BEgin Net Zero

2024

SUSTAINABILITY REPORT

Balanced ENERGY

Certified B Corporation

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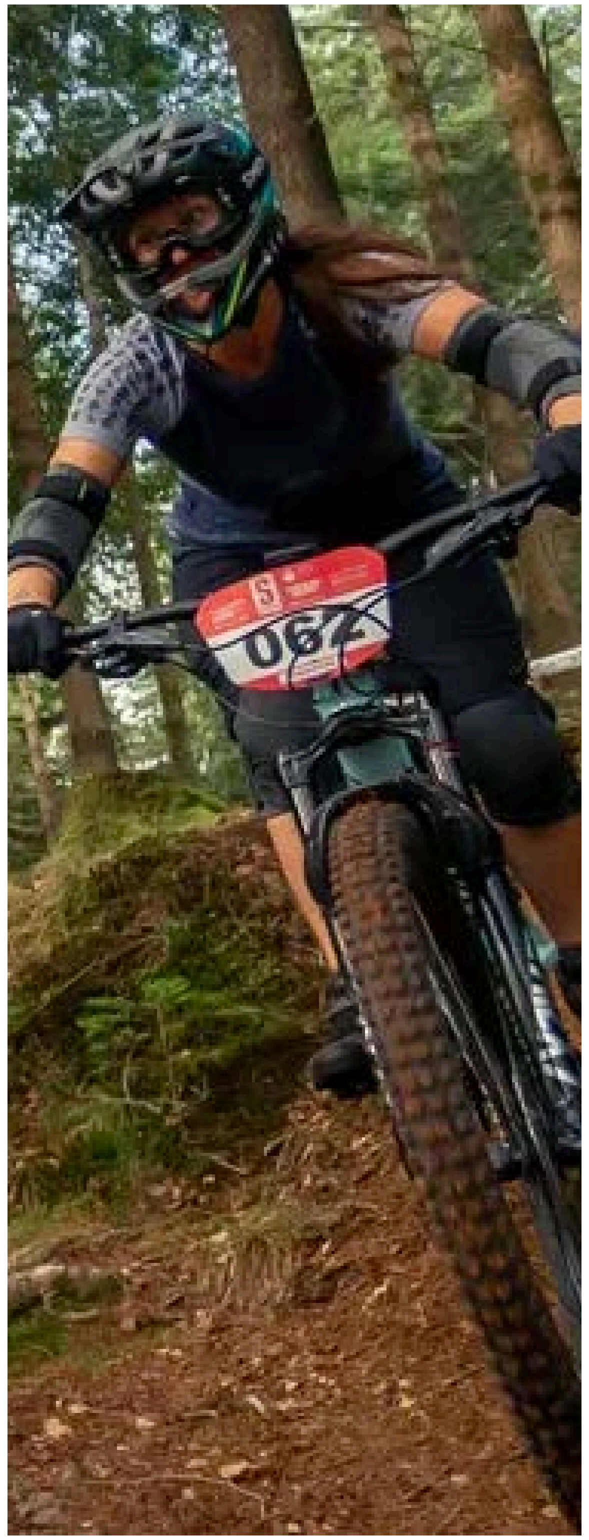
ABOUT THIS REPORT: WHERE WE'RE STARTING FROM AND WHY IT MATTERS



This isn't the first time we've looked at our carbon footprint. But it's the first time we've looked at it like this.

Until now, our reporting has captured a partial view focused mainly on fuel, energy and logistics. That gave us a sense of direction. It helped us act on the things we could see. But in a business like ours where movement, material, and people span multiple countries and systems a partial view isn't enough. Not for the decisions we're making. And not for the commitments we've made.

This year, we've changed what's included in our footprint. And that changes what the numbers show. On paper, emissions have gone up because for the first time, we've brought more of the real system that has a material impact into view. That shift doesn't signal failure. It signals progress.

For the first time, we've begun to account for upstream and downstream activity: commuting, hotel stays, homeworking, water, waste. The things that haven't traditionally sat inside our carbon reporting but do shape our climate impact. And, more importantly, the things that matter to the people we work with: brands, retailers, and riders alike.

