



**GAC UK**

# **S172 & Streamlined Energy & Carbon Reporting (SECR)**

**2024**



**Delivering your strategy.**

## Section 172 Statement

This statement is intended to show how the directors of the company have approached and met their responsibilities under Section 172(1) (a) to (f) of the Companies Act 2006 (“Section 172(1)”) during the financial year under review.

As required by Section 172(1), a Director of a company must act in a way he/she considers, in good faith, would most likely promote the long-term success of the company for the benefit of its members as a whole, having regard to its stakeholders and the matters set out below, namely:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company’s employees;
- c) the need to foster the company’s business relationships with suppliers, customers and others;
- d) the impact of the company’s operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct;  
and
- f) the need to act fairly between members of the company.

### Long-Term Thinking

The Board recognises that the decisions it takes today will affect the long-term success and sustainability of the company. During the year, the members of the Board regularly discussed the strategic objectives of the company however, took the opportunity to formally discuss the company’s long-term success during two Board meetings (taking place in March and October). It was proposed and agreed that to protect and enhance the long-term future outlook of the company, a focus on improving cashflow and service delivery would need to be upheld to progress a strong agenda for substantial and sustainable growth.

The company’s Risk and Opportunities Register was subject to a full review by the Board of the company in 2023. The Board of the company regularly reviews how risks and opportunities increase and decrease in importance throughout a financial year, analysing and linking the same to: (i) our strategic objectives; (ii) the overarching objectives of the GAC Group; (iii) the United Nations’ Sustainable Development Goals; and (iv) our own MARS 30 Sustainability Programme (a sustainability commitment to both people and planet) which lays out:

#### *Our Vision*

To provide leadership and innovation in global business and community life by delivering a flexible portfolio of services built on quality, safety, honesty, vigour and a commitment to long-term business relationships.

#### *Our Mission*

GAC is a worldwide service provider dedicated to building long-term relationships with customers, staff and suppliers. We dedicate ourselves to delivering integrated services to the Shipping, Logistics, Marine and related markets at the highest levels of quality and safety.

#### *Our Spirit and Values*

The GAC Spirit emphasises loyalty between management and staff via two-way responsibility towards each other. We recognise that people’s lives extend beyond their jobs – who you are is just as important as what you do. We achieve service excellence through a healthy combination of work and play.

## Stakeholder Engagement

### Our Commitment

The company is committed to growing long-term relationships with the customers we serve whilst significantly reducing our environmental impact, improving the well-being of our people and influencing our stakeholders to do the same.

We seek stakeholders with an alignment to our values, and particularly for those who are committed to reducing carbon emissions and aligning with the United Nations' Sustainable Development Goals.

### Staff and the GAC Group

We consider our people our greatest strength, which is why we consider the results of both our own and the GAC Group employee engagement surveys to be of paramount importance. As a result of the 2023 survey response, we implemented various staff benefits, inclusive of private medical insurance for all full-time employees within the company, ensuring that our people can be confident of receiving great care in the event it should ever be needed. Further, our MARS 30 Sustainability Programme puts our people at its centre, with objectives specifically aimed at reducing voluntary staff turnover.

The Board understands that investments in our people strengthens the GAC culture. The company regularly convenes appraisals and town hall meetings to engage employees in the bigger picture regarding the work they conduct. A clear and accessible Whistleblowing Policy is available to all stakeholders, internal or external as required.

### Customers

In 2023, the company received nine hundred ninety customer feedback responses, with an average 98% satisfaction rate. Having a growing number of satisfied customers is important to the company and it is equally important to note that sixteen responses required a corrective action report to be raised, all of which were followed through and subject to remedial actions.

### Suppliers

GAC has a robust supplier management system and is actively seeking strategic partners on the supply side so as to build long-term, mutually beneficial relationships. The company attends multiple conferences and events throughout the calendar year so we can engage with the business communities in which we operate to develop common goals with suppliers and customers alike.

### Society

The company is particularly proud of the relationships it has cultivated due to environmental, social and corporate governance (ESG) concerns. In 2023, this included on-going and proactive support of MacMillan Cancer Support, community engagement with Aberdeen Football Club and our sponsorship of beehives in Scotland. The company is the first provider of ship agency and related services to achieve Diversity in Maritime Charter status.

### The Environment

Our MARS 30 Sustainability Programme lays out our commitment to the planet. In 2023, in line with Group requirements, we calculated our carbon emissions across all three sectors in which we operate and set our reduction target for 2030 of reducing our emissions by 30%. The company will align with UK Government targets and push for best practice with all stakeholders.

Group objectives are presented in the Group Roadmap to Sustainability which explains requirements to adapt, innovate and reduce our emissions. The Group has pledged to be net carbon zero by 2050. The Board of the company is kept up to date about ESG reporting through quarterly reporting of carbon emissions to the Group QHSSE Manager, as well as specific Board Meeting agenda items related to ESG matters.

