

BAUER
CONSULTANTS

Sustainability
Policy

**Our Decade
of Action**

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Sustainability Policy

Eran N BAUER MEPS
Director

Company Policy dated 02.08.2021

Sustainability Policy

OUR DECADE OF ACTION POLICIES

Our Commitment to Sustainability

Bauer Consultants Ltd identifies sustainable development as development '*meeting present needs without compromising the ability of future generations to meet their own needs*'.

It recognises that sustainability is a process of ensuring the wise use of all resources within a framework in which environmental, social and economic factors are integrated and balanced.

This means improving the quality of life both now and for generations to come.

Bauer Consultants, in partnership with other organisations, recognises its' responsibility for the environment of Lincolnshire and the United Kingdom, for the Countries current and future prosperity and for the health and well being of its people and that sustainability is a local, regional, national and global responsibility.

Bauer Consultants will meet its commitment to sustainability through the services it provides and in the way it operates as an organisation.

Responsibility

The corporate responsibility for this policy rests with the Directors, management and all employees of Bauer Consultants



Eran N Bauer
Director

12th January 2021

Aims of CDS Sustainability Policy

Bauer Consultants seeks to build on its Environmental Policy and undertakes to:

1. Demonstrate leadership in sustainability across the region and globally

Bauer Consultants will:

- Set best practice standards
- Meet and surpass requirements of environmental legislation targets, at a global, national, regional and local level
- Build partnerships and projects that create learning and business networks
- Take account of the interest on future generations when making decisions
- Comply with ISO 40001 doctrine and best practices
- Follow ISO 9001 best practices - Fully Certified – See Quality Policy Documentation

2. Accountability in corporate performance

Each team will:

- Make whole life costs integral to the delivery of all our services
- Encourage employees and contractors to incorporate informed sustainability perspectives within their work
- Operate in ways that balance social and economic impact and minimise any adverse impacts to the local community
- Deliver an improved quality of life for our customers
- Adopt ISO 40001 mandates and procedures towards full Certification
See separate CDS ISO 40001 policy document
- Follow ISO 9001 best practices - Fully Certified – See Quality Policy Documentation

3. Accountability in service delivery

Each service will:

- Develop sustainable procurement procedures within all elements of the supply chain
- Encourage repair, reuse and recycling ahead of the responsible disposal of surplus materials, and minimise waste generation
- Maximise the efficient use of energy and materials
- Increase the use of renewable resources
- Take positive actions promoting continual improvement in sustainability performance
- Set and achieve clearly defined sustainable development objectives and targets
- Recognise, celebrate and reward achievement in order to promote Bauer Consultants as a sustainable organisation
- Develop the capacity of staff to promote the understanding of the principles and practice of sustainability
- Follow ISO 40001 Policy defined in separate Bauer Consultants documentation
- Follow ISO 9001 best practices – Fully Certified – See Quality Policy Documentation

4. Measuring progress and impact

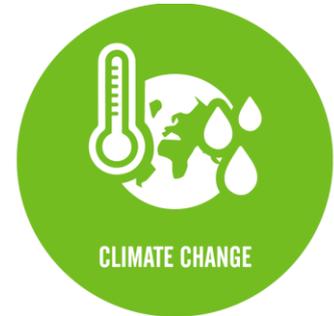
Bauer Consultants will:

- Set indicators to measure progress
- Encourage other partners to adopt sustainable best practice
- Carry out an annual review of this policy and action plan
- Adopt ISO 40001 best practices towards full ISO 40001 Certification
- Follow ISO 9001 best practices - Fully Certified – See Quality Policy Documentation

OUR DECADE OF ACTION

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01 - Introduction

BAUER CONSULTANTS IS DELIGHTED TO LAUNCH OUR DECADE OF ACTION ON SUSTAINABILITY. IT SETS OUT OUR AMBITION TO BE CARBON NEUTRAL BY 2040 AND PROTECT NATURAL RESOURCES.

