



## EMISSIONS MANAGEMENT AND REDUCTION PLAN

Toitū carbonreduce and Toitū carbonzero programme



### OCS Limited New Zealand

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Prepared by: Debby Wong and the NZ Leadership Team

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For the period: 01 January 2021 to 31 December 2021

Base year: 01 January 2017 to 31 December 2017

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*Approved for release by:*

A handwritten signature in black ink that reads "Gareth Marriott".

Gareth Marriott

*Signature required (electronic or actual) – Ensure that this document is signed by a top manager (with authority to provide top management commitment) before submission for verification.*

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## INTRODUCTION

This report is the annual greenhouse gas (GHG) Emissions Management and Reduction Plan prepared for OCS Limited and forms the manage step part of the organisation's application for Programme certification.<sup>1,2</sup>

## RATIONALE

Our business maxim 'Here Today, Here Tomorrow' sets the benchmark for us at OCS; every one of us is working together to deliver solutions to our clients that are sustainable now and into the future, in financial, human, community and environmental terms. Our expansive footprint means sustainability needs to be at the heart of everything we do, whether it's a focus on our team members or the communities in which we operate in. Just as importantly, we play an integral role in the sustainability journey of many of our clients; contributing innovative initiatives to meet their own sustainability objectives.

We're committed to developing our business in accordance with sustainable principles and work closely with our clients to introduce sustainable solutions wherever possible.

We do this by developing systems, processes and adopting technological innovations to reduce our clients' and our own energy consumption, water usage, carbon emissions and waste.

This extends beyond our own operations into our supply chain. We work in partnership with clients to help achieve their own sustainability goals by delivering service solutions which save energy and reduce waste. We've developed an environmental dashboard which records our consumption of resources and measures our carbon intensity. By diverting waste from landfill, cutting paper use, promoting recycling schemes, innovating with the greenest technologies for our vehicle fleet and by saving water and energy, we're acting today to sustain our business, our clients' businesses, and the environment in which we work for tomorrow's generations.

We've adopted a number of environmental initiatives in our global operations. In New Zealand we are working on a number of exciting initiatives with our clients, suppliers, staff and in our local communities. Examples include our commitment to continue to increase the number of our vehicle fleet being hybrid or electric, reduce travel through the use of technology and to work with key clients to develop a transitional waste facility.

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<sup>1</sup>Throughout this document 'emissions' means 'GHG emissions'.

<sup>2</sup>Programme means the Toitū carbonreduce and Toitū carbonzero certification programme.

## TOP MANAGEMENT COMMITMENT

As a society, we are facing greater challenges than ever before. OCS is ready to take on the challenges, to invest in our people, our products and all that we do to ensure innovative solutions that make real impacts.

The three pillars of our sustainability framework guide us as we seek effective ways to reduce our environmental impact:

- Sustainable business and our people
  - o Employee engagement and people management
  - o Health and safety
- Sustainable business and the environment
  - o Fleet procurement and management
  - o Waste management
  - o Water consumption
  - o Chemical procurement and consumption
- Sustainable business and the community
  - o Supply chain
  - o Local communities

We continue to focus on green technologies and systems using financial, natural and social resources in an efficient, effective and economic manner. Our people remain at the centre of all that we do. We look after our colleagues, their families, and the communities we operate in.

This commitment is captured in our values and our strategy, where OCS gives sustainability the same level of focus and importance as our financial objectives.

## PERSON RESPONSIBLE

The GM HSEQ is responsible for overall emission monitoring and reporting to the Managing Director and Leadership Team.

## AWARENESS RAISING AND TRAINING

All employees and contractors are provided with information and training material during induction to ensure that they are aware of OCS's Environmental Management system and emissions reduction commitments by line managers.

