



Net Zero Report

Carbon Reduction Plan

FY 2024

Executive Endorsement

As part of our commitment to the utility sector and green infrastructure investment, what is commissioned now impacts the future of the utility networks. We understand the importance of reducing our emissions so that the much-needed services required are also lower in their Green House Gas (GHG) emissions when deployed across the UK. This is our commitment to Net Zero and we will continue to invest in environmental management to help us to reduce these emissions and decouple our growth.

Lisa Kerford, Managing Director



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About Us

Aptus Utilities (Aptus) is a multi-utility contractor who provides residential, commercial and industrial developments with the installation of water, electric, gas and street lighting related services and infrastructure. We service our clients nationwide utilising our end to-end design and build services.

Commitment to Net Zero

Aptus are committed to ensuring that we play our role in working alongside other UK organisations to achieve the UK Government's Net Zero target of at least a 100% reduction in the net UK greenhouse gas (GHG) emissions by 2050 (based on 1990 levels).

Aptus are committed to taking action to reduce our annual global warming potential (GWP) GHG carbon dioxide equivalent (CO₂e) emissions and achieving Net Zero CO₂e emissions by 31st of March 2046 four years earlier than the UK Government's target. We will aim to reduce our CO₂e emissions year-on-year and will achieve:

17%

Reduction in our Scope 1 and 2 CO₂e emissions by 2030

91%

Overall reduction in all CO₂e emissions across Scopes 1, 2 and 3 by 2046 offsetting any residual CO₂e emissions via high-quality nature-based or direct air capture projects and becoming Net Zero

To achieve these goals, Aptus has taken the following actions:

1. We have appointed an external specialist carbon consultancy to collate and verify our data, calculate our CO₂e emissions and help advise us on CO₂e reduction options
2. Set the base year (April 2022 – March 2023) and calculated our CO₂e footprint in line with the GHG Protocol for that base year:

a. Scope 1

- i. Stationary combustion, transport (owned and leased vehicles) and refrigerant gases