OUR VISION

To be a global and national leader in sustainable manufacturing, supply and product recovery

Using recycled materials to create new products has a huge environmental impact, saving between 50% and 90% of the energy and water consumed to create the virgin equivalent. We recycle about 10 million tonnes of metals and plastics every year, resulting in savings of around 10 million tonnes of CO₂.

However, our products don't come without some environmental cost. Imagine being able to say that we create these sustainable materials with a net-zero carbon footprint. To achieve this, we need to go on a journey that explores new technologies and ways of working to design carbon out of our business.

OUR SUSTAINABILITY GOALS

BE THE PARTNER OF CHOICE FOR MATERIALS MANUFACTURE, SUPPLY AND RECOVERY IN A CIRCULAR ECONOMY

We will invest in the best available technology to minimise the environmental impacts of our manufacturing and supply cycle. We will work with our customers to create the highest quality sustainable materials and deliver industry leading recycling rates to minimise the amount of waste that goes to landfill.

BE CARBON NET ZERO BY 2040

We have set out an ambitious, practical roadmap to make a significant impact on our carbon footprint by 2030, with a goal of a net-zero carbon footprint by 2040. We will do this by measuring our scope 1, 2 & 3 emissions and setting sensible but challenging targets. Where possible we have aligned ourselves with internationally recognised programmes, so our efforts have clear direction and can be externally validated.

OUR APPROACH

It's easy to be blinded by the science of climate change as it's a profoundly complex issue. We want everyone to 'get it', so we have used a simple framework designed by The Climate Group. These initiatives are a pragmatic approach to creating impactful, time-bound change, supported by the best science.

The Bauer Consultants Way is that WE CARE, and WE DO, and we need to DO this in the right way. We have been inspired by businesses that are ahead of us on this journey.

They do not see the environment and economic performance as a trade-off. With persistence and creativity, they have found ways of improving both. In fact, they have found them to be complementary. So, as we set off on this journey, there can be no compromise on the economic performance of the business – to do so is the path to mediocrity.

WE MUST BE AT OUR COMMERCIAL AND ECONOMIC BEST TO CONTINUE TO INVEST IN OUR FUTURE.

Our Decade of Action marks the start of an exciting journey for Bauer Consultants, and I look forward to sharing our progress as we work towards our ambitious milestones.

Eran N BAUER MEPS
Director

02 - The Why

THE HUMAN AND ECONOMIC COSTS OF THE COVID-19 PANDEMIC HAVE BEEN TRAGICALLY HIGH. IT HAS FORCED US TO PAUSE AND THINK ABOUT THE RESILIENCE OF OUR NATIONS AND BUSINESSES. WE UNDERESTIMATED THIS RISK AND WERE GLOBALLY UNDERPREPARED. IT WAS UNEXPECTED – A BLACK SWAN EVENT.

CLIMATE CHANGE IS MUCH MORE CERTAIN, AND ECONOMISTS AGREE THAT THE IMPACT WILL BE MUCH MORE PROFOUND, IT'S JUST UNFOLDING IN SLOW MOTION BEFORE OUR EYES.

COVID-19 has also given us insight into the scale of the climate change challenge. The International Energy Agency is predicting an 8% drop in CO2 emissions in 2020. If this was repeated every year for a decade it would be roughly in line with the pathway to limiting global temperature increase since pre-industrial levels to below the 2°C target set out in the Paris Agreement 1.

Adapting business models to climate change will take time, but it is critically important to start and get on the learning curve or we risk falling permanently behind. Environmental disruption is happening and accelerating. This change is putting business reputation, customer loyalty and employee trust at risk. It is also clear that governments, lenders, and investors will increasingly connect stimulus measures, funding, and investment to cleaner and greener business models.

If we are a company that **CARES**, we must play our part in support of these long-term global climate change goals. Think of this as our legacy for the next generation.

We want to be able to say that we worked hard to show leadership in the face of a such a global challenge.

The Paris Agreement is a landmark environmental accord that was adopted by nearly every nation on Earth in 2015 to address climate change and its negative impacts. The deal aims to substantially reduce global greenhouse gas emissions to limit the global temperature increase in this century to 2°C above pre-industrial levels, while pursuing means to limit the increase to 1.5°C.

