

CARBON NEUTRAL POLICY PLAN – vs2.3 12/2/26

CARBON NEUTRAL & CLIMATE MANAGEMENT POLICY

1. Policy Statement

Peter Rowland Group (PRG) recognises climate change as a material environmental and operational risk and is committed to integrating carbon management, emissions reduction and certification pathways into our business operations.

Our objective is to:

- Measure our carbon footprint
- Reduce operational and supply chain emissions
- Integrate low-carbon procurement practices
- Support Climate Active reporting requirements
- Progress toward verified carbon neutrality

2. Carbon Management Framework

PRG adopts a structured carbon management model aligned with the Greenhouse Gas Protocol:

Scope 1 – Direct Emissions

- LPG and gas usage
- Refrigerant leakage
- Company vehicles

Scope 2 – Indirect Energy Emissions

- Electricity consumption
- Kitchen equipment
- Refrigeration systems

Scope 3 – Supply Chain & Operational Emissions

- Food procurement
- Packaging
- Waste disposal
- Transport logistics
- Event operations
- Staff commuting

Scope 3 is always prioritised as it represents the largest emissions category in hospitality.

3. Integration into Business Practices

3.1 Carbon Measurement & Reporting. PRG will:

- Track electricity, gas and waste monthly
- Monitor food miles for key ingredients
- Record transport and delivery frequency
- Track packaging usage volumes
- Develop annual carbon inventory reporting

Where required, PRG will provide emissions data in a format compatible with Climate Active reporting frameworks.

3.2 Sustainable Procurement Strategy

To reduce supply chain emissions, PRG will:

- Prioritise Victorian and Australian suppliers
- Reduce high-emission imported goods
- Implement seasonal menu design
- Increase plant-forward menu offerings
- Reduce red meat intensity where feasible
- Source certified sustainable seafood
- Require supplier environmental statements

Target: ≥90% local sourcing where viable.

3.3 Menu Engineering for Carbon Reduction. - PRG will:

- Increase plant-based menu options
- Highlight low-carbon dishes
- Reduce food waste through precise forecasting
- Apply root-to-stem and nose-to-tail utilisation
- Develop “Low Carbon Choice” menu identifiers

3.4 Energy Efficiency & Operational Reduction

Within event spaces, PRG will:

- Use induction cooking where feasible
- Implement LED lighting
- Maintain energy-efficient refrigeration
- Conduct quarterly energy audits
- Reduce standby power consumption
- Introduce smart timers and automation controls

3.5 Waste & Circular Economy Commitment

PRG will support sustainability goals by:

- Eliminating single-use plastics
- Using compostable packaging
- Partnering with composting providers
- Diverting food waste from landfill
- Tracking waste diversion rates
- Participating in oil recycling programs
- Target: 20% reduction in food waste year-on-year.

Peter Rowland already has a benchmark being achieved of less than 2% food waste.

3.6 Sustainable Logistics

- Consolidated deliveries
- Reduced delivery frequency
- Supplier route optimisation
- Preference for low-emission transport providers
- Exploration of electric vehicle partnerships

4. Certification & Offset Strategy

PRG commits to progressing toward formal carbon neutral certification under the Climate Active framework. This includes:

1. Establishing verified emissions baseline
2. Implementing documented reduction strategy
3. Purchasing high-quality Australian Carbon Credit Units (ACCUs) where required
4. Supporting biodiversity-aligned carbon offset projects

Offset priority will be given to:

- Native reforestation
- Biodiversity corridors
- Australian regenerative land projects

5. Governance & Accountability

Oversight of carbon management will sit with:

- COO – Strategic accountability
- Operations Manager – Implementation
- Procurement Manager – Supplier compliance
- Sustainability Lead – Reporting and monitoring

Quarterly ESG reviews will assess:

- Emissions trends
- Waste diversion rates
- Supplier sustainability performance
- Energy consumption data

6. Staff Engagement & Training

PRG will embed carbon awareness into:

- Staff induction
- Menu planning workshops
- Kitchen sustainability training
- Waste reduction training
- Supplier engagement sessions

Carbon literacy training will form part of management development programs.