### **High Standards**

The company operates to the highest standards at all times in terms of quality, health, safety, security and the environment (**QHSSE**). All company staff and everyone that works with The company are expected to adhere to the GAC Group's Code of Conduct, leading by example and treating all stakeholders how we ourselves wish to be treated. This is laid out in the job description of all staff, including the directors.

All Company staff must undertake mandatory training courses in: (i) QHSSE; (ii) Cybersecurity; (iii) Compliance and Ethics; and (iv) an Introduction to the GAC World (a course that details the history and culture of the group and what it means to work for GAC). It is through these courses that the high standards we expect are instilled and maintained across everything we do.

## **Streamlined Energy & Carbon Reporting (SECR)**

### **Introduction**

2023 represents the first year of SECR reporting for the company as it now meets the majority of the following criteria:

- at least 250 employees;
- an annual turnover greater than £36m; and
- an annual balance sheet total greater than £18m.

Carbon emission information is recorded in line with the GAC Group's Roadmap to Sustainability document, which mandates the recording of the following criteria:

- scope 1 emissions from own vehicles;
- scope 2 emissions from energy used in our own offices; and
- scope 3 emissions from travel

### **Methodology**

#### **Scope 1**

The company is using conversion factors from Department of Energy Security and Net Zero – formally known as DEFRA.

#### **Scope 2**

Some of these figures have had to be averaged based on UK Government calculations as we do not have direct control of the energy supplies in multi-occupancy facilities

#### **Scope 3**

Emissions recording is subcontracted to our travel management company, Corporate Traveller (CT).

## Emissions

### Scope 1

Our Scope 1 figures for 2023 were for:

- Fork Lift Trucks

The use of diesel-powered forklift trucks within our warehouses (Aberdeen and Great Yarmouth) where we have one 8t and one 15t in each location. These produced **117.06t** of Co2 in 2023.

- Leased and Owned Vehicles

In 2023 GAC owned one vehicle in Eastham which burns diesel. It travelled 846 miles in 2023, emitting 231.22kg of Co2.

Further, GAC has leased two vehicles, one in Shetland and one in Aberdeen. Together they emitted 9.35kg of Co2.

- Owned tonnage

Further, in partnership with Forth Logistics Limited (FLL), a fleet of six workboats are owned by GAC but operated by FLL. These vessels were built between 1996 and 2017.

2023	Diesel Consumed (Litres)	Diesel Consumed (cbm)	CO2 emitted (t)
Total	88,655.13	88.66	280.11

### Scope 2

This relates to the electricity and heating usage of all of our offices in the UK. Note that some of these figures have had to be averaged based on UK Government calculations as we do not have direct control of the energy supplies in multi-occupancy facilities.

Total consumption in 2023 is 281.6 MWh, equating to **54.67t** Co2.

### Scope 3

**Our calculations for 2023 in scope 3 are for air travel, hotel stays and car business miles.**

Type	Description	Detail	kg CO2	Notes
Air Travel	Corporate Travel Booked	511 Flights	175,523	CO2 Calculation provided by CT uses the ICAO Carbon Emissions Calculator
Air Travel	Seperately Booked Flights	80 Flights	5,037	CO2 Calculation uses the ICAO Carbon Emissions Calculator
Hotel Stays	Corporate Travel Booked	1,234 nights	53,494	CO2 Calculation based on the Hotel Carbon Measurement Initiative
Business Miles	Diesel Vehicles	249,789 miles	68,171	Data Sourced from business mileage claims in SAP Concur

## Carbon Offsetting

The company did not offset its carbon emissions in 2023. It did however, work with its stakeholders to offset emissions associated with customer freight movements.

The company has a robust history of supporting local charities and initiatives including its wildflower meadow and beehives in Scotland, which the company believes is a better way to acknowledge and mitigate its carbon footprint.

## Moving Forward

In all things the company has good intentions, and wants to continually improve. The company is exploring the following opportunities to better report its data and reduce its carbon footprint:

### Scope One

- all diesel forklifts are being replaced in 2024 with electric forklifts;

### Scope Two

- We are negotiating with electricity companies to provide a nationwide carbon neutral electricity tariff including discussions with landlords or other occupants in shared buildings to push for the same.

### Scope Three

- we have set very clear targets related to reducing Scope 3 emissions by 10% in 2024 and a 30% reduction by 2030 as noted earlier in the strategic report, which is part of our MARS 30 environmental commitment;
- as part of the appraisal process, we have begun introducing carbon budgets for our main travelling staff;
- all events with more than one hundred people will have their carbon impact measured, with the intention of being carbon neutral;
- we have mandated the recording of the carbon emissions for all freight movements across the business for 2024; and
- We have begun the process of calculating the carbon footprint of our role in the ship agency port call process.



**Nicholas Browne**  
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11 April 2024

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