 62.06
- Equipment – 5.64
- Waste – 0.3
- Paper – 3.01
- Fruit and milk – 1.10
- Grid Loss – 9.78

Figure 9 – Good Energy Emissions Report from Good Energy Annual Report 2021

Science Based Targets

Science Based Targets provide companies with a clearly-defined path to reduce greenhouse gas emissions, helping prevent the worst impacts of climate change and future-proof business growth. More than 2,000 businesses around the world are already voluntarily working with the Science-Based Targets initiative - and we're proud to be one of those organisations.

Targets are considered 'science-based' if they are in-line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

Our chosen target

We've chosen to commit to the more ambitious target of a 50% reduction across all scopes by 2030 (from a 2018 base year). We have already managed to reduce our emissions by at least 30% just from moving to a smaller office space. However, now we are including home working and supply chain emissions in our carbon reporting, we need to find a way to manage this and ensure our emissions don't increase.
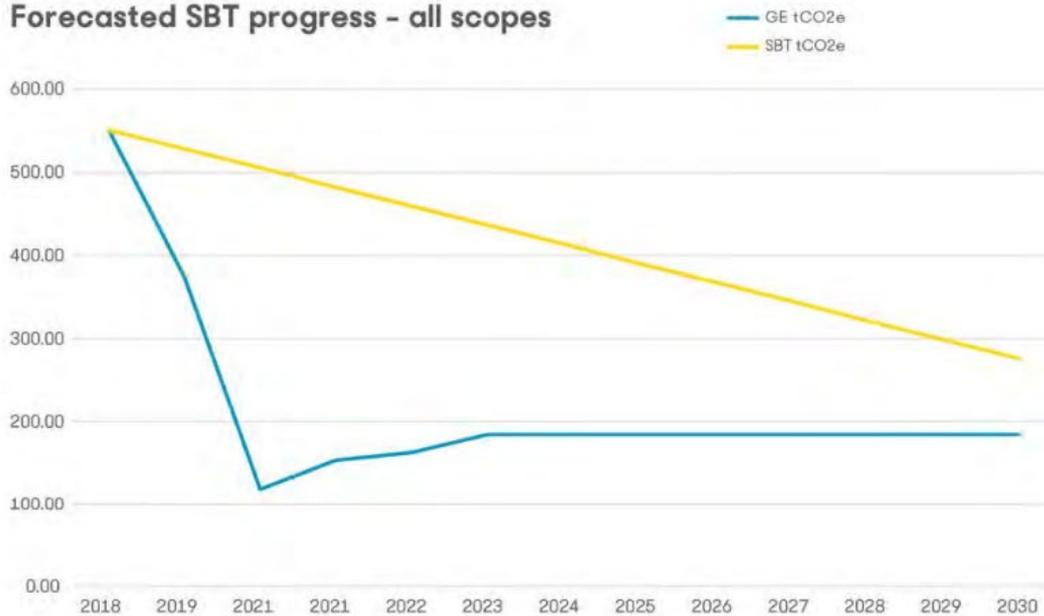

Figure 10 – Good Energy Target and Forecast Report from Good Energy Annual Report 2021

Findings and Observations

Based upon the above analysis of the numeric data, plus discussion around the main themes and patterns observed from studying qualitative, written evidence, the Business Work Team have reached the following results and conclusions from the project:

- The majority of progress on business carbon reduction is being made by large organisations who fall above the size threshold for statutory Streamlined Energy and Carbon Reporting (SECR) set by UK government in 2019. (i.e., Turnover > £36 million, >250 employees).
- Generally, these large organisations have started earlier on the journey to manage and report on their climate impacts. Shareholder pressure, investor scrutiny and brand values all contribute to drive strong policy, targets and better reporting of performance.
- The two medium sized enterprises (50 – 250 employees) falling within our top-nine ranking have strong environmental brand identity that motivates them to promote their carbon reduction performance to their customers, even though they are not regulated to do so.
- We found very little evidence of change in policy or action being taken to reduce carbon impact by small and micro sized businesses (below 50 employees).
- Well defined governance and a strong statement of policy delivers the best quantified targets and from that good performance tends to follow. Adherence to internationally recognised standards of management and reporting drives confidence in the end results.
- Most firms remain focussed on their Direct Emissions under Scope 1 & 2, with only 16 companies having set targets for Scope 3 reduction.
- Those that have addressed Scope 3 emissions are concentrating upon the Upstream supply-side categories that they can control via their procurement functions. Good evidence of managing and reporting on Downstream emissions is rare.
- The majority of performance reporting starts from baseline years in the 2018- 2020 period, so the short length of trend data makes it difficult to see if companies are 'on-track' to hit their 2030 milestone targets (and beyond).
- Our evidence suggest that most firms have focussed upon the 'easy wins' to make early gains in emission reduction (e.g., switching energy supply). In many cases the next big steps in reducing climate impact place huge challenges on the fundamental aspects of their core business model, where the major carbon impacts are firmly embedded within their traditional raw materials, product designs and choice of manufacturing technology.

