

PPN 06/21 - Carbon Reduction Plan

Company name: Day's Rental

Publication date: August 2024

Commitment to achieving Net Zero

Day's Rental is committed to reducing their greenhouse gas (GHG) emissions in line with UK government targets to achieve Net Zero emissions by 2050.

Baseline GHG Inventory

The baseline emissions inventory for Day's Rental serves as the benchmark from which our GHG reduction targets have been established. This baseline allows Day's Fleet to measure and track GHG emission reduction progress effectively. The organisational boundary of this GHG inventory was established using the operational control approach as defined in the WRI GHG Protocol – Corporate Accounting and Reporting Standard. This approach allows the business to directly influence emission reductions and implement necessary measures to achieve them. This inventory encompasses all Scope 1 and 2 emissions, as well as the relevant Scope 3 categories as specified in PPN 06/21, where applicable. For further details on the calculation methodology, please refer to Appendix A.

Scope	Activity	Tonnes CO2e	% of total footprint
	Scope 1: Natural Gas	32.98	5.8%
Scope 1 - Direct Emissions	Scope 1: Vehicle Fuel	40.34	7.0%
	Scope 1: Subtotal	73.32	12.8%
	Scope 2: Purchased Electricity (Location Based)	135.30	23.7%
Scope 2 - Indirect Emissions	Scope 2: Purchased Electricity (Market Based)	0.00	0.0%
	Scope 2: Subtotal	135.30	23.7%
Scope 3 - Other Indirect Emissions	Category 3: Fuel and Energy-Related Activities	60.12	10.5%
	Category 4: Upstream Transportation and Distribution	156.69	27.4%
	Category 5: Waste Generated in Operations	16.00	2.8%
	Category 6: Business Travel	0.00	0.0%
	Category 7: Employee Commuting	130.50	22.8%
	Scope 3: Subtotal	344.20	63.5%
	Total GHG emissions (Scope 1 to 3)	571.93	100%
	GHG Intensity (tCO2e/£m Fleet Valuation)	2.53	

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Additional Details relating to the Baseline Emissions calculations.

The emissions baseline for Day's Rental has been updated from 2021 to 2023. This change is due to the unprecedented global events and economic disruptions caused by the COVID-19 pandemic, significantly impacting operations in 2021 and 2022. As a result, the greenhouse gas (GHG) data from these years do not represent typical operations. Additionally, a new facility was acquired at the end of 2022, with operations ceasing at a different location, resulting in a significant increase in absolute emissions. These operational changes, combined with conditions stabilising, mean that 2023 is a more accurate baseline for setting GHG reduction targets in line with climate science. For full transparency, historical emissions data for 2021 and 2022 will be included in Appendix B. Some of the historical data has been recalculated, please refer to Appendix A for details.

Current Year GHG Inventory

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Scope	Activity	Tonnes CO2e	% of total footprint
	Scope 1: Natural Gas	32.98	5.8%
Scope 1 - Direct Emissions	Scope 1: Vehicle Fuel	40.34	7.0%
	Scope 1: Subtotal	73.32	12.8%
Scope 2 - Indirect Emissions	Scope 2: Purchased Electricity (Location Based)	135.30	23.7%
	Scope 2: Purchased Electricity (Market Based)	0.00	0.0%
	Scope 2: Subtotal	135.30	23.7%
Scope 3 - Other Indirect Emissions	Category 3: Fuel and Energy-Related Activities	60.12	10.5%
	Category 4: Upstream Transportation and Distribution	156.69	27.4%
	Category 5: Waste Generated in Operations	16.00	2.8%
	Category 6: Business Travel	0.00	0.0%
	Category 7: Employee Commuting	130.50	22.8%
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	Total GHG emissions (Scope 1 to 3)	571.93	100%
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Emissions Reduction Targets

In alignment with our commitment to Net Zero, Day's Rental have established the following GHG reduction targets, using 2023 as the baseline year for measurement and comparison. Progress to meet Net Zero emissions by 2050 can be observed in figure 1.