The following items are addressed during the induction:

- Awareness of Environmental Policy and Carbon Emission Reduction Targets
- Applicable environmental aspects, the potential environmental impact(s) and their control measures
- Designated roles & responsibilities related to the EMS
- Benefits of enhanced environmental performance
- Consequences of not conforming with EMS requirements or compliance obligations
- Awareness of emergency procedures (where applicable)
- Environmental incident reporting procedures

Training needs are reviewed regularly at the EMS Management Review meetings and records are retained as meeting minutes

## SIGNIFICANT EMISSIONS SOURCES

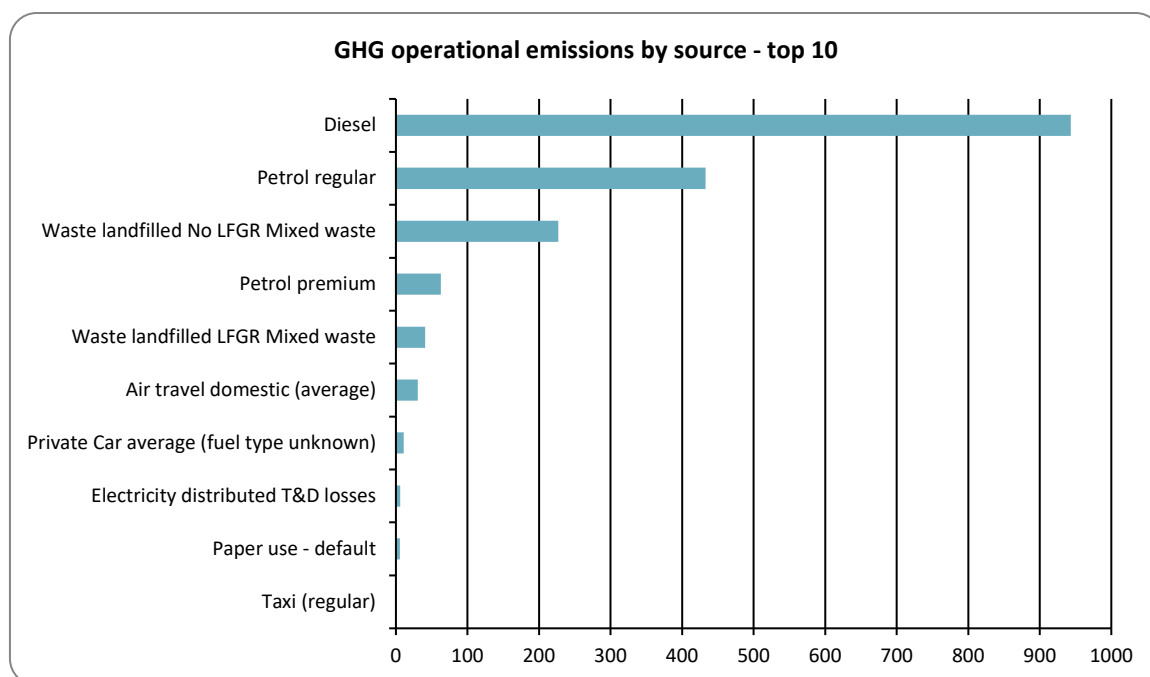


Figure 1: GHG emissions by source.

Our primary emission sources are Fuel, Waste to landfill, air travel (domestic) and electricity.

## TARGETS FOR EMISSIONS REDUCTION

The organisation is committed to managing and reducing its emissions in accordance with the Programme requirements. Table 1 provides details of the emission reduction targets to be implemented. These are 'SMART' targets (specific, measurable, achievable, realistic, and time-constrained).

This EMRP sets a target of reducing carbon emissions from OCS's operations for the next five years. From 2021, we've committed to reduce emissions YOY by 5% each year through to 2024. This would be achieved through a combination of:

- The carbon reduction projects to be implemented over the next five years as this plan develops and
- The impact of reducing energy use in our branch office network, which could reduce our carbon emissions.

The ultimate long-term goal is to reduce OCS's net emission of GHGs to zero. In particular, CO<sub>2</sub> emissions must go to zero and therefore fossil fuel use must effectively cease at some point.

NOTE - The reduction percentages below reflect the overall percentage decrease required from our baseline year (2017) through to the 2024 target date.

