

Overview

We are committed to reducing carbon emissions across the business and support our partner's respective climate emergency strategies through responsible environmental and energy management and the efficient use of energy throughout our operations. Our aim is to reduce scope 1 and 2 greenhouse gas emissions for all Parkwood owned assets to zero by 2040, ahead of UK Government targets and support our partners' ambitions through collaboration to achieve their respective goals.

We have achieved and maintain accreditation to the International Standard for Environmental Management Systems (EMS). We first achieved accreditation in October 2002, which made us one of the first in the public leisure sector to do so. Our Environmental Management System is BS: ISO 14001:2015 Certified. It was verified by NQA and reissued in 2023, with the certification cycle lasting three years until 2026.



Our Environmental & Sustainability Strategy, Policies and Delivery Plan, shape and underpin all aspects of our business, confirming our commitment to achieve Net Zero for Parkwood owned assets by 2040.

Kyoto Protocol

The Kyoto Protocol operationalises the United Nations Framework Convention on Climate Change by committing industrialised countries and economies in transition to limit and reduce greenhouse gas emissions in accordance with agreed individual targets.

The Kyoto Protocol tackles emissions of six greenhouse gases; Carbon dioxide, Methane, Nitrous oxide, Hydrofluorocarbons, Perfluorocarbons, Sulphur hexafluoride.



Emissions Reporting

Energy data has been collected from supplier invoices agreed and paid within the reporting year. Any energy that has been re-billed has been included as per the SECR guidance. F Gas data has been taken from approved contractor service reports, removing any recovered and destroyed gases. Transport data has been taken from a collection of supplier invoices, fuel cards and expense reports.

We have used the Government's greenhouse gas emission conversion factors to calculate scope 1 and scope 2 emissions and to convert our diesel, petrol, gas oil, LPG and burning oil from litres to MWh. These are all referred to as 'other fuels' for the purpose of this report.

Scope 3 emissions are greenhouse gas emissions associated with the activities of a business, but not directly generated by that business or the energy it uses. We are aware of the importance of scope 3 emissions, and as a Company, currently do not report on this optional category, however, we will ensure that we conform to all environmental laws, regulations, standards and other requirements to operate.

Intensity Metrics

Our portfolio has changed since 2019 and therefore to de-couple emission changes from business changes we have employed two energy intensity metrics:

- Kgs CO₂e per m² floor area
- Kgs CO₂e per £ of business revenue generated (excluding management fees)

Our year on year targets are currently to improve upon the previous year's emissions, using the above energy intensity metrics to benchmark emissions against the previous year.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. Full scope 1 and 2 emission data is available from 2019, therefore baseline emissions have been taken from this year.

Recent Progress- Parkwood Owned Assets

The business has continued to recover from the ongoing Covid-19 pandemic restrictions, with the focus on returning the operation to pre-pandemic levels. During the period Parkwood Leisure was able to regain control of emissions from a difficult period to reduce overall emissions against pre-pandemic levels reported in 2019. This was driven primarily by a focus on reducing gas and electricity consumption due to the impending utility rises back in March 2022. Parkwood Leisure took a leading role with UKActive from that period in lobbying Government for support to the Leisure Sector. Towards the end of 2023, focus on primary utility consumption is still a significant focus in light of continued market price increases with significant investment expected throughout 2024, including the installation of solar PV at Dolygaer Outdoors.

Carbon emissions have overall, per m², and per £ revenue, been relatively static since 2019 (excluding 2020 which saw most centres closed for the majority of the year). The below figures highlight the impact that the pandemic had on emissions. Further planned investment in 2024 and renewed company car policy moving towards hybrid and electric vehicles for company travel are expected to drive carbon emission reductions.