b. Scope 2

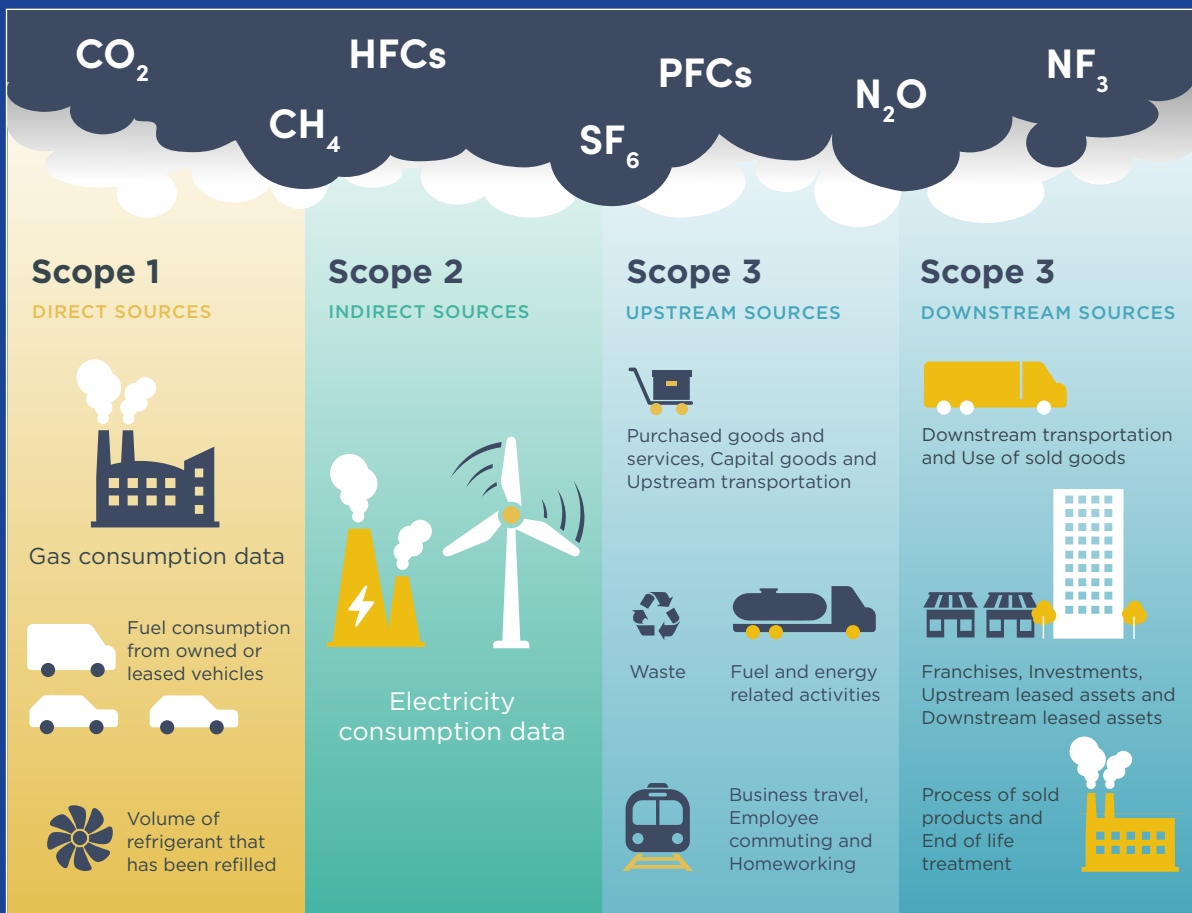
- i. Electricity

c. Scope 3

Of the 15 categories (8 upstream and 7 downstream) we have selected the following:

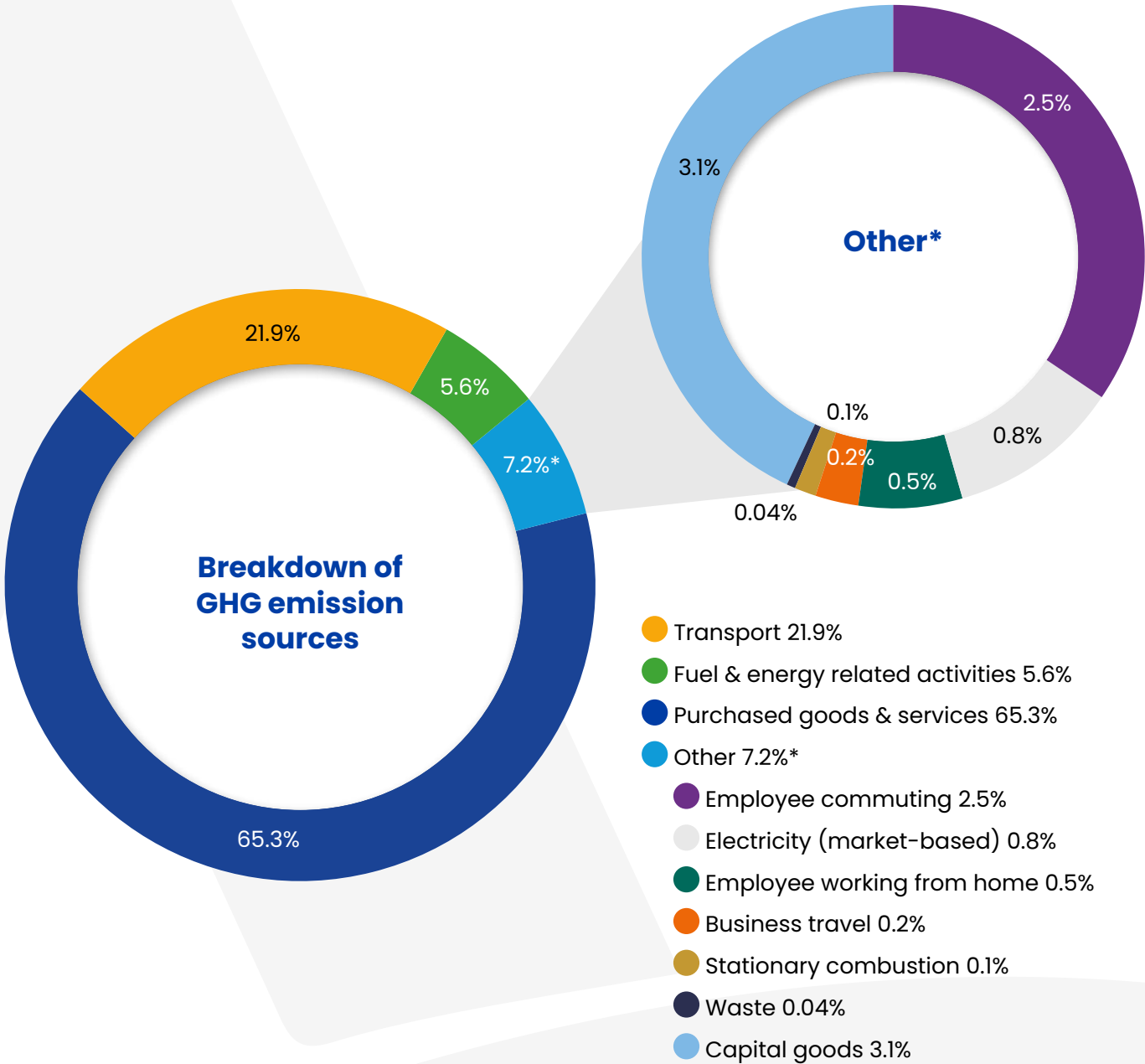
- i. Category 1: Purchased goods and services
 - ii. Category 2: Capital goods
 - iii. Category 3: Fuel and energy related activities
 - iv. Category 5: Waste generated in operations
 - v. Category 6: Business travel (including hotel stays)
 - iv. Category 7: Employee commuting (including home working)
3. Created a CO₂e reduction plan for each Scope and Category
 4. Set the Net Zero date and committed to updating our carbon footprint annually with March 2024 to be the first year post the base year