03 - The HOW

We have built our sustainability strategy around four programmes:

- ENERGY PRODUCTIVITY
- RENEWABLE ELECTRICITY
- MOVEMENT OF PEOPLE
- MATERIAL HANDLING & MOVEMENT.

Over the next decade, we will take significant action in these areas to reduce the carbon intensity of our business, on our journey to be carbon net-zero by 2040.



04 - ENERGY PRODUCTIVITY

RESEARCH FROM THE INTERNATIONAL ENERGY AGENCY, SUGGESTS IMPROVEMENTS IN ENERGY EFFICIENCY CAN DELIVER OVER 40% OF THE GREENHOUSE GAS EMISSIONS REDUCTION REQUIRED TO MEET THE < 2°C PARIS TARGET.

Electricity and fuel are significant drivers of our operating costs. The lens of energy productivity allows us to look at the business in a different way, to challenge established ways of working. Technology and energy markets are also changing at an unprecedented pace. Innovation is essential to our future competitiveness. By creatively looking at our energy efficiency, we can have a big impact on our costs at same time as reducing our greenhouse gas emissions.

Through **EP100** we have committed to implement an Energy Management System across the business. The bulk of our energy use is consumed in the physical handling, processing, and movement of recycled materials, so energy productivity is limited by physics. However, we have committed to delivering a minimum 10% improvement in group energy use per tonne of material manufactured, supplied, handled and shipped by 2030.

OUR DECADE OF ACTION:

- Baseline our total energy consumption including electrical energy, diesel, gas oil, petroleum and LPG
- Develop an Energy Management System for roll-out across the business
- Introduce energy efficiency targets on primary manufacturing site and all storage sites
- Perform regular energy efficiency audits
- Provide company-wide staff training in energy efficiency
- Replace legacy equipment with more energy efficient alternatives
- Educate our colleagues in energy efficiency and lean techniques to do more with less

ENERGY PRODUCTIVITY

Energy Management System implemented at our primary manufacturing site Demonstrable improvement in total kWh/Tonnes handled from 2020 baseline

05 - RENEWABLE ELECTRICITY

PRIVATE SECTOR ELECTRICITY USAGE ACCOUNTS FOR TWO-THIRDS OF THE WORLD'S ELECTRICITY DEMAND. BUSINESSES ACROSS THE GLOBE CAN INFLUENCE THE UPTAKE OF RENEWABLE ENERGY TO CONTAIN GLOBAL TEMPERATURE RISE IN LINE WITH THE PARIS AGREEMENT.

Renewable energy is available across the territories in which the EMR Group operates. Switching our sites to run on renewable power is an ambitious, but achievable way to become net carbon neutral across scope 2 emissions. Through **RE100** we have committed to power our operations with 100% renewable electricity by 2030.

Under the **RE100** criteria, we are committed to sourcing 100% renewable electricity through a combination of producing renewable energy from our own facilities and procurement from third party suppliers.

This electricity will be generated from sources, including biomass, geothermal, solar, water and wind.

OUR DECADE OF ACTION:

- Influence renewable electricity procurement from third party suppliers
- Implement our own renewable electricity generation technology where feasible
- Where not feasible, work with suppliers to purchase electricity from renewable sources
- Where possible commit to sourcing 'new renewable electricity' to support 'greening of the grid' circumstances

RENEWABLE ELECTRICITY

2023 - Renewable electricity purchases at 30% total use

2023 - Renewable electricity purchases at 60% of total use

2026 - Renewable electricity purchases at 100% of total use

06 - MOVEMENT OF PEOPLE

WE ARE CURRENTLY WITNESSING THE DEMISE OF THE INTERNAL COMBUSTION ENGINE FOR PERSONAL TRAVEL AND COVID-19 HAS ACCELERATED THE DIGITALISATION OF HOW WE WORK. GOVERNMENTS ALL OVER THE WORLD ARE MOBILISING THE TRANSITION TO ELECTRIC VEHICLES. ELECTRIC VEHICLES ARE CHEAPER TO RUN AND MAINTAIN AND IMPROVE AIR QUALITY.

