MICHELIN SCOTLAND INNOVATION PARC

Carbon Report 2023

Michelin Scotland Innovation Parc

1. INTRODUCTION

Our Net Zero Plan *(NZ Plan)* 2022 - 2030 sets out our strategy for action, and a roadmap for progress to achieve net zero by 2045. Reducing greenhouse gas *(GHG)* emissions is not just about our commitment to reducing the effects of climate change, but it also about identifying and achieving financial savings through improved efficiency. In turn this will increase our resilience and help to grow our business sustainably.

Our baseline emissions were calculated to be 695.57 tonnes of carbon dioxide equivalent (tCO_2e) for the year **2022** and covered all *Scope 1* emissions, all *Scope 2* emissions and some of our scope 3 emissions. Our *Scope 1* emissions accounted for 12.8%, *Scope 2* accounted for 3.4%, and our included *Scope 3* accounted for 83.8% in that baseline year.

Based on this, we have set near-term targets to reduce our total annual GHG scope 1 emissions by 95% (84.55 tCO_2e), scope 2 emissions by 95% (22.4 tCO_2e) and scope 3 emissions by 67% (390.6 tCO_2e) by the end of 2030. This will keep us on track to achieve our long-term target of reaching Net Zero by 2045.

By 2030, we will have reduced our scope 1 and 2 GHG emissions by 95%, and scope 3 by 67%, against a 2022 baseline. This equates to a figure of 497.55 tCO_2e.

2. EMISSIONS REPORTING

2.1. OVERVIEW

Our carbon footprint is calculated in three ways – Scope 1, 2 and 3 emissions.

Scope 1 includes all direct emissions from a company where fuel, gas or oil is burned because of the company's activity.

Scope 2 are indirect emissions resulted due to purchased energy.

Scope 3 are indirect emissions that are not controlled or owned by the company, but indirectly affects its administration.

Our overall carbon footprint for **2023 was 7,636.401 tCO_2e** using a market based approach, which is our chosen reporting method.

Figure 1 - 2023 tCO_2e by Source

Figure 1 shows that waste constitutes the highest portion of our carbon footprint at 98%, with 7,485.202 tCO_2e.

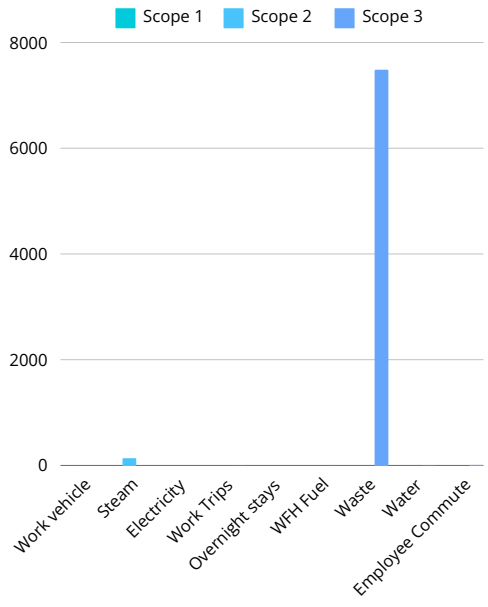
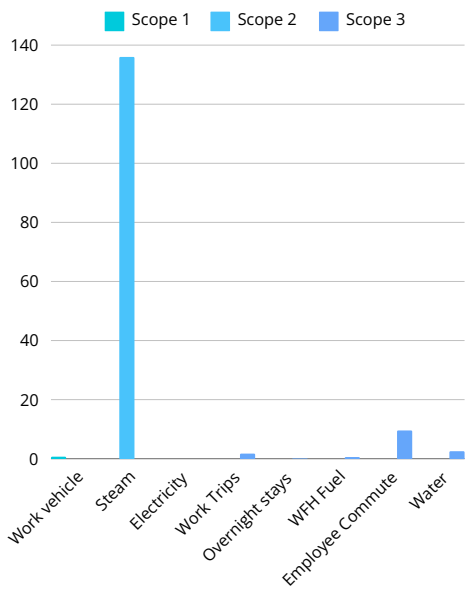


Figure 2 - 2023 tCO_2e by Source (minus Waste)



In the interests of understanding our other contributors, Figure 2 shows the data, minus the waste data. This chart demonstrates that our second highest contributor was Steam, at 136 tCO_2e,.