This matters for two reasons.

First, it reflects the standard we've publicly committed to. We've aligned ourselves with the Science Based Targets initiative (SBTi). That means doing the work properly. Not just where it's easy or visible but where it's relevant. That kind of progress doesn't always look tidy on a spreadsheet. But it does mean we're moving in the right direction.

Second, it strengthens the base we're building from. Because if Net Zero is going to mean anything in our business a business that ships, distributes, and services products across the UK and Europe it has to rest on numbers that stand up. Numbers that include what we influence, not just what we own. This report reflects that shift.

And while it won't claim more than we've earned, it will show clearly, constructively, and with the right level of challenge where we're starting from, what we've now made visible, and where that clarity gives us leverage.

This is the point where footprinting stops being just a record and starts becoming a tool.

At a Glance – 2023–24 Headline Figures

- **Total emissions: 115.88 tCO_2e (Market-based)**
- **FTE: 52**
- **Revenue (£): £11,980,146**
- **Emissions intensity:**
  → 9.67 tCO_2e / £m revenue
  → 2.23 tCO_2e / FTE
- **Key hotspots: Diesel Use, Business Travel, Commuting**

Core focus: Fleet transition, freight influence, cultural engagement, and carbon data maturity

.

Report Prepared by Ashley Webber & Elea Taffet
Balanced Energy

OUR BUSINESS IN A CHANGING CLIMATE

We're a distributor not a manufacturer, not a brand owner, not a factory.

We don't grow the materials, forge the metals, or control how products are made. But we do influence how they move, how they're protected, and how they're experienced when they arrive. That influence might not sit on a balance sheet but it does show up in carbon.

Most of what we sell starts elsewhere: North America, Europe, Asia. It travels through complex international freight routes, enters the UK through ports and customs, and passes through our own hands before reaching dealers and riders across the country.

Along the way, it's stored, repacked, protected, delivered all with a level of service, responsiveness and brand care that's integral to our model. That system has a footprint.

Not just in fuel or packaging but in the infrastructure that supports it. The energy we use. The materials we specify. The kilometres driven. The carbon embedded in the parts, products and relationships that make the business work.

While our control over that system isn't total, our connection to it is real.

We work with specialist brands. We're part of a performance-focused, experience-led cycling sector. The expectations are rising from riders, from retailers, from regulators.

We're already seeing buyers ask deeper questions about sustainability, freight choices, packaging formats. And we know that our ability to grow in the UK and in Europe depends not just on how fast we ship, but on how well we account for what's behind the box.

This isn't about overstating our impact. It's about understanding where we sit in the chain and being honest about the responsibilities and opportunities that come with that position.

Because when your business is built on movement, service, and supply climate impact isn't just technical. It's structural.
And the sooner we see it that way, the smarter our decisions get.

