SMC Corporation (UK) Ltd

2021-23 Carbon Offset Strategy

PAS 2060:2014



Carbon Offset Strategy

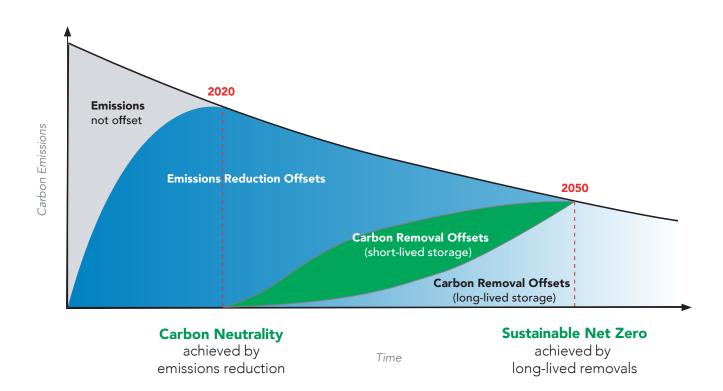
SMC Corporation (UK) Ltd's offset strategy has been developed by Carbon Saver and is based on:

The Oxford Principles for Net Zero Aligned Carbon Offsetting

- 1. Cut emissions, use high quality offsets, and regularly revise offsetting strategy as best practice evolves
- Prioritise reducing your own emissions Minimise the need for offsets in the first place
- Ensure environmental integrity Only use offsets that are verifiable & correctly accounted for
- Maintain transparency Disclose current emissions, accounting practices, targets to reach net zero, and the type of offsets employed

2. Shift to carbon removal offsetting

Most offsets available today are emission reductions, which are necessary but not sufficient to achieve net zero in the long run. As the market develops, increase the portion of offsets that come from carbon removals, ultimately reaching 100% carbon removals by 2050, as illustrated below:





3. Shift to long-lived storage

Shortlived storage involves methods that have a higher risk of being reversed over decades. Longlived storage refers to methods of storing carbon that have a low risk of reversal over centuries to millennia, such as storing CO2 in geological reservoirs or mineralising carbon into stable forms.

4. Support the development of net zero aligned offsetting

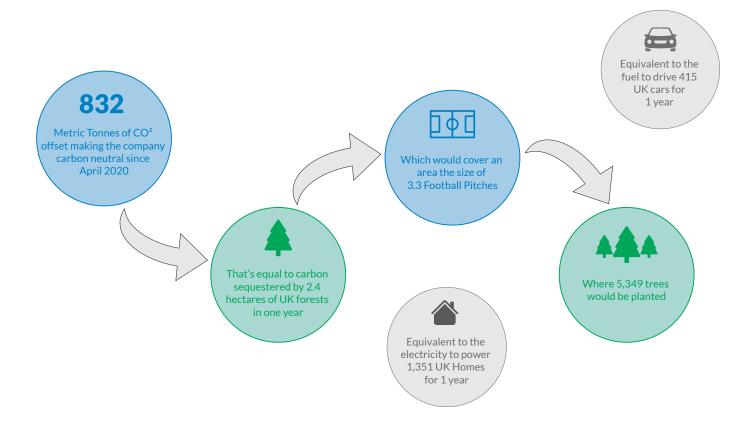
The market for the high-quality offsets needed to meet Principles 2 and 3 is immature and in need of early-adopters to support its evolution. SMC can develop the market for net zero aligned offsetting by:

 Adopting and publicising these Principles - incorporate them into their approach to offsetting and net zero.

www.ox.ac.uk/news/2020-09-29-oxford-launches-new-principles-credible-carbon-offsetting



2021/22 Carbon Offsets



During the compliance year 2021/22 SMC Corporation (UK) Ltd Scope 1 & 2 location based footprint totalled 832 tCO2e.

Offsets were procured and voluntarily cancelled in two emissions reduction projects:-

- 269 tCO₂e 4.9 MW Hydro Power Plant in India
- 563 tCO₂e 1.7 MW Biogas Power Plant in Thailand

SMC Corporation (UK) Ltd achieved carbon neutrality in May 2022 for the period 1st April 2021 to 31st March 2022.











4.9 MW Hydro Power Plant



Industry **Hydro Power**

Continent **Asia**

Country **India**

Number of units: **269 CERs** (Equivalent to 269 tonnes of CO₂)

Start serial number: IN52569953712205161 End serial number: IN52569956392205161

Project Register: https://cdm.unfccc.int/Projects/DB/TUEV-SUED1314689850.33/view

Other purchasers of these offsets include: Tesco, CEPA Foundation

Project Description

The project activity consists of the construction of Small Hydro Project. The project has a total installed capacity being 4.90 MW (2*2.45MW) to generate clean energy using the energy of the flowing stream.

The project also contributes to the following: Sustainable development, through utilisation of renewable hydro resources. Rural development, due to the location of the project being in rural area. Generation of additional employment and good jobs.