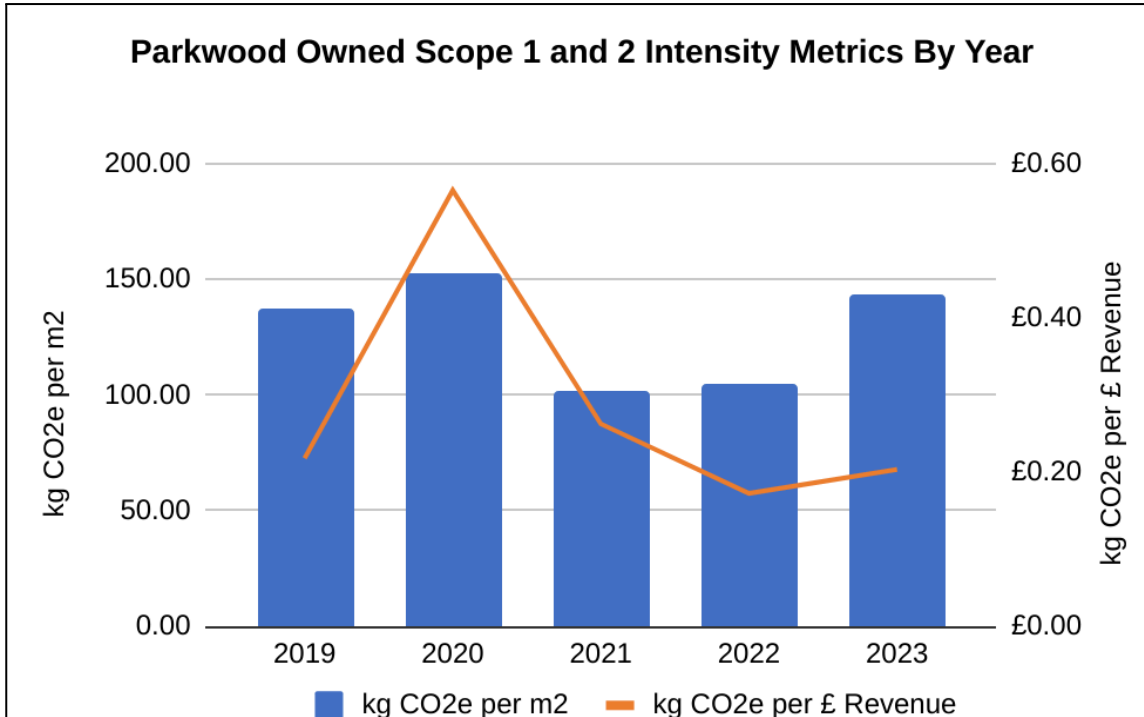


Figure 1a: Total kg CO2e emissions by year by m2 of floor area and £ revenue generated for Parkwood Leisure owned assets only.

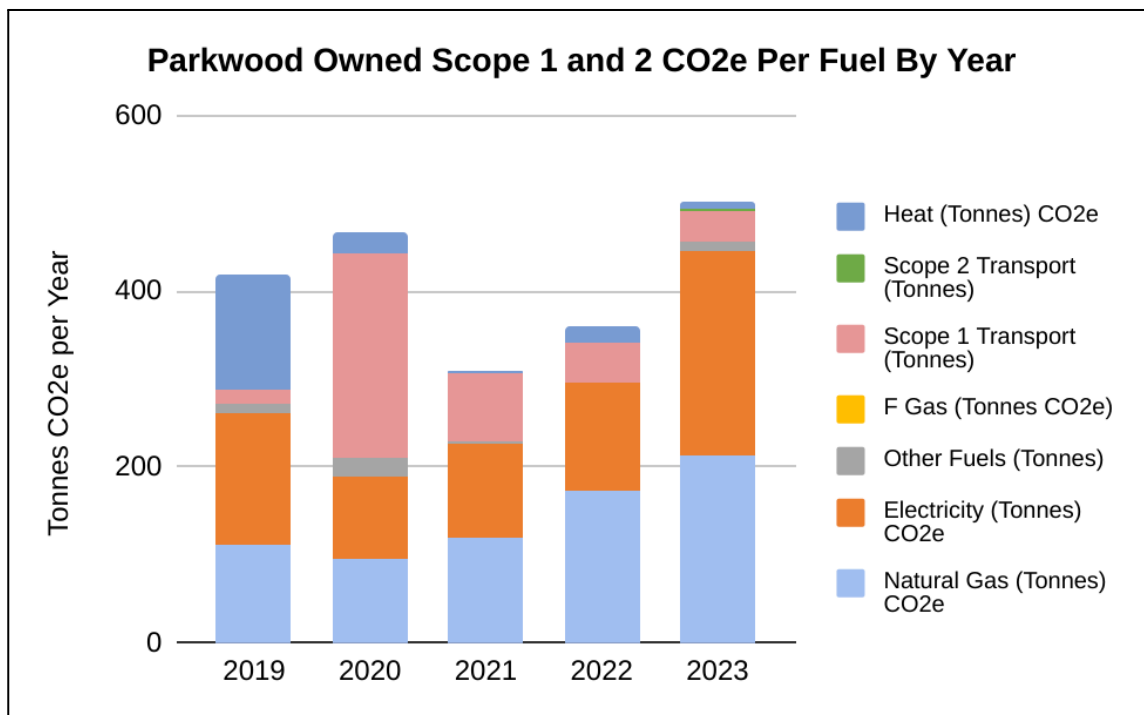


Figure 1b: Total tonnes CO2e emissions by year by emission scope and category for Parkwood Leisure owned assets only.

| Year | CO2e (Tonnes) | kg CO2e per m2 | kg CO2e per £ Revenue |
|------|---------------|----------------|-----------------------|
| 2019 | 418 | 137 | £0.22 |
| 2020 | 466 | 153 | £0.57 |
| 2021 | 309 | 101 | £0.26 |
| 2022 | 360 | 105 | £0.17 |
| 2023 | 503 | 144 | £0.20 |

Table 1: By year, total tonnes CO2e emissions, emissions by year by m2 of floor area, and £ revenue generated for Parkwood Leisure owned assets only.