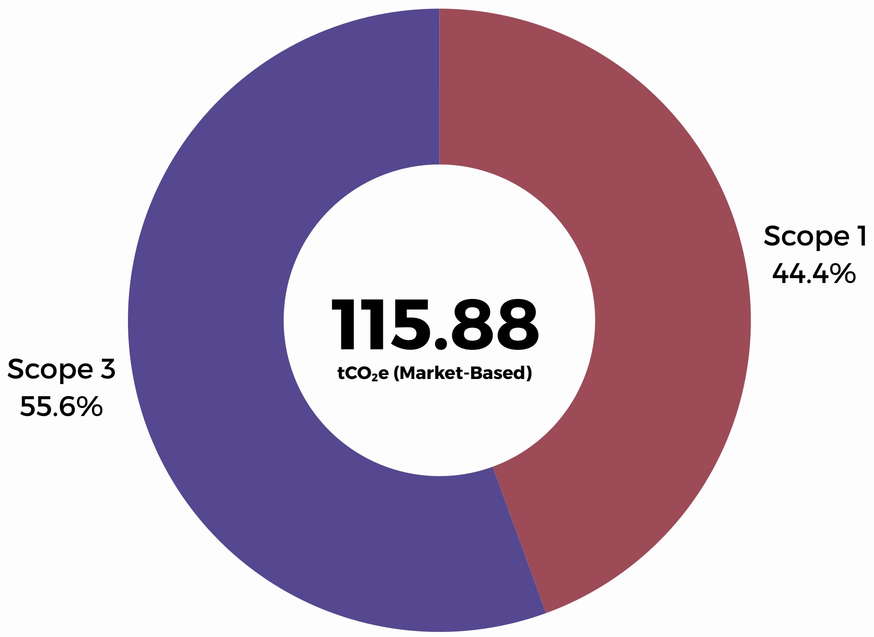
OUR CARBON FOOTPRINT: UNDERSTANDING THE SHAPE OF OUR FOOTPRINT

Our total carbon footprint for the 2023–24 reporting year is 115.88 tCO_2e significantly higher than the 40.40 tCO_2e reported last year. That shift isn't because the business changed. It's because the boundary did.

For the first time, we've widened the scope of our reporting to include a fuller picture of how the business operates from commuting and business travel to hotel stays, waste, and homeworking. These aren't new emissions. They're just newly acknowledged. And that matters. Because credible progress starts with honest accounting.

Intensity Metric: tCO_2e/£million.
7.72 tCO_2e/£million

Intensity Metric: tCO_2e/FTE.
2.07 **tCO_2e/FTE**



What's Stayed the Same and What's Shifted
Our core emissions energy and fuel use have remained broadly consistent over time. We've always measured and reported emissions from:

- **Fleet fuel (diesel)**
- **Natural gas**
- **Electricity use**

All three remain part of our footprint this year. What's different is the emissions profile, not the activity.

Electricity and gas continue to be procured from 100% certified renewable sources, as in previous years. Under market-based accounting the method we apply this mitigates out those parts of the footprint. That's why Scope 2 is again zero, and natural gas continues to carry very small Scope 1 emissions. It reflects a deliberate, contract-backed choice and that continuity matters.

The Difficulty of Tracking Progress Without Strong Data
This is where things get harder and more honest. The rise in reported emissions isn't just about scope expansion. It's also about assumptions. This footprint relies on estimates for business travel, commuting, and even diesel use often based on spend, not real-world activity. Water and waste data are partial. Hotel stays have been inferred from receipts. These gaps don't invalidate the footprint. But they do make it harder to draw confident year-on-year comparisons.

And that's the point. If we want to reduce, we have to measure properly. Data quality isn't a technical detail it's the foundation of credible climate action. Without it, we can't track real change. We can't see what's working. And we risk making assumptions that feel right, but lead nowhere.

A Final Word on Data
Data is an asset and we're not treating it like one yet. It's fragmented, inconsistent, and often trapped in systems that don't talk to each other. That holds us back. Not just from reporting better, but from acting better. We can't reduce emissions we're guessing at. We can't build strategy on placeholders.

As the business grows, the way we handle operational data from mileage to hotel nights to supplier emissions has to grow with it. This isn't about paperwork. It's about control, visibility, and decision-making. Climate action doesn't just need belief. It needs information. And that starts now.

WHERE OUR INFLUENCE MATTERS: FOCUS AREAS THAT MOVE THE NEEDLE

Now that we've mapped what's in the footprint, the question is: what's worth focusing on?

Not every emissions line carries equal weight and not every line is equally open to change. Some sit upstream, locked into supplier processes. Some are governed by transport routes, fuel types, or product choices. Others like how we drive, package, or plan are ours to shape directly.

What matters now is choosing the right places to act. Here's what the data tells us, and what we need to do next.

1. Fleet Our Most Visible, Most Controllable Emissions Line

Diesel use across our fleet remains the single largest part of our Scope 1 emissions. That's expected: we cover large distances, support dealer relationships face-to-face, and operate across the UK. But it's also the most direct line we can influence and one where awareness, behaviour, and planning all play a role.