1.7 MW Biogas Power Plant



Industry
Waste Disposal

Continent **Asia**

Country **Thailand**

Number of units: **563 CERs** (Equivalent to 563 tonnes of CO₂)

Start serial number: TH5140162142201558 End serial number: TH5140167762201558

Project Register: https://cdm.unfccc.int/Projects/DB/DNV-CUK1200586898.98/view

Other purchasers of these offsets include: Rovio Entertainment, UNESCO

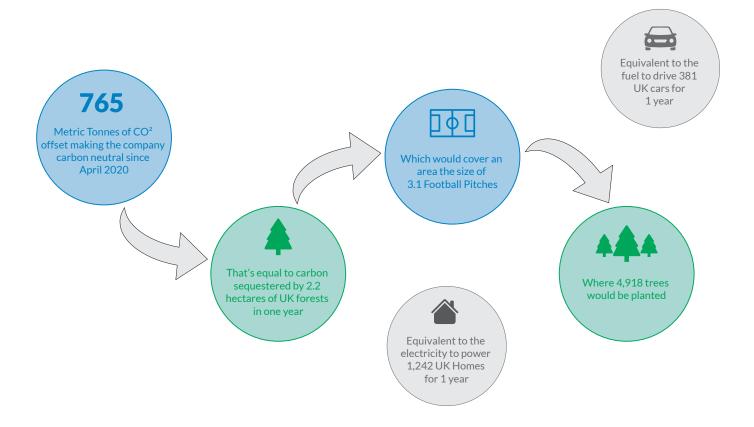
Project Description

The project activity involves the capture of methane rich biogas produced during swine rearing and its combustion for power generation. Benefits include:

- Reduction in the odour and fly nuisance associated with the old open lagoon treatment system
- Elimination of the use of fossil-derived imported grid electricity in the swine rearing facility
- Proper treatment of wastewaters to improve the quality of effluent
- Production of high quality natural dried sludge fertiliser supplied to local farmers at low cost
- Reduction of potent GHG emissions CH₄ and N₂O



2022/23 Carbon Offsets



During the compliance year 2022/23 SMC Corporation (UK) Ltd Scope 1 & 2 location based footprint is forecasted to be 765 tCO $_2$ e. This reflects the resumption of business activities following the COVID-19 lockdowns and low carbon investments.

Offsets were procured and voluntarily cancelled in three emissions reduction projects:-

- 200 tCO₂e 13.0 MW Hydro Power Plant in India
- 296 tCO₂e 1.7 MW Biogas Power Plant in Thailand
- 269 tCO₂e 7.7 MW Wind Power Plant in India

These carbon credits are held in a pool to offset SMC Corporation (UK) Ltd carbon emissions for the period 1st April 2022 to 31st March 2023.











13.0 MW Hydro Power Plant



Industry **Hydro Power**

Continent **Asia**

Country **India**

Number of units: **200 CERs** (Equivalent to 200 tonnes of CO₂)

Start serial number: IN52759872602203568 End serial number: IN52759874592203568

Project Register: https://cdm.unfccc.int/Projects/DB/DNV-CUK1269843478.58/view

Other purchasers of these offsets include: <u>Adidas</u>, <u>Amtico</u>, <u>Bienzobas</u>

Project Description

The project activity consists of the construction of Small Hydro Project. The project has a total installed capacity being 13.0 MW to generate clean energy using the energy of the flowing stream.

The project also contributes to the following: Sustainable development, through utilisation of renewable hydro resources. Rural development, due to the location of the project being in rural area. Generation of additional employment and good jobs.













1.7 MW Biogas Power Plant



Industry
Waste Disposal

Continent **Asia**

Country **Thailand**

Number of units: **296 CERs** (Equivalent to 296 tonnes of CO₂)

Start serial number: TH5140167772201558 End serial number: TH5140170722201558

Project Register: https://cdm.unfccc.int/Projects/DB/DNV-CUK1200586898.98/view

Other purchasers of these offsets include: Rovio Entertainment, UNESCO

Project Description

The project activity involves the capture of methane rich biogas produced during swine rearing and its combustion for power generation. Benefits include:

- Reduction in the odour and fly nuisance associated with the old open lagoon treatment system
- Elimination of the use of fossil-derived imported grid electricity in the swine rearing facility
- Proper treatment of wastewaters to improve the quality of effluent
- Production of high quality natural dried sludge fertiliser supplied to local farmers at low cost
- Reduction of potent GHG emissions CH₄ and N₂O











7.7 MW Wind Power Plant



Industry
Wind Power

Continent **Asia**

Country **India**

Number of units: **269 CERs** (Equivalent to 269 tonnes of CO₂)

Start serial number: IN52090225532207437 End serial number: IN52090228212207437

Project Register: https://cdm.unfccc.int/Projects/DB/KBS_Cert1348557043.99/view

Other purchasers of these offsets include: Schneider Electric, Coca Cola Music

Project Description

The project activity is to generate electrical energy through sustainable means using wind power and feed the generated output in to the State Electricity Grid. Benefits include:

- Reduced environmental impacts as wind power produces no end products in the form of waste (e.g. particulate matter, fly ash, water effluent etc.)
- Reduced GHG emissions
- Improved grid stability
- Temporary and permanent, skilled and semi-skilled manpower at the wind park; this creates additional employment





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