



# Carbon Reduction Plan

## Commitment to achieving Net Zero

SHI Corporation UK Limited is committed to achieving Net Zero emissions by 2050.

## Baseline Emissions Footprint

The plan below outlines SHI's commitment to embark on a continuous improvement plan to lower our Baseline Emission Footprint. This Baseline emissions will be the reference point against which emissions reduction will be measured in the future.

<b>Baseline Year: 2021</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
<p>SHI Corporation UK Limited (SHI), part of SHI International Corp. and was incorporated in the UK in April 2017. As a wholly owned subsidiary of SHI International Corp., SHI has initiated a Carbon Reduction Plan that will outline our Net Zero commitment. In preparation for this SHI commissioned an independent Audit of our GHG emissions and have initiated our initial action plan, please see both attached. This Carbon Reduction Plan will therefore be updated accordingly in line with ongoing audits.</p> <p>SHI International Corp. as a global entity report through CDP. As part of its global operating strategy, SHI is developing a system to track and reduce energy consumption, operating costs, and carbon emissions starting with its six largest U.S. facilities and expanding to include all its offices worldwide.</p> <p>EN-POWER GROUP was contracted to perform a combined Scope 1 and Scope 2 emissions assessment for SHI's entire portfolio of U.S. and global offices.</p> <p>The baselines within this Carbon Reduction Plan have been extracted from the most recent global audit carried out by EN-POWER Group in December 2021.</p> <p>The Group target is a similar scope of emissions as required by PPN06/21.</p>	
<b>Baseline year emissions: 2021</b>	
<b>EMISSIONS</b>	<b>6,651 - 6,758 TOTAL (tCO<sub>2</sub>e)</b>
<b>Total Emissions</b>	The total scope 1 and scope 2 emissions for all SHI facilities combined for 2021 was between tons of CO <sub>2</sub> e. The overall emission intensity was approximately 3.5 tons of CO <sub>2</sub> e per 1,000 square feet.



## Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

- SHI is targeting net zero emissions across all its activities by, at the latest, 2050, by implementing a series of carbon reduction initiatives. We are confident that this date can be brought forward. This target includes the full activity of our supply chain working on our behalf. This target includes all emission sources covered in PPN06/21
- SHI is currently working towards the achievement of attaining ISO14001 Environmental Management Accreditation in 2022.
- GHG emissions intensity (Scope 1) was reduced by 40% in 2020 partly due to global pandemic home working practices. The original total reduction target of 20% by 2025 has exceeded the target for now. As we begin to slowly open back up our offices to staff members, we have introduced a fully operational hybrid working model and flexible working policies to maintain our carbon footprint reduction. We will continue to record our levels to drive further reduction of over 20% by 2027.
- Investing in a green energy electricity supplier (Scope 2) and contributing electricity via our 50KWp solar electricity generation system.
- We continue to work in close collaboration with partner suppliers to reduce packaging waste by educating and bringing awareness on alternative environmentally friendly means of packaging and carrying out regular audits to monitor and record where this has taken place. We aim to reduce packaging waste by 25% by 2025.
- SHI will reduce e-waste generated by customers by offering a buy-back scheme (scope 3) for redundant electronic devices – this will be in partnership with our Tier 1 vendors
- We will enhance internal e-learning courses for our employees regarding carbon emission reduction initiatives. We aim to implement this campaign by Quarter 2 2022. This will form part of future mandatory annual compliance training.
- We are currently reviewing our offices spaces and adjusting the lighting in all global offices where possible to LEDs with sensors, we aim for this to be completed by Q4 2022
- We will upgrade our data center temperature control strategy to help reduce the cooling load and save energy in the data centers. Potential **31-ton CO2e** in annual savings. We aim to complete by 2028.



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented by SHI to date.

Carbon reduction initiatives implemented to date:

- We have recently completed a global energy and carbon audit report for our global SHI offices and have started on an immediate action energy and carbon reduction roadmap plan that includes:
  - Adjusting air conditioning (CRAC) units within some of our data rooms to operate at an energy sufficient level and in addition, helps reduce electricity costs. Potential **20-ton CO2e** in annual savings.
  - Implementing customized HVAC schedules and setpoints on a daily and weekly basis for greater energy savings. Potential **2-ton CO2e** in annual savings.
  - Implementation of a parallel pumping strategy for the chilled water and condenser pumps at two of our facilities to save pump energy consumption. Potential **38-ton CO2e** in annual savings.
  - Installation of chilled water temperature setpoint reset to help improve the operating efficiency of the chillers and reduce energy consumption. Potential **19-ton CO2e** in annual savings.
  - Upgrade in building lighting to LEDs. Potential **399-ton CO2e** in annual savings.
- We have completed our annual CDP (Carbon Disclosure Project) report and disclosed our recent carbon emissions within our financial audit report.
- SHI have recently built a new warehouse located in Barnsley, UK, called Nexxus, this is a 45,00sqft building built to the latest BREEAM environmental building standards, incorporating electric vehicle charging facilities, and with a view to installing Solar PV panels in the future.
  - During the design phase of Nexxus, waste was reduced by incorporating existing products and materials into interior designs where possible.
  - Limiting the reliance on artificial lighting and Air Conditioning (HVAC) systems by cutting operational carbon emissions through providing adequate insulation while making the best use of natural light and fresh air throughout the design.
  - We reduced carbon emissions from transporting goods and supporting the local economy by choosing to work with security, groundworks, structural steel and mechanical sub-contractors and others, close to our warehouse premises.
- We prioritize the use of digital solution products i.e digital pay slips, eyecare voucher etc to help migrate away from paper and plastic solutions.
- We have increased our use of video conferencing meetings to help reduce travel between offices.



## Declaration and Sign Off

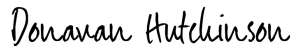
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

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

### Signed on behalf of SHI:

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Donavan Hutchinson

Managing Director UK -SHI Corporation UK Limited

Date: 31<sup>st</sup> December 2021

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

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

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