**Table 1: Emission reduction targets**

Scope of target	Target	Baseline (tCO <sub>2</sub> e)	Target (tCO <sub>2</sub> e) 2024	Target date	Metrics/ KPI	Responsibility	Rationale
Scope 1, Scope 2 and mandatory Scope 3 emissions to be achieved within 2 years from the Base Year	30%	2,543	1,776	31/12/2024	Absolute total tCO <sub>2</sub> e	Managing Director and LT	Achievable through consolidation of current projects.
Vehicle Fuel Usage	30%	2,104	1,469	31/12/2024	CO <sub>2</sub> Tonnes	Managing Director and LT	There are challenges in this space when comparing the comparative replacement cost of electric or hybrid vehicles from standard vehicles, the low number of models in market and a charging station shortage across the country. We are however committed to moving more of our fleet to electric or hybrid vehicles over time and will continue to work with our staff and suppliers to make this a reality
OCS offices electricity	30%	95	66	31/12/2024	kWh	Managing Director and LT	Use of Ecotricity as our sole supplier of electricity. They are New Zealand's only provider carbonZero Certified Electricity and support the development of new carbon neutral renewable generation, primarily new wind farms, solar and hydro projects. By being an Ecotricity customer OCS is helping New Zealand get one step closer to becoming 100% renewable and enables us to benchmark our carbon footprint therefore offsetting our electricity carbon emissions by being an Ecotricity customer
Waste land filled No Mixed waste (LFGR & NLFGR)	30%	181	127	31/12/2024	t	Managing Director and LT	The weights for 2017 provided by Waste Management is estimated weights. This is because Waste Management did not start recording actual weight until January 2019. Thus, anything prior to this date is estimated.

## SPECIFIC EMISSIONS REDUCTION PROJECTS

In order to achieve the reduction targets identified in Table 1 specific projects have been evaluated to achieve these targets. These are detailed below.

In 2019, OCS became a Toitū Envirocare (formerly Enviro-Mark Solutions) carbonreduce certified organisation in line with ISO 14064-1. We measure our greenhouse gas emissions and are committed to managing and reducing our emissions in respect of all operational activities of our organisation within New Zealand. As part of doing our bit to support the environment, we're looking at ways we can further reduce our footprint, we're moving to adopt more flexible working options and reduce travel by driving online collaboration through the use of technology. The reduction in office space and travel requirements for our people will help us to achieve our sustainability targets. As well as being good for our peoples' wellbeing, it's great for the environment.

The move to more flexible working options where practicable in combination with other sustainability initiatives will help us to realise our emissions reductions targets. These include:

- Partnering with Ecotricity (New Zealand's only provider of 100% Renewable and carboNZero Certified electricity) for our branch network,
- Transitioning our fleet to electric vehicles wherever practicable, and;
- Using technology to reduce the use of paper / printing.

**Table 2: Projects to reduce emissions**

Objective	Actions	Responsibility	Completion date	Status
Report on energy use, emissions and plan progress to Managing Director and Leadership Team	Report to LT on energy use and emissions and the progress of the emissions reduction via the existing activity reporting structure. An annual report coinciding with CEMARS recertification will also be presented, along with any updates or amendments to the plan.	GM HSEQ	6 monthly - ongoing	Worked on over the last 6 months and concluded. Meters have been installed in key branches where practical. Continually being brought to life through regular sustainability communications & will be in the sustainability report.
Carbon and Energy Management Team to oversee delivery of emissions reduction plan and its measures.	Form team that includes representatives from Operations, Finance, HR, Marketing, HSEQ and IT and meet at least quarterly.	Managing Director	Commenced in 2019 - 6 monthly.	On target. Discussed regularly at leadership meetings and various other management meetings. Visibility through accessing Toitū tool.

Objective	Actions	Responsibility	Completion date	Status
Run an ongoing awareness campaign focussed on areas where staff behaviour can make the most difference.	The campaign may include working with staff on electronic meeting technologies, efficient driving, improving recording of odometer readings, or on the use of pool cars (car sharing). Training, reminders and targeted reporting are tools that will be used. A summary of what staff awareness and training work has been carried out will be included in the annual update of this plan .	GM HSEQ	Commencing in 2020 - ongoing.	On target. Progress is regularly brought to life through the Monthly Operating Reports; these are also discussed with our parent company as a board line. HSEQ reporting captures and shares this information, while ongoing training through toolbox training, noticeboards and team talks assist with keeping team members up to date.
Investigate and develop plans to improve energy efficiency of the OCS offices and facilities	Consider and prioritise energy-efficient and low-emission options when renewing or planning new infrastructure (including IT solutions) and facilities. Also considering options to improve the energy efficiency of currently installed systems e.g. lighting, IT systems etc	Managing Director	Commencing in 2020 - ongoing.	On target. Energy efficiency initiatives have been implemented providing environmental energy solutions. We have seen immediate reductions in carbon reductions. Where practical, we have replaced all lighting with energy efficient systems.