Recent Progress- All Emissions

Parkwood Leisure are committed to collaborating and supporting our partners’ climate targets and ambitions and are transparent about all scope 1 and 2 emissions across the business. The below graphs demonstrate our emissions since 2019 for all properties, owned or managed by Parkwood Leisure since the 2019 baseline year.

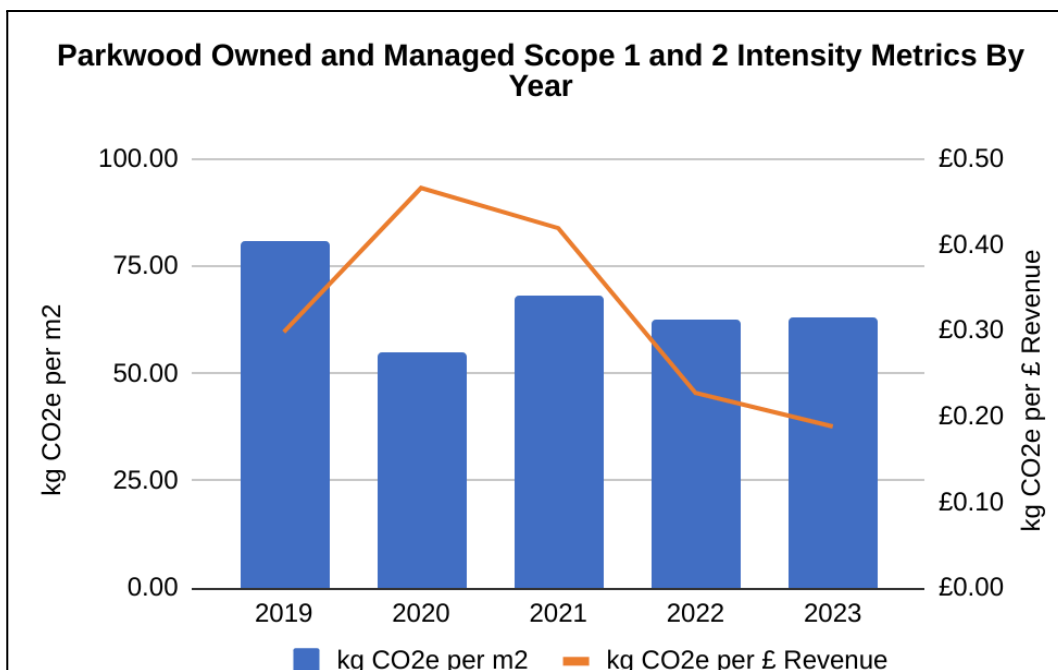


Figure 2a: Total kg CO2e emissions by year by m2 of floor area and £ revenue generated for all Parkwood Leisure owned and managed assets.