What we need to do:

- Improve fleet data quality to track fuel use, mileage, and driver performance with greater precision
- Introduce route planning software or mileage reduction strategies to cut unnecessary emissions
- Build basic eco-driving practices into team training and onboarding and recognise efficient performance
- Phase in hybrid or EV vehicles where they make operational and commercial sense
- Explore HVO fuel options or certified offsets for any unavoidable diesel use over the next 12–24 months

2. Freight We Don't Own It, But We Can Shape It

We don't run the ships, planes, or delivery vans but we do choose our partners, and we set the expectations. Freight is where Scope 3 gets complex: multiple handlers, long journeys, little visibility. But that's starting to change. We're gaining insight into how and where emissions arise and that opens a route to influence.

What we need to do:

- Request route- or consignment-level emissions data from major freight providers (starting with regular partners)
- Integrate sustainability expectations into tender documents, contracts, and onboarding for logistics suppliers
- Build emissions into delivery decision-making balancing service levels with carbon impact
- Establish a minimum sustainability data requirement for any new contracted carrier from 2025 onward
- Introduce a supplier questionnaire with climate disclosure prompts for relevant third parties

3. Packaging: Still a Carbon Issue – and an Increasingly Visible One

We haven't yet measured the emissions impact of packaging directly but we know it matters. Buyers see it. Freight feels it. And as expectations rise across the supply chain, packaging is fast becoming a litmus test for both environmental impact and brand perception.

What we need to do:

- Start gathering packaging specifications from suppliers to build transparency across high-volume product lines
- Prioritise lighter, lower-carbon, or recycled material options where commercially and operationally viable
- Explore how packaging decisions influence freight efficiency and vice versa
- Keep an eye on how climate-conscious buyers respond to packaging cues, especially in B2B contexts
- Build emissions tracking into packaging formats over time starting with what we control

4. Emerging Priorities Behaviour, Culture, and Embedded Emissions

The footprint now includes hotel stays, commuting, and business travel and while those categories are smaller, they're important. They show how internal habits shape carbon. They also point to opportunity: when everyone sees their part in the journey, emissions shift faster.

Meanwhile, upstream product emissions remain outside our formal boundary but they're coming into focus. As buyers demand more transparency, and brands publish Environmental Product Declarations (EPDs), the carbon story won't end at the border of our warehouse.

What we need to do internally:

- Tighten travel and accommodation data collection to improve granularity and reporting accuracy
- Create team visibility on travel emissions and trends share what's working, and reward good practice
- Involve staff in emissions reduction ideas and show how behaviour links to strategy
- Make climate part of the culture through dashboards, challenges, and conversation, not just policy

What we need to do externally:

- Begin requesting EPDs or carbon disclosure statements from key brands and manufacturers
- Build a basic embedded emissions map for high-volume products, to support future buyer readiness
- Position Silverfish as a forward-thinking distributor one who understands value chain emissions, even if we don't yet own the data

PERFORMANCE, PROGRESS, AND THE PATH FORWARD

When we strip back the reporting shifts, the fundamentals are clear. Our Scope 1 and 2 emissions have held broadly steady over the past three years now sitting at 51.49 tCO_2e, compared to 40.40 tCO_2e last year and 46.31 tCO_2e the year before. But this year, that same operational footprint is now powered by certified renewable gas and electricity. That's a real shift not in activity, but in intent. And it reflects what progress at our scale actually looks like: deliberate, material choices in the things we control.

But the data also points to a limit. We've already addressed the obvious steps renewable energy, lighting upgrades, good building controls.

What's next is harder. It requires forward planning, capital investment, and a more structured internal approach to how we collect, track, and use emissions data.

From Reactive to Proactive
We can't reduce what we don't understand. And we can't plan for what we don't measure.
This year's footprint makes one thing clear: data quality now determines our ability to act.

The more we rely on estimates and proxies, the more we risk flying blind unable to confidently track progress, prioritise interventions, or respond to external pressure with credible evidence.

So if there's one priority that underpins the next phase of climate action, it's this: strengthen the data. Make carbon data a live business tool, not a once-a-year report. Build it into operations. Set expectations internally. Ask for it from suppliers. And treat it with the same seriousness as cost, service, or margin.