Table 3: highlights emission sources that contributed to poor data quality and describes the actions that will be taken to improve the data quality in future inventories.

**Table 3: Projects to improve data quality**

Emissions source	Actions to improve data quality	Responsibility	Completion date	Progress
Waste from OCS Offices	Investigate options for recording data on the waste from offices sent to landfill	Managing Director	Commenced in 2020 - 6 months ongoing	Behind target. While some inroads have been made in our own reductions, we acknowledge more work could be done to improve this. COVID restrictions have seen less people in our OCS offices, but the increase in PPE has seen waste increase.  Note: Waste produced from OCS is not recorded in isolation from waste brought onsite from customers for sorting. We will seek to break down these different



Emissions source	Actions to improve data quality	Responsibility	Completion date	Progress
All	Investigate implications of requesting contractors to provide information on greenhouse gas	GM HSEQ and applicable Operations GM	Commencing in 2020 - 6 monthly ongoing	On target. Our Supplier Code of Conduct has brought this to life as we request information from suppliers about their own greenhouse gas emission targets.  Looking ahead, this is an area we have identified for closer inspection, and we will seek to set targets in partnership with suppliers for the specific products/services we require.

The emissions inventory identified various emissions liabilities. Table 4 details the actions that will be taken to prevent GHG emissions from these potential emissions sources.

**Table 4: Projects to prevent emissions and reduce liabilities**

Emissions source	Actions to reduce liabilities	Responsibility	Completion date	Progress
Refrigerants	Ensure appropriate procedures and maintenance are in place to limit GHG losses from air conditioning systems etc.	Area / Branch Manager	On-going	On target. We have replaced some units in key offices (such as NSO).  Note: Some benefits naturally occurred with less people in the office putting less strain on existing systems.
OCS vehicles Fuel Usage	Ensure appropriate procedures and maintenance are in place to limit emissions from vehicle fleet.	Area / Branch Manager	On-going	On target (continuous improvement).  Over the last 12 months we have seen a drop in fuel-consumption through education of more efficient driving (leveraging EROAD to enable better decision making) along with fewer vehicles being on the road with COVID restrictions in Auckland.  Note: We have another lot of electric / hybrid vehicles on order for delivery in 2022.

## UNINTENDED ENVIRONMENTAL IMPACTS

Like many other firms we have had unintentional benefits relating to COVID-19. Unfortunately, we are not in a position to present finite numbers. So, while that is not possible, we can provide some commentary.

During 2021 our Auckland business faced pressure caused by rolling lockdowns. In that city, we had fewer vehicles on the road, and fewer people in our offices – several were closed entirely. Some cost savings and carbon reductions were made as a result of the Auckland closures. However, given the breadth of our network, this unlikely to have caused a material level of difference outside of Auckland.

## KEY PERFORMANCE INDICATORS

**Table 5: Key Performance Indicators (KPI)**

KPI	2017	2018	2019	2020	2021
Turnover/revenue (\$Millions)	145.90	155.90	165.02	154.67	161.97

**Table 6: GHG emissions per KPI**

KPI	2017	2018	2019	2020	2021
Total gross GHG emissions per Turnover/revenue (\$Millions)	17.53	13.34	13.04	11.22	10.88
Total mandatory GHG emissions per Turnover/revenue (\$Millions)	17.43	13.25	12.74	10.96	10.84

## MONITORING AND REPORTING

The Leadership Team have ownership of our GHG emission reduction reporting. At our quarterly LT meetings in 2022 this is an agenda item, and we will start drilling into the data recorded above.