- **Short-Term Target 1:** Achieve a 45% absolute reduction in Scope 1 and Scope 2 emissions by 2033.
- **Short-Term Target 2:** Commence engagement with key vehicle manufacturing partners by the end of 2027 to gain comprehensive understanding of upstream and downstream transportation and distribution emissions. This includes collecting detailed information on logistics, distances travelled, and methods of transportation used for vehicle delivery.
- **Medium Term Target 1:** Achieve a 70% absolute reduction in Scope 1 and Scope 2 emissions by 2043.
- **Medium Term Target 2**: Achieve a 70% absolute reduction in Scope 3 emissions by 2043.
- **Long Term Target:** Reduce emissions from all Scopes to residual levels by 2050, in line with global climate goals.

Figure 1 – current carbon emissions against emissions projection in line with Net Zero by 2050.





Intensity Metric

To effectively measure and track progress toward reducing greenhouse gas (GHG) emissions while considering business growth, Day's Rental has adopted an intensity-based metric. This metric calculates the tonnes of CO2 equivalent (tCO2e) emissions per unit value of our total fleet, expressed in millions of British pounds (£m).

Using this intensity metric allows Day's Rental to align carbon reduction efforts with the scale and growth of the business. As our fleet expands, this metric provides a more accurate reflection of the efficiency of Day's Rental in reducing emissions relative to the size of operations. This approach ensures that our GHG reduction targets remain ambitious and attainable, even as Day's Rental continue to grow and develop our services. We are committed to a steady and realistic reduction in our emissions intensity each year.



Carbon Reduction Projects

To encourage reductions in our environmental impact across all our operations we have:

- Maintained ISO14001 accreditation for our Environmental Management System since 2013.
- Developed and implemented an Environmental Policy that outlines our commitment to environmental responsibility across all operations.
- Conducted annual environmental awareness training for all staff through the iHASCO platform. This training covers key areas such as understanding the environment and its challenges, focusing on the workplace's role in resource management, waste handling, and recycling, as well as empowering individuals to reduce their carbon footprint through simple, impactful actions.
- Reduced paper use through digital document storage and online e-signatures.
- Implemented water recycling in vehicle valet bays.
- Enhanced our online information on electric / alternative fuel vehicles to assist clients in making informed choices, supporting their transition away from internal combustion engine vehicles.
- Partnered with Pod Point to provide customers with a recommended supplier for workplace solar EV charging points.

To reduce our Scope 1 and Scope 2 emissions, we have:

- Conducted energy usage audits to identify and improve energy leakages.
- Implemented an Energy Management Programme to monitor energy usage continuously.
- Appointed Energy Management Champions at each site to inspire staff to create energy saving changes.
- Installed sensor lighting and removed traditional light switches throughout all of our premise to control and reduce lighting runtime.
- Replaced older, less efficient light bulbs with modern, lower consuming LED alternatives.
- Switched all electricity supplies to British Gas 'Zero Carbon Electricity' which is backed by a mix of Renewable Energy Guarantees of Origin and nuclear declarations.
- Ensure all AC units are serviced and fully maintained to ensure optimal running efficiency, minimise waste runtime and subsequent electricity consumption.
- Provided electric or hybrid vehicles to staff where possible.

To further reduce our Scope 1 and Scope 2 emissions, we plan to:

- Continue to implement Energy saving measures identified from Energy Audits which are yet to be actioned.
- Replace existing inefficient heating systems with new more efficient alternatives
- Increase the number of electric vehicles charging points across all sites.
- Evaluate the viability of implementing voltage optimisation of electricity connections and further energy recycling of energy through kinetic energy harvesting.
- Continue to provide electric or hybrid vehicles to staff where possible.
- Enhance our Sustainable Travel Policy.
- Install Solar Panels to our Gorseinon Site to generate electricity on-site.



To reduce Scope 3 Category 4 – Upstream Transportation and Distribution emissions, we have:

- Prioritised using the most environmentally friendly vehicle transportation methods whenever possible.

To further reduce Scope 3 Category 4 – Upstream Transportation and Distribution emissions, we plan to:

- Engage with our value chain to improve the quality of data used for emissions calculations, aiming to transition away from using spend-based methodologies. This will allow for the establishment and monitoring of reduction strategies.