The Next Layer of Action
Beyond data, the pathway is clear and practical. We're not reinventing the business. We're just applying the same focus to emissions that we apply to quality, logistics, and brand value.

What comes next (12-18 Months):

- **Fleet:** Review vehicle replacement schedules, explore EVs and hybrids for future planning, and optimise routing for lower fuel use.
- **Freight:** Request consignment-level emissions data from third-party logistics providers and integrate emissions expectations into supplier conversations.
- **Energy:** Revisit the feasibility of solar installation as a medium-term cost and carbon hedge not just a sustainability move.
- **Business Travel & Hotels:** Tighten internal expectations and reporting around discretionary travel; embed sustainability into booking practices and team behaviours.
- **Supplier Engagement:** Start asking upstream manufacturers for Environmental Product Declarations (EPDs) not to judge, but to understand where carbon sits in the chain.
- **Data & Culture:** Create internal clarity on who owns carbon data, what's being measured, and how it's used. Make carbon a visible, shared responsibility not a side task.

This isn't an exhaustive to-do list. But it's a direction. It's the point where decarbonisation becomes less about intent and more about systems, priorities, and operational readiness

Carbon Investment As Risk Strategy, Not Reputation Play
Silverfish has not yet pursued formal carbon offsetting and that's the right decision. Offsetting isn't a badge. It's a tool. And if used in the wrong way, it can create more reputational risk than reward.

But used well strategically, transparently, and with long-term intent carbon investment can be part of a credible climate plan. Not as a substitute for action, but as a way to manage risk and send market signals.

Carbon pricing is coming whether as tax, regulation, or embedded expectation. Acting now to shape a carbon investment strategy isn't about neutrality. It's about readiness. It's about seeing emissions not just as an environmental issue, but as a financial exposure something that can be priced, traded, and integrated into long-term planning.

In time, this may include support for high-quality removals, carbon market participation, or buyer-aligned co-investments. But the framing is key: not goodwill. Not PR. But smart, forward-looking financial positioning in a decarbonising economy.

GLOBAL GOALS REFLECTED IN OUR WORK

We haven't shaped our carbon work around global frameworks. But many of the choices we're making and the questions we're starting to ask reflect the broader direction those frameworks encourage.

The UN Sustainable Development Goals are often talked about in government or NGO terms. But their core ideas apply to business too. What we source. How we operate. Who we employ. What we influence.

Without making this a claim, we see alignment with four goals in particular:

- **SDG 8: Decent Work and Economic Growth**

We're a growing employer in a sector built on community, performance, and purpose. From logistics and warehousing to customer service and supplier relationships, we're contributing to a more climate-aware, resilient version of economic growth — one that supports regional jobs, long-term careers, and shared value across the supply chain.

- **SDG 12: Responsible Consumption and Production**

We're starting to engage with the full lifecycle of the products we sell — from upstream manufacture and packaging, to freight, distribution, and emissions at point of sale. It's early, but we're moving toward a model that links quality, performance, and sustainability more intentionally.

- **SDG 13: Climate Action**

We're taking steps to measure, report, and reduce emissions — not just the ones we directly control, but also those that sit in our freight, travel, and product systems. We've done so transparently, with real-world constraints in mind, and a growing awareness of where action matters most.

- **SDG 17: Partnerships for the Goals**

Our emissions aren't just ours. Progress depends on shared standards, better data, and mutual accountability — especially with freight providers, brand owners, and service partners. That's why we're beginning to bring carbon into those conversations. Not to criticise, but to prepare.

CLOSING STATEMENT: CLARITY, CULTURE, AND CARBON INTELLIGENCE

This report doesn't end with a number. It ends with a mindset. We've brought more of the real operation into view expanding our scope, sharpening our reporting, and accepting the complexity that comes with it. The result is a footprint that looks larger but says more. It's not a signal of failure. It's a sign of maturity.

What matters now is how we use it.
We know where our biggest exposures sit in diesel, freight, and increasingly, the emissions we don't directly own. We've mapped where meaningful influence starts. We've named the systems that need work. And we've shown that climate action doesn't sit on the sidelines. It's already shaping cost, risk, investment, and buyer decision-making especially in a sector where logistics, imports, and partnerships define how business gets done.