Our Key Recommendations for Change are given on page 5 of the report, following the Executive Summary.

Advice for Business Owners and Managers

A further key observation that results from conducting this project is that a very broad range of knowledge, skills and expertise exists across the scale range of organisations studied. The visible evidence indicates that most large, consumer-facing brands have already mobilised significant numbers of experts and allocated large budgets to collecting and reporting on their environmental performance. However, within the small to medium sized organisations, which are typical of local Wiltshire business operators, the knowledge and understanding of the subject is still not widespread.

During 2023, the WCA Business Engagement team will be addressing this need by collaborating with those organisations working in the local business support workspace. We will be disseminating the learning gained from this study and finding out what help and resources are available to help managers in Wiltshire organisations to get started on their low-carbon journey.

A summary listing of the names and contact locations for some of those support services will be issued soon via the WCA website. In the meantime, we believe a good starting place for managing business carbon impact can be found at **Zero Carbon Business**[17]. This knowledge hub is packed with useful explanations of the key environmental terms, has excellent guides on what-to-do, with a focus upon key business sectors and lists available sources of funding and further support.

WCA Business Policy Report – February 2023

Authors and Key Research Team Members –

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Graham Wise – Research Team and Data Analysis, co Author

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Produced by many hours of volunteer research between June – December 2022.

The Business Engagement Work Group is part of the Wiltshire Climate Alliance :

https://www.wiltshireclimatealliance.org.uk/

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[17] **https://zerocarbonbusiness.uk/**

Annex A - WCA Business Engagement Group Objectives

The WCA Business group developed the following set of objectives in March 2022.

1. **Engage** <u>positively</u> with businesses and organisations operating within Wiltshire to:

   ▪ Increase sustainable best-practice in each sector.

   ▪ Reduce damaging climate and environmental impacts.

   ▪ Report and highlight both good and bad business practice.

2. **Collaborate** with existing stakeholder groups to:

   ▪ Collate, quantify and report relevant climate impact data.

   ▪ Identify and disseminate useful tools and guidelines.

   ▪ Promote the transition to sustainable business activity.

   ▪ Help local communities to support green commerce.

Annex B –Business Research Project Plan delivery

Task (a), to identify a sample list of firms, was approached by first asking the members of WCA to propose business firms they were aware of in their locality whom they judged to be having a significant impact upon the environment and were potential big carbon dioxide emitters. This created an initial list of about 25 suggested firms, which was then expanded by referring to list of all Wiltshire companies registered for business rates on premises. The scale and type of business selected was chosen to create a good spread across different sectors and to be broadly representative of the county's commercial make-up. This generated a sample list of 50+ firms with premises located within, and activities taking place, across Wiltshire.

Assessment Tool

Task (b), Assessment Methodology, required the team to develop a simple but comprehensive Business Assessment tool which could be used as a structured guide for researchers to investigate and evaluate the publicly available information about each targeted firm. A form was created consisting of a set of 45 questions and scored checkpoints which covered the main areas required in a comprehensive and complete business strategy for managing environmental climate impacts. The Business Assessment Form (BAF), can be found at Annex B.

The BAF section headings were selected following a study of the many different types of certification schemes, standards and guidelines (e.g., SBTI, GHG Protocol, UN SDG Goals etc) that are widely available to business managers in the Environmental and Sustainability workplace. (see Annex C - list of useful resources for business). In each of the above headings, a set of questions were created to provide a structured approach to the researchers, such as "Is there a clearly defined goal and date to reach Net Zero (or better)?"

To generate quantified results from the research and enable subsequent comparative analysis, each researcher was required to select a score between 0 – 10 based upon the following table, using their judgement about the quality and adequacy of evidence found.

Score Range	Status	Description of criteria
7 - 10	Green	'Good Evidence' - shows specific measurable targets with dates, use of statistics, qualified information
4 - 6	Amber	'Some evidence' - show some targets, with limited dates and limited use of statistics
0 - 3	RED	'No Evidence' - Shows no substantial data, targets, or data is unqualified

All researchers were asked to provide references to evidence their scoring decisions. Any relevant examples of tables, reports and diagrams used in the assessment were also saved to a central shared dataspace. Once complete, the assessment was peer reviewed.

Peer Review Process

To ensure assessments were made in a consistent and fair way, we implemented a simple Peer Review approach in which the scores and submitted evidence were independently reviewed by another researcher. Any discrepancies were then discussed, and changes were agreed before the final form was marked as 'complete'.

Company Review Opportunity

Every one of the 50 firms were contacted and asked if they wanted to review the completed Assessment Form and discuss the scores given. This provided a fair opportunity for each company to point out if correct, up-to-date and accurate information had been used. In addition, it was felt that this early engagement with companies might, in itself, provide some incentive to change and reflect upon the comments made by an external independent evaluation of their policy and actions. Only 3 firms took up this opportunity, but in two cases this did result in a useful and informative discussion with senior environmental and operations managers in local Wiltshire sites.