To reduce Scope 3 Category 5 – Waste Generated in Operations emissions, we have:

- Reduced the number of general waste bins in office areas to encourage reducing, reusing, and recycling.
- Installed recycling stations throughout offices.

To further reduce Scope 3 Category 5 – Waste Generated in Operations emissions, we plan to:

- Investigate into how we can obtain accurate weight data for the collection of all waste streams for the sites that currently cannot obtain this.
- Collaborate with general waste collection service providers to ensure that all waste is diverted from landfill, either by selecting new suppliers or influencing existing suppliers to adopt disposal methods such as incineration.

To reduce Scope 3 Category 7 – Employee Commuting emissions, we have:

- Created a cycle to work scheme that is available to all employees.

To reduce Scope 3 Category 7 – Employee Commuting emissions, we plan to:

- Encourage employees to car share where possible.

To reduce emissions beyond our own value chain, we have/plan to:

- Invest in carbon offset projects across the world to mitigate our own carbon footprint
- Plant a minimum of 100 trees each year locally by 2025.



Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Signature:	U. Weny.
Name:	Michael McCarry
Position:	Managing Director Day's Rental
Date:	3 rd March 2025

¹<u>https://ghgprotocol.org/corporate-standard</u>

²https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

³<u>https://ghgprotocol.org/standards/scope-3-standard</u>



Appendix A – Supporting Notes

Methodology

GHG emissions have been calculated in accordance with the WBCSD-WRI Greenhouse Gas Protocol -Corporate Accounting and Reporting Standard, produced by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). This is a globally recognised standard and is best practice for a carbon footprint calculation.

Day's Rental categorises its GHG Emissions as Scope 1, 2 or 3 as referred to in the WBCSD-WRI GHG Protocol. The scope boundary of this GHG inventory was determined using the operational control principle defined in the WRI GHG Protocol – Corporate Accounting and Reporting Standard.

Scope 1 and 2 emissions have been calculated in line with the Streamlined Energy Carbon Reporting requirements. Gas and electricity activity data has been collated by our energy consultants (Purchase Direct Ltd) for all utility supplies across the company's estate. For sites where it was not possible to obtain primary data, an estimation based on a site of similar size and operation was applied. An analysis of fuel card transactions and an audit trail of fuel used from bulk fuel stores has been conducted to determine the proportion of diesel and petrol fuel purchased. This proportional split has then been applied to the annual business mileage recorded for the purposes of calculating vehicle fuel emissions.

The relevant Scope 3 categories have been calculated as follows:

4. Upstream transportation and distribution - Upstream transport and distribution emissions for Day's Rental have been estimated using a spend-based method based on the costs of transport logistics.

5. Waste Generated in Operations – Where possible, primary data on the weight of collections for different waste streams from different sites has been collated. Where this data has not been collected, it has been assumed that each and every bin collection has been at maximum weight capacity, which is determined via the capacities provided by our outsourced waste brokerage.

6. Business Travel – Business travel emissions for Day's Rental, which are negligible, primarily originate from hotel stays, calculated based on the total number of room nights. Business travel is conducted using cars owned or operated by Day's Rental, which is therefore included within the company's Scope 1 emissions.

7. Employee Commuting - Uses total daily mileage for each employees' commute against an estimated average number of days commuted each week per employee. This is extrapolated to an annual figure based on an assumption that there is 48 working weeks in the year. It is assumed that all transport is of average size.



Carbon multipliers, fuel densities and calorific values have all been sourced from UK Government DEFRA's 2021 & 2022 conversion factors⁴ (unless otherwise stated within backing data) and emissions have been expressed in terms of Carbon Dioxide Equivalent (CO₂e).

All emission factors used within calculation methods have been noted within the backing data. Where specific emission factors for Scope 3 products and services are not yet available either within UK Government DEFRA's conversion factors for the relevant year, from the source, supplier, or within the relative industry, annual spend against Standard Industrial Classification (SIC) codes have been used. Relative emissions have been calculated using the Office for National Statistic's Atmospheric emissions: greenhouse gas emissions intensity by industry⁵. Every effort will be made to work with suppliers and manufacturers in order to obtain the most accurate emission factors in future.