Person responsible: Debby Wong (CFO) with review of Operations Manager

Reporting line: Gareth Marriott (MD)

Frequency: Quarterly

Metrics: Pulled through from Toitū reporting platform

## EMISSIONS REDUCTION CALCULATIONS

Table 7: GHG inventory results

	2017	2018	2019	2020	2021
Scope 1	2,103.94	1,770.14	1,643.31	1,388.10	1,439.16
Scope 2	95.05	36.19	8.76	7.42	0.00
Scope 3 Mandatory	344.16	259.50	449.96	299.38	316.77
Scope 3 Additional	14.65	13.68	49.20	40.95	5.97
Scope 3 One time	0.00	0.00	0.00	0.00	0.00
Total gross emissions	2,557.79	2,079.51	2,151.22	1,735.85	1,761.91
Reporting reductions	0.00	0.00	0.00	0.00	0.00
5-year average (tCO <sub>2</sub> e)	2,557.79	2,318.65	2,262.84	2,131.09	2,057.26
5-year average (tCO <sub>2</sub> e) (scope 1 & 2)	2,198.99	2,002.66	1,885.80	1,763.23	1,698.41
Emissions intensity reductions	0.00	0.00	0.00	0.00	0.00
Turnover/revenue (\$Millions)	145.90	155.90	165.02	154.67	161.97
GDP deflator values Yr1 prices (assumed)	0.00	0.00	0.00	0.00	0.00
Adjusted turnover (\$M)	0.00	0.00	0.00	0.00	0.00
Emissions intensity (tCO <sub>2</sub> e/\$M)	17.53	13.34	13.04	11.22	10.88
5-year average emissions intensity (tCO <sub>2</sub> e/\$M)	17.53	15.43	14.64	13.78	13.20
Percentage change in absolute emissions	0.00	-18.70	3.45	-19.31	1.50
Percentage change in emissions intensity	0.00	-23.91	-2.27	-13.91	-3.07

## PERFORMANCE AGAINST PLAN

We have made significant advances in our targets against our planning. Changing our electricity supplier and installing new meters across key sites has contributed to these reductions. Also assisting, was the sell-down of underutilised vehicles and further focus on our four key areas. Some of the results (such as our vehicle fuel consumption) also directly correlate to our health and safety focus on driver training and the decision making enabled through utilisation of EROAD.

Noted: some gains were made possible by COVID-19 impacts (as mentioned previously). Some GHG reductions are a result of unintended consequences caused by the lockdowns.

Waste to landfill is the only area where we have not improved. Part of this issue relates to how customer waste vs OCS waste is treated. Some analysis into this piece will happen in 2022. We have taken on significant work in waste removal – thus impacting our ability to reduce GHG against target. Having said that, we can do better at a branch and NSO level and we will continue to address these challenges moving forward.

Scope of target	Target (tCO <sub>2</sub> e) 2021	2021 Actual	% Achieved (over/under)	Metrics/ KIP	Responsibility	Progress
Scope 1, Scope 2 and mandatory Scope 3 emissions to be achieved within 2 years from the Base Year	2,071	1,756	15%	Absolute total tCO <sub>2</sub> e	Managing Director and LT	<p>We have reached our targets earlier than expected through a deep understanding of sustainability initiatives and practices within our business. We understand what our levers and drivers are. We have focussed our energy on the four big impacts and are pleased with the results:</p> <ul style="list-style-type: none"> <li>o Fleet procurement and management</li> <li>o Waste management</li> <li>o Water consumption</li> <li>o Chemical procurement and consumption</li> </ul>
Vehicle Fuel Usage	1,714	1,439	16%	CO <sub>2</sub> Tonnes	Managing Director and LT	<p>Through our fleet management analysis we identified where vehicles were being underutilised and sold these off.</p> <p>We put a system in that measures km/per vehicle per month allowing a closer eye on the data.</p> <p>We have purchased hybrid / electric vehicles where operationally appropriate.</p> <p>EROAD has produced better driving habits which has reduced our fuel consumption.</p>
OCS offices electricity	77	6	92%	kWh	Managing Director and LT	<p>Working with our electricity supplier, Ecotricity, we have installed new meters in key sites across NZ allowing for automated shut off lights not being used. The results speak for themselves.</p> <p>The unintentional consequence of COVID is a larger reduction in electricity we predicted due to less personnel being in the offices.</p>

Scope of target	Target (tCO <sub>2</sub> e) 2021	2021 Actual	% Achieved (over/under)	Metrics/ KIP	Responsibility	Progress
Waste land filled No Mixed waste (LFGR & NLFGR)	148	266	-80%	t	Managing Director and LT	We have not achieved our target around landfill waste management. This has been driven by an increase in the customer work we have performed (dealing with waste sorting on site) and the increase in the impact this now has on volumes. Going forward, we will break down the data more effectively to split out waste from ourselves vs our customers.