Project Team Management

Recruitment – (Task 'c') It was necessary to recruit a team of researchers with the right mix of skill and work-ethic to deliver the project. Two on-line volunteer recruiting websites were used for this – Reach Volunteering[18] and the FoE Action Network[19]. A volunteer role description was prepared and a series of informal interviews were held to select suitable people for the task, from which a small team was appointed to start delivering the research in July 2022.

Researcher Training - (Task 'd') A detailed guidance document was written to define a standard approach to the research task. All researchers were taken through an on-line training session into the described working method and provided with a copy of the working methodology. Help and advice was provided in one-to-one meetings to ensure that there was a common understanding of the method and to ensure that each individual research volunteer would obtain similar scores when assessing the same test company dataset.

During the research phase, from July to November 2022, regular workgroup meetings were held to build a team spirit and help volunteers with any issues or queries they were having in doing the research work.

By the end of November, 49 of the targeted firms had been reviewed, assessed and a peer reviewed BAF form uploaded to the central database. The task of data analysis and drawing out common learning points and conclusions could then be effectively delivered.

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[18] https://reachvolunteering.org.uk/org/wiltshire-climate-alliance/opportunities

[19] https://actionnetwork.org/mobilize-activists/

Annex C – The Business Assessment Framework

		Data / Question
Business Description	0.1	Business Name
	0.2	Legal registered Status
	0.3	Registered Number
	0.4	Brief Description (100w max)
	0.5	Type of Business
	0.6	Approximate Workforce Size
	0.7	Location(s)
	0.8	Number of Wiltshire sites
	0.9	Website
	1.0	Sales Revenue (UK £)
Environmental Policy	1.1	Does the company have a clearly stated environmental policy?
	1.2	Does the policy contain quantified commitments on the following?
	1.2.1	Carbon Footprint
	1.2.2	Energy use
	1.2.3	Transport
	1.2.4	Sustainable Supply Chain
	1.2.5	Other metrics (Scope 3 related)
	1.3	How long has the policy been in operation?
	1.4	Is it clear which areas of business operation have most climate impact?
	1.5	Is there a clearly stated review and improvement schedule?
	1.6	Is the organisation in a Regulated environmental high-risk category?
Targets / Goals	2.1	Is there a clearly defined commitment, with dates, to improve environmental performance?
	2.2	Is there a clearly defined goal and date to reach Net Zero (or better)?
	2.3	Is there a date to meet 1.5 / 2.0-degree Celsius climate change goals?
Reporting	3.1	Is there a clear statement on any Regulatory requirements to report?
	3.2	Is there clarity about the scope of business activities included in the report (Scope 1, 2, 3 emissions; geographic boundaries; omissions)?
	3.3	Are there clear published quantifiable data reports on goals and progress?
	3.4	Is the organisation part of a formal accreditation scheme for carbon emissions? - see guidance doc for examples
	3.5	If 3.4 = Yes, please state which scheme and date of last assessment
Stakeholder Engagement	4.1	Is there evidence of workforce engagement in policy?
	4.2	Is there evidence of supply chain engagement?
	4.3	is there evidence of customer engagement?
	4.4	Evidence of investor/shareholder/other engagement?
	4.4	Is there evidence of engagement with any other organisations (e.g. Woodland Trust, community energy group etc)?
Governance	5.1	Is there a named person who has overall environmental responsibility?
	5.2	What level of authority does that person have?
	5.3	Is there evidence that environmental policy has been adopted and integrated with all business functions by managers?
	5.4	Are business benefits highlighted from the delivered climate strategy (e.g., linking climate related changes to improved performance / financial / brand / staff attitudes etc)?

	6.1	Has the company implemented any of the following measures?
Environmental Achievements	6.1.1	Renewable energy sources
	6.1.2	EV for company vehicles
	6.1.3	Transport schemes for staff (e.g., cycle to work)
	6.1.4	Recycling (in house, customer, supply materials)?
	6.1.5	Water saving
	6.1.6	Carbon offset schemes
	6.1.7	Sustainable supply chain
Quantified Performance	7.1	Is there numeric data showing progress against targets to a timescale?
	7.1.1	Carbon emissions (Scope 1, 2, 3)?
	7.1.2	Energy use
	7.1.3	Transport
	7.1.4	Waste level
	7.1.5	Water use
	7.1.6	Raw materials
	7.1.7	Other metrics
	7.2	Is progress on track to meet set targets by the target date?
Overall Opinion	8.1	Name of Assessor / Peer Reviewer
	8.2	Overall Score
	8.3	Summary Opinion of firm's sustainability policy and performance (max 250 words)

Annex C – The Business Assessment Framework (continued).

End of Document