2.1. SCOPE 1

The only Scope 1 emissions we have are from a company vehicle.

We currently have one vehicle within our transport fleet - a Mitsubishi L200 MY 2011 diesel model. The primary use of the diesel pick-up is for operational maintenance of the MSIP site, for example, the transport of large goods from one building to another.

Our overall carbon footprint for 2023 for this was **0.689 tCO_2e**. This is an increase on our baselines year in 2022, where the carbon footprint was 0.22 tCO_2e. This could be attributed to our electric vehicle no longer being in service, resulting in the diesel vehicle being used to run more errands than previously. While an increase, this is still a small carbon footprint in comparison to other areas.

We have not replaced this diesel vehicle because using approximate calculations, we will emit less tCO_2e waiting for the vehicle to come to its natural end of life rather than replacing it with an electric vehicle prematurely. It is our commitment to reduce carbon emissions from our vehicle fleet by 95% by 2030 (based upon the baseline year).

2.2. SCOPE 2

Our overall carbon footprint for **Scope 2 was 136 tCO_2e.**

We report on two activities in Scope 2 - electricity and steam.

The carbon footprint of our electricity use is zero, as we get our electricity supply fully from renewable energy.

The carbon footprint of our Steam use was 136 tCO_2e, however this is not an accurate picture for 2023 as the steam pipeline was only switched on in November 2023. We estimate the annual average carbon footprint for Steam will be nearer 816 tCO_2e.

2.3. SCOPE 3

Our overall carbon footprint for Scope 3 in 2023 was 7636.404 tCO_2e.

In our Scope 3, we have included work trips, overnight stays, working from home fuel, employee commuting, water and waste.

The biggest contributing factor to our Scope 3 is waste. We have a commitment to reduce our carbon footprint from waste by 95% by 2030, based upon our 2022 baseline. Given the large increase in carbon from waste, we will take a closer look at our waste practices and how the data is captured, to ensure we are reporting correctly.

3. DATA GAPS AND ASSUMPTIONS

There are several gaps, assumptions and factors to declare in the data collected:

Employees

Since the carbon accounting was done for January 2023 to December of 2023, several employees had left the organisation and new employees have joined in 2024. The survey was conducted for everyone presently working for MSIP in March 2024. This means that the data collection could potentially be inaccurate as the actual employee footprint of 2023 does not come through.

Furthermore, two employees opted not to participate in the employee survey, While Scope 3 results are considered as close to accurate as possible, this will have impacted the results.

Waste

The waste carbon accounting has dramatically increased from the baseline year to 2023. This is down to two main reasons - substantial construction was taking place in 2023, resulting in an increase in waste collected. The second reason is how this is calculated, which is based upon an estimate of maximum capacity of the bins and skips collected, rather than a weighted amount of actual waste collected. This will be amended for our 2024 accounting, which we anticipate will decrease considerably as a result.

Water

It has been identified since the original 2022 data collection took place, that water usage data was missed from the data collection process. This has now been rectified but will result with an increase in Scope 3 results in 2023.

Electricity

Although renewable energy is theoretically supposed to have zero carbon emissions, the transportation and storage does produce tiny amounts of greenhouse gases and these have been calculated as part of our baseline. While this was gathered in 2022, we have agreed that we will not record this for subsequent years, given the potential for inaccuracy in this data and risk of double-counting.

Steam

A steam pipe utilising waste to energy power from our neighbouring business MVV went live in November 2023. The emissions from this have been captured for 2023 but were not counted as part of our baseline year.

4. SUMMARY

We are confident that our Net Zero Plan 2022 - 2030 outlines our strategic pathway to achieving net zero emissions.

While our 2023 carbon footprint is significantly higher than our baseline year in 2022, we recognise why this is and believe we will achieve our interim and long term targets.

We recognise that achieving net zero is a shared responsibility and invite everyone - our employees, partners, stakeholders, and broader community - to join us on this transformative journey.

Through collective action, we can drive change and create a legacy of sustainability for future generations.