But the foundation beneath it all is clarity. And that means data. Data integrity isn't a technical goal. It's a risk strategy. Without clean, complete data, we lose the ability to prioritise. We limit what we can influence. And we expose the business to reputational and financial risk from carbon taxes to customer scrutiny.

That's why carbon data must become a core business tool. Not a one-off audit. Not a marketing claim. A real-time asset as essential as finance, ops, or compliance. Because in a net zero economy, what we don't measure will cost us. And what we track with discipline, we can change with confidence.

We're not perfect. And we're not finished. But we've made progress that matters and we've laid the groundwork for what comes next.

CARBON FOOTPRINT VERIFICATION

Balanced Energy is committed to delivering the highest standards of accuracy and integrity in carbon reporting and sustainability management. This report has been prepared in accordance with internationally recognised methodologies, including the Greenhouse Gas (GHG) Protocol ensuring compliance with best practices and industry standards.

As part of our rigorous verification process, this report has been independently reviewed and quality checked by an IEMA-qualified expert in carbon management, ensuring the accuracy and reliability of the data presented. This verification process provides confidence to Silverfish and its stakeholders that the emissions data and recommendations reflect an accurate, transparent, and actionable sustainability strategy.

The verification process includes:

- **Data Integrity Check**: Ensuring all activity data sources, including energy consumption and business operations, align with recorded evidence.
- **Emission Factor Validation**: Applying the latest emission factors to ensure consistency and accuracy in calculations.
- **Review of Assumptions:** Assessing key assumptions and methodologies used to quantify emissions and reduction pathways.
- **Quality Assurance:** Cross-checking figures, calculations, and recommendations against Balanced Energy's internal quality standards to ensure precision and transparency.

Role	Name	Signature	Date
Author	Ashley Webber		28/07/2025
Reviewer	Elea Taffet		29/07/2025

Certificate of Carbon Footprint Assessment

This is to certify that Silverfish has successfully completed a comprehensive carbon footprint assessment for the reporting period **November 2023 - October 2024.**

Through this assessment, Silverfish has demonstrated a strong commitment to measuring and managing their environmental impact in alignment with best practices and industry standards.

Total Carbon Footprint (Market Based): 115.88 tCO_2e

Scope 1 Emissions: 51.49 tCO_2e
Scope 2 Emissions: 0 tCO_2e
Scope 3 Emissions: 64.38 tCO_2e
Emission Intensity: 9.67 tCO_2e/£m revenue

This assessment was conducted following the principles of the GHG Protocol and verified by an IEMA-qualified expert in carbon management, ensuring the highest levels of accuracy and transparency.

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APPENDIX A: THE NUMBERS BEHIND OUR IMPACT

Greenhouse Gas (GHG) Inventory by Activity November 2023 - October 2024

	Activity	Unit	Consumption	Carbon Emissions (tCO_2e)
Scope 1	Fleet Fuel	GBP	1,251.00	2.25
	Diesel	GBP	27,428.13	49.23
	Natural Gas	kWh	77,703.90	0.02
Scope 2	Electricity	kWh	75,544	15.64
	T&D Losses	kWh	75,544	5.50
	Water	m3	162.32	0.02
Scope 3	Waste -Recycling	Tonnes	3.93	4.39
	Waste -General	Tonnes	1.53	0.00
	Employee Commuting	Miles	149,187.40	0.04
	Business Travel	GBP	7,802.52	0.08
	Hotel Stays	Nights	207.00	3.30
	Homeworking	FTE Working Hours	17,578.00	3.15
SUBTOTAL				**131.51**
Qualifying Renewable Tariff (Scope 2)				**15.64**
TOTAL				**115.88**

	tCO2e	% of Footprint
Scope 1	**51.49**	44.44%
Scope 2	**0**	0.00%
Scope 3	**64.38**	55.56%
Total	**115.88**	**100.00%**

APPENDIX B: METHODOLOGY

This assessment follows the principles of the Greenhouse Gas (GHG) Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). It reflects current best practice in how organisational boundaries are set, which emissions are counted, and how carbon is calculated based on real-world activity. Silverfish reports under an operational control boundary — meaning the footprint includes all emissions linked to activities we directly manage day-to-day, even if we don't own the assets or infrastructure. That includes our offices, vehicles, warehousing, and service operations.