GHG emissions intensity figures within the Office for National Statistic's Atmospheric emissions: greenhouse gas emissions intensity by industry, were calculated by dividing the level of GHG emissions by Gross Value Added (GVA). GVA is defined as "the difference between output and intermediate consumption for any given industry". It is noted that the data obtained from Day's Rental is the annual spend within the SIC Code category, and not the GVA. As the GVA is unknown for the supplier or sector for each category and is not feasible or practicable to calculate, the GHG emissions across these categories use annual spend and therefore are an overestimation of GHG emissions.

Where economic value information was not available during application of the spend-based methodology (see Technical Guidance for Calculating Scope 3 Emissions Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard (version 1.0)⁶), Day's Rental have provided an estimation of annual spend for various elements. This has been documented within the backing data.

Due diligence checks on the calculations have been performed by Purchase Direct Ltd when calculating indirect emissions (Scope 3), with all assumptions and estimations having been documented in the backing data.

Some of the historical data has been recalculated to address previously omitted emission sources. For instance, certain electricity supplies were excluded earlier because the landlord did not provide the necessary information, which has now been obtained and included. Additionally, in cases where CEM Days Rental acquired new premises part way through a year, activity data has been extrapolated to represent the full year for the purpose of like-for-like comparison across periods. Waste estimation calculations have also been revised to ensure consistency, with the weight values now uniformly reflecting the capacity of the bins across all periods, rather than relying on varied estimates from different councils, some of which were based on lifting loads rather than bin capacity.

⁴ <u>https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting</u> ⁵<u>https://www.ons.gov.uk/economy/environmentalaccounts/datasets/ukenvironmentalaccountsatmospheri-cemissionsgreenhousegasemissionsintensitybyeconomicsectorunitedkingdom</u> ⁶ <u>https://www.gov.uk/economy/environmentalaccounts/datasets/ukenvironmentalaccountsatmospheri-cemissionsgreenhousegasemissionsintensitybyeconomicsectorunitedkingdom</u>

⁶ <u>https://ghgprotocol.org/sites/default/files/standards/Scope3_Calculation_Guidance_0.pdf</u>



Appendix B – Historical Emissions

Scope	Activity	Tonnes	% of total
	Scope 1: Natural Gas	46.13	8.3%
Scope 1 - Direct Emissions	Scope 1: Vehicle Fuel	28.93	5.2%
	Scope 1: Subtotal	75.05	13.5%
Scope 2 - Indirect Emissions	Scope 2: Purchased Electricity (Location Based)	136.76	24.6%
	Scope 2: Subtotal	136.76	24.6%
Scope 3 - Other Indirect Emissions	Category 3: Fuel and Energy-Related Activities	66.04	11.9%
	Category 4: Upstream Transportation and Distribution	121.31	21.8%
	Category 5: Waste Generated in Operations	18.30	3.3%
	Category 6: Business Travel	0.07	<0.1%
	Category 7: Employee Commuting	138.48	24.9%
	Scope 3: Subtotal	344.20	61.9%
	Total GHG emissions (Scope 1 to 3)	556.01	100%
	GHG Intensity (tCO2e/£m Fleet Valuation)	3.59	

GHG Emissions - 1 st January 2022 – 31 st December 2022			
Scope	Activity	Tonnes CO2e	% of total footprint
	Scope 1: Natural Gas	41.82	8.0%
Scope 1 - Direct Emissions	Scope 1: Vehicle Fuel	35.99	6.9%
	Scope 1: Subtotal	77.81	14.9%
Scope 2 - Indirect Emissions	Scope 2: Purchased Electricity (Location Based)	127.99	24.5%
	Scope 2: Subtotal	127.99	24.5%
Scope 3 - Other Indirect Emissions	Category 3: Fuel and Energy-Related Activities	61.69	11.8%
	Category 4: Upstream Transportation and Distribution	96.43	18.4%
	Category 5: Waste Generated in Operations	18.33	3.5%
	Category 6: Business Travel	0.04	0.0%
	Category 7: Employee Commuting	141.04	26.9%
	Scope 3: Subtotal	317.54	60.6%
	Total GHG emissions (Scope 1 to 3)	523.34	100%
	GHG Intensity (tCO2e/£m Fleet Valuation)	3.00	