Electrification of our vehicles offers a further opportunity to reduce the carbon footprint of our business and save money. Technology solutions for commercial vehicles are still some way off, but we feel confident in addressing personal transport and smaller commercial vehicles within 10 years.

Through **EV100** we have committed to switch 100% of our fleet of light commercial vehicles to 100% battery electric, plug-in extended-range hybrid or hydrogen vehicles by 2030.

OUR DECADE OF ACTION:

- Review the transport needs of the business
- Embrace remote working and digital methods of communication
- Develop a 'group-wide' sustainable transport policy
- Review current vehicle procurement and leasing arrangement arrangements to start our transition to low carbon vehicles
- Roll-out group-wide charging infrastructure
- 30% of our cars and light commercial vehicles transitioned to electric vehicles 10% of small goods vehicles transitioned to electric vehicles
- 60% of our cars and light commercial vehicles transitioned to electric vehicles 30% of small heavy goods vehicles transitioned to electric vehicles
- Finally, 100% of our cars and light commercial vehicles transitioned to electric vehicles 50% of small goods vehicles transitioned to electric vehicles

07 - MATERIAL HANDLING & MOVEMENT

MANUFACTURING AND SUPPLY INDUSTRIES LIKE OURS STILL FACE TECHNOLOGY CHALLENGES WHEN IT COMES TO MOBILE MATERIAL HANDLING EQUIPMENT, GOODS VEHICLES AND SHIPPING. WHILE WE NEED TO SET THIS IN THE CONTEXT OF OUR EMISSIONS SAVINGS RELATIVE TO VIRGIN MATERIALS, THERE'S STILL HUGE SCOPE TO IMPROVE. TECHNOLOGY IS LAGGING IN THIS AREA BUT CHANGE IS ONLY A MATTER OF TIME.

It is already clear that for certain applications electrically powered mobile plant is cheaper to operate, lasts longer and has fewer maintenance issues. Unfortunately, the current applications of this equipment are limited. Existing technology, battery capacity and access to power are the main constraints, however, there have been significant advances in fuel efficiency with the deployment of hybrid and energy recovery technologies. We have also seen economic benefits in mobilising electric technology using portable generators.

While they still use fuel, they have the potential to be plugged in for certain applications. Heavy goods vehicles and shipping are a global challenge, so we are not alone in our ambition to de-carbonise this aspect of our business. Short to medium term solutions are likely to come in the form of bio and synthetic fuels. Longer term perhaps this is battery electric or hydrogen.

We acknowledge this is a longer-term objective and one that requires considerable technological development. We will actively engage with our equipment suppliers to seek appropriate ways in which we can introduce alternative technologies into our material handling and material movements.

2023 - We aim to have 5% of new material handling equipment and heavy goods vehicles to be powered by alternatives such as electrical, hybrid, fuel cell and/or bio-fuel sources.

2030 - We aim to have 10% of new material handling equipment and vehicles to be powered by alternatives such as electrical, hybrid, fuel cell and/or bio-fuel sources.

2026 - We aim to have 20% of new material handling equipment and vehicles to be powered by alternatives such as electrical, hybrid, fuel cell and/or bio-fuel sources.

If in the meantime technology exists to convert existing old-technology systems to alternatives, the Company will assess, budget for and then invest in those add-on or retrofitted alternatives

MILESTONES - OUR DECADE OF ACTION:

- Review the plant and equipment needs of our business
- For all mobile plant investments, evaluate the electric or low carbon alternatives
- Work with suppliers to advance technologically feasible low/zero carbon options for equipment replacement
- Review current vehicle procurement and leasing arrangements
- Work with suppliers of freight services to advance low carbon freight throughout the supply chain
- Educate our colleagues in energy efficiency and lean techniques to do more with less



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**CHANGE
CLIMATE
CHANGE**

**OUR DECADE OF
ACTION**