This approach aligns with what's expected of a business our size, operating across international supply chains with a strong UK base and an expanding European footprint.

Reporting Period
This footprint covers the 2023–24 operational year:
1 November 2023 – 31 October 2024

Scope Summary
Scope 1 — Direct emissions from diesel use in our fleet and from natural gas used in premises under our control.

Scope 2 (Market-based) — Emissions from purchased electricity reported using the market-based method to reflect our procurement of 100% certified renewable energy.

Scope 3 — Indirect emissions from upstream activity, including:

- Employee commuting
- Business travel (rail, air, hotel stays, mileage)
- Water and waste
- Homeworking
- Transmission and distribution (T&D) losses

Where actual data was available — from internal systems, utility bills, or supplier invoices — it has been used directly. Where data was missing or incomplete, we've applied reasonable estimates based on industry benchmarks and government-approved emissions factors.

Emissions Calculation
All emissions calculations are based on primary activity data multiplied by standardised, government-endorsed emissions factors. The following data sources were used for the 2023–24 footprint:

- UK Government GHG Conversion Factors for Company Reporting (DESNZ/DEFRA 2024 release)
- Ecoinvent (v3.9)
- Climatiq

Scope 2 emissions are reported under Market-based methodologies in line with GHG Protocol guidance.

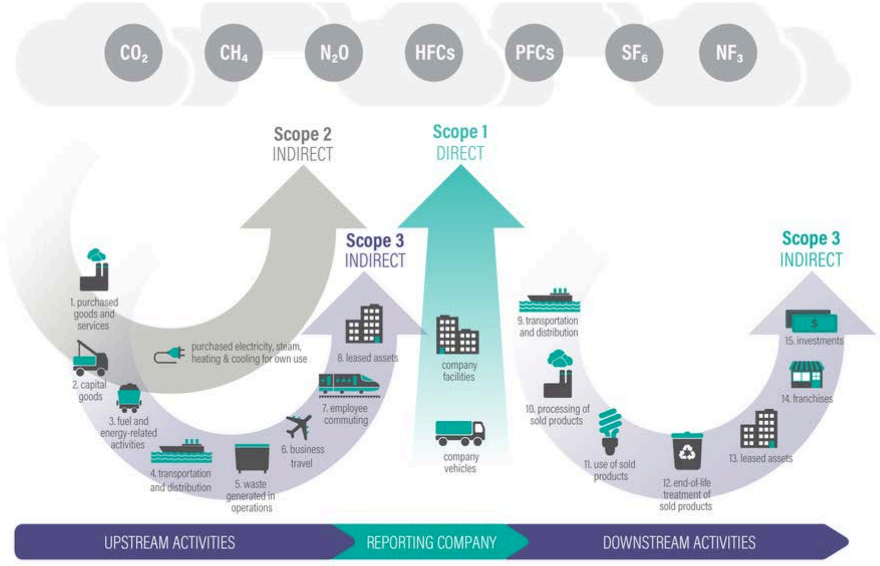
All calculations were independently prepared by Balanced Energy, using activity data supplied by Silverfish and cross-verified with procurement, logistics, and operational records.

Data has undergone internal technical review to ensure completeness, methodological rigour, and alignment with recognised accounting frameworks.

All calculations have been independently prepared by Balanced Energy using client-supplied activity data, cross-referenced with procurement, logistics, and financial records. Data has been internally reviewed for completeness, accuracy, and methodological consistency.

This assessment has undergone third-party external assurance and is aligned with recognised standards of carbon accounting accuracy and transparency suitable for procurement, reporting, and disclosure purposes.

Balanced Energy is a member of the Carbon Accounting Alliance, reflecting its commitment to ongoing methodological integrity, industry alignment, and best practice in complex organisational carbon accounting.



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