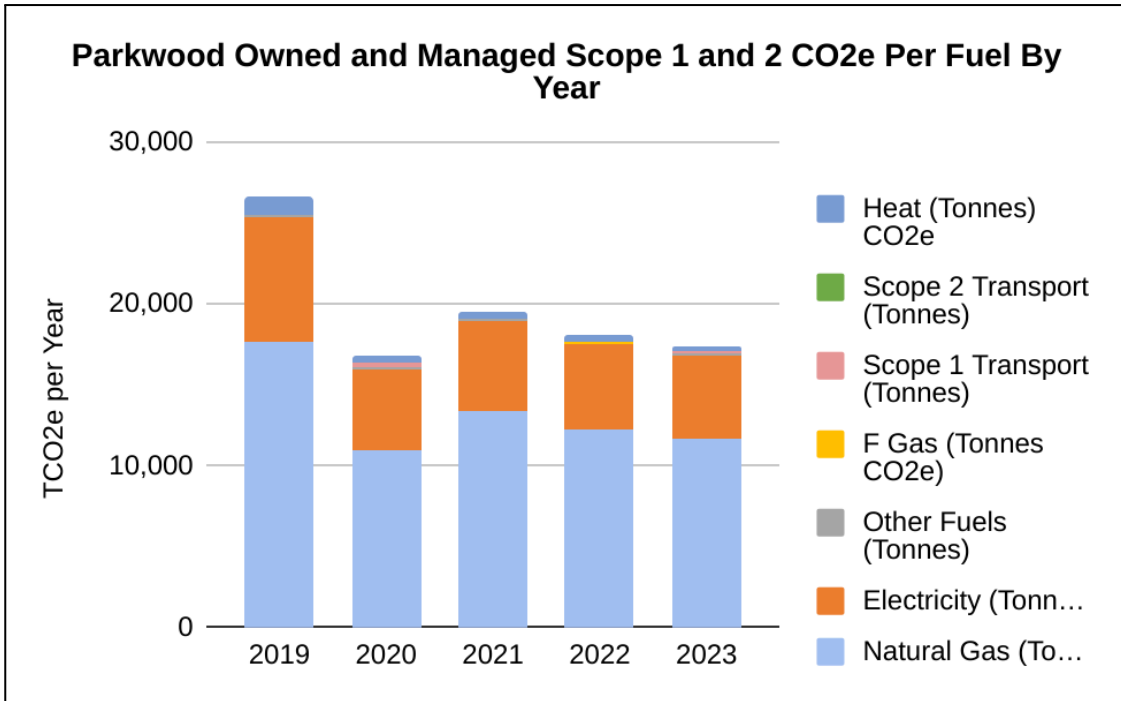


Figure 2b: Total tonnes CO2e emissions by year by emission scope and category for all Parkwood Leisure owned and managed assets.

| | CO2e (Tonnes) | kg CO2e per m2 | kg CO2e per £ Revenue |
|------|---------------|----------------|-----------------------|
| 2019 | 26,605 | 80.7 | £0.30 |
| 2020 | 16,803 | 54.9 | £0.47 |
| 2021 | 19,434 | 68.1 | £0.42 |
| 2022 | 18,053 | 62.8 | £0.23 |
| 2023 | 17,558 | 64.6 | £0.20 |

Table 2: By year, total tonnes CO2e emissions, emissions by year by m2 of floor area, and £ revenue generated for all Parkwood Leisure owned and managed assets.

Emissions Targets

In order to continue our progress to achieving Net Zero for all Parkwood owned assets, we have adopted the following carbon reduction targets.

We project that carbon emissions will decrease over the next five years to 254 tCO2e against the current reporting year (2022) by 2028. This is a reduction of 42.86%.

Carbon Reduction Strategy

Our Carbon Reduction Strategy can be summarised by four key strands:

- Reduce demand,
- Improve efficiency,
- Increase on site generation,
- Minimise indirect emissions whilst always ensuring compliance with environmental and energy obligations.

In October 2022, Parkwood Leisure developed its energy strategy which highlights how the business will continue to improve on energy consumption and carbon emissions through identification and prioritisation of projects through:

- Surveys completed across priority sites. These will be raised ad-hoc when it is deemed appropriate.
- Service reports generated from pre-planned maintenance.
- Audits completed by the energy team.
- Projects or opportunities have been raised in the open log and deemed suitable for investigation by the energy team.

The outputs from this will be used to make decisions on capital spend in 2023 and beyond, focusing on the below key technologies:

- Pipework lagging / installation of jackets
- Building Management System optimisation
- Heating, ventilation and air-conditioning controls
- General repair
- Pool covers
- Lighting upgrades
- Solar PV installation
- Destratification fan technology
- Variable speed drive installation
- Water efficiency schemes

We are continually looking for ways to improve our environmental impact and have introduced the following initiatives across our facilities and through sustainable procurement of our supply chain and transportation to our Centres:

- Stipulate in our Contracts that all international goods are shipped in, rather than flown. An example of this is the transportation of our fitness equipment.
- Help suppliers reduce their emissions by working together. For example, we limit stationary orders to only be 1 order every 2 weeks.

- A requirement for all completed tenders is that an Environmental, Health & Safety and Equal Opportunities policy is provided. If these documents are not provided, then the supplier is not even considered.
- Increased the use of internal web conferencing to reduce mileage and emissions associated with driving to meetings.
- Moving to a fully electric car fleet and grounds maintenance equipment.
- One of the selection criteria when we tendered for our fitness equipment supplier was assessing their environmental impact. Life Fitness have been a global leader in reducing their carbon footprint through reducing packaging, 100% recycled materials and the power demand of their equipment.

Declaration and Sign Off

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 at Director level in our organisation.

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

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

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