7. Continuous Improvement & Innovation. PRG will:

- Review reduction targets annually
- Collaborate with sustainability teams
- Trial low-carbon menu initiatives
- Explore regenerative agriculture partnerships
- Monitor industry best practice

8. Alignment with Values - PRG's carbon strategy directly supports:

- Reduced food miles
- Ethical sourcing
- Lower environmental footprint
- Education through menu storytelling
- Biodiversity-aligned offset investment

9. Overall Emissions Reduction Target

Target: - Reduce total operational and supply chain emissions by **35% within five years (by 2031)** prior to offsets.

- Breakdown by Scope:
- Scope 1 & 2: 45% reduction
- Scope 3: 30% reduction

9.1 Scope 1 & 2 Targets (Energy & Direct Operations)

Energy Reduction

- Reduce electricity consumption intensity (kWh per \$ revenue) by **30% within 5 years**
- Transition 100% of kitchen lighting to LED within Year 1
- Replace ≥50% of gas cooking equipment with induction or electric alternatives by Year 4 (where infrastructure permits)
- Implement refrigeration optimisation program targeting **20% reduction in refrigeration energy use**

Renewable Energy

- Transition to 100% renewable electricity supply (where infrastructure permits) by Year 3

Refrigerants

- Achieve zero uncontrolled refrigerant leakage events
- Transition to low-GWP refrigerants for new equipment purchases

10.3 Scope 3 Targets (Supply Chain & Food Emissions)

Scope 3 is the largest emissions category in hospitality and will be the primary reduction focus.

Sustainable Procurement Targets

- Achieve ≥90% local sourcing (Victoria or Australia) for fresh produce by Year 3 (Currently 88%)
- Require environmental declarations from 100% of Tier 1 suppliers by Year 2

Menu Carbon Reduction

- Increase plant-based menu offerings to represent ≥40% of menu items by Year 3
- Reduce red meat procurement volume by 25% by Year 4
- Introduce “Low Carbon Choice” identifiers on menus by Year 2
- Pilot carbon-labelled menu boards by Year 4

Waste & Food Loss

- Reduce food waste by 20% by Year 3
- Reduce food waste by 35% by Year 5
- Divert $\geq 90\%$ of organic waste from landfill by Year 4
- Achieve 100% used cooking oil recycling

9.2 Packaging & Materials

- Eliminate single-use petroleum-based plastics by Year 2
- Achieve 100% compostable or recyclable service ware by Year 3
- Reduce total packaging volume per transaction by 25% by Year 5

9.3 Logistics & Transport

- Reduce delivery frequency by 20% through consolidation by Year 2
- Transition 30% of supplier fleet to low-emission vehicles by Year 5 (supplier collaboration target)
- Explore EV use for internal transport where viable by Year 4

9.4 Carbon Offsetting & Certification Pathway

After reduction measures:

- Offset 100% of residual emissions annually using high-integrity Australian Carbon Credit Units (ACCUs)
- Prioritise biodiversity-aligned carbon projects
- Prepare for formal Climate Active carbon neutral certification within 5 years

Target: Formal certification readiness by Year 5.

9.5 Annual Reduction Milestones

Year Targeted Emission Reduction (Cumulative)

Year 1	Baseline established + 5% reduction
Year 2	12% reduction
Year 3	20% reduction
Year 4	28% reduction
Year 5	35% reduction

9.6 Monitoring & Reporting Framework

PRG will:

- Conduct annual carbon inventory updates
- Provide quarterly ESG dashboards to
- Track emissions intensity per:
 - Guest served
 - Revenue generated
 - kg of food purchased
- Review supplier carbon performance annually
- Conduct annual third-party review prior to certification

9.7 Governance & Accountability

The following KPIs will be embedded into management performance:

- Waste reduction targets
- Local procurement targets
- Energy intensity targets
- Supplier sustainability compliance
- Offset verification

9.8 Continuous Improvement Commitment

PRG commits to:

- Reviewing reduction targets every 2 years
- Aligning with emerging Climate Active standards
- Incorporating regenerative agriculture suppliers
- Partnering with conservation initiatives
- Exploring carbon insetting opportunities within biodiversity programs