Overview of GHG Protocol scopes and emissions across the value chain



Baseline Emissions Footprint

Baseline CO₂e emissions are a record of the GHG emissions that were produced in a previous financial year, prior to the introduction of any strategies to reduce CO₂e emissions. Baseline CO₂e emissions are the reference point against which emissions reduction can be measured. Aptus have chosen March 2023 as our baseline year. Aptus' March 2024 CO₂e emissions footprint is as follows:



Below is an itemised breakdown showing the amount of CO₂e emissions in tonnes (tCO₂e) produced by each Scope and Category from the financial year (FY) 23 and FY 24 calculations.

Scope/Category	Item	Total tCO ₂ e FY2023	Total tCO ₂ e FY2024	% for FY2024	%
SCOPE 1					
Stationary combustion (Gas)	Gas consumed	16.9	7.5	0.1	-55.8
Transportation	Owned and leased vehicles	2,082.0	1,796.0	22.0	-13.7
Refrigerants	HVAC's	0.0	0.0	0.0	0.0
SCOPE 2					
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	57.3	52.9	N/A	-7.7
Electricity (Market-based) ^{2,3}	Purchased electricity, for own use (specific contract)	57.3	62.7	0.8	+9.4
Electricity (electric vehicles (EVs))	Purchased electricity for vehicles used	0.0	0.0	0.0	0.0
SCOPE 3					
Cat 1: Purchased goods and services	Goods and services	8,062.8	5,346.0	65.5	-33.4
Cat 2: Capital goods	Capital expenditure	268.6	251.9	3.1	-6.2
Cat 3: Fuel & energy related activities	WTT ⁴ & T&D losses ⁵ from electricity, stationary combustion of fuels and transport	535.3	462.0	5.6	-13.7
Cat 5: Waste generated in operations	Waste generated in operations	3.0	3.0	0.04	0.0
Cat 6: Business travel	Land and air travel and hotel stays for business purposes WTW	27.2	16.0	0.2	-41.3
Cat 7: Employee commuting	Employees commuting to and back from work WTW	161.0	203.0	2.5	+26.1
Cat 7: Employee working from home	Employees working from home	35.7	44.8	0.5	+25.5
Total Gross Emissions (Location-based)		11,249.9	8,183.1		-27.0
Change in emissions due to green electricity production		(0.00)	(0.00)		
Change in emissions as a result of energy contract			No residual mix considered for this reporting year (+9.9)		
Total Gross Emissions (Market-based)		11,249.9	8,193.0		-27.0
Less carbon offsets		(0.0)	(0.0)		
Total Net Emissions		11,249.9	8,193.0		-27.0

¹ Location based represents emissions from electricity consumption based on grid average emissions

² Market based represents emissions from electricity consumption based on specific energy contracts

³ WTT – Well-to-tank emissions. Emissions associated with the extraction refinement and transport of fuels before consumption

⁴ T&D losses – Transmission and distribution losses. Emissions associated with the energy lost during the transmission of electricity through the network

⁵ WTW – Well-to-wheel emissions. Includes emissions associated with the extraction, refinement, transport, and consumption of fuels

To further understand our CO₂e emissions, we have also recorded them using intensity ratios as this will allow us to track our CO₂e emissions as our business grows and develops.

Intensity Ratios	Gross Emissions (Location-based)		Gross Emissions (Market-based)		Net Emissions	
	FY23	FY24	FY23	FY24	FY23	FY24
tCO ₂ e per employee (start of year)	34.3	27.7	34.3	27.8	34.3	27.8
tCO ₂ e per meter ²	1.9	1.4	1.9	1.4	1.9	1.4
tCO ₂ e per £m turnover	153.6	124.9	153.6	125.1	153.6	125.1

When calculating CO₂e emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries⁶. This can be done either by an “Equity Share” or “Control” approach. The Equity Share approach reflects a company’s economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much financial or operational control a company has. To fully cover all of our operations and subsidiaries, we have selected the operational control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which we have operational control. The operational boundary includes all three Scopes as outlined by the GHG Protocol. Our CO₂e emissions are reported in tCO₂e and have been calculated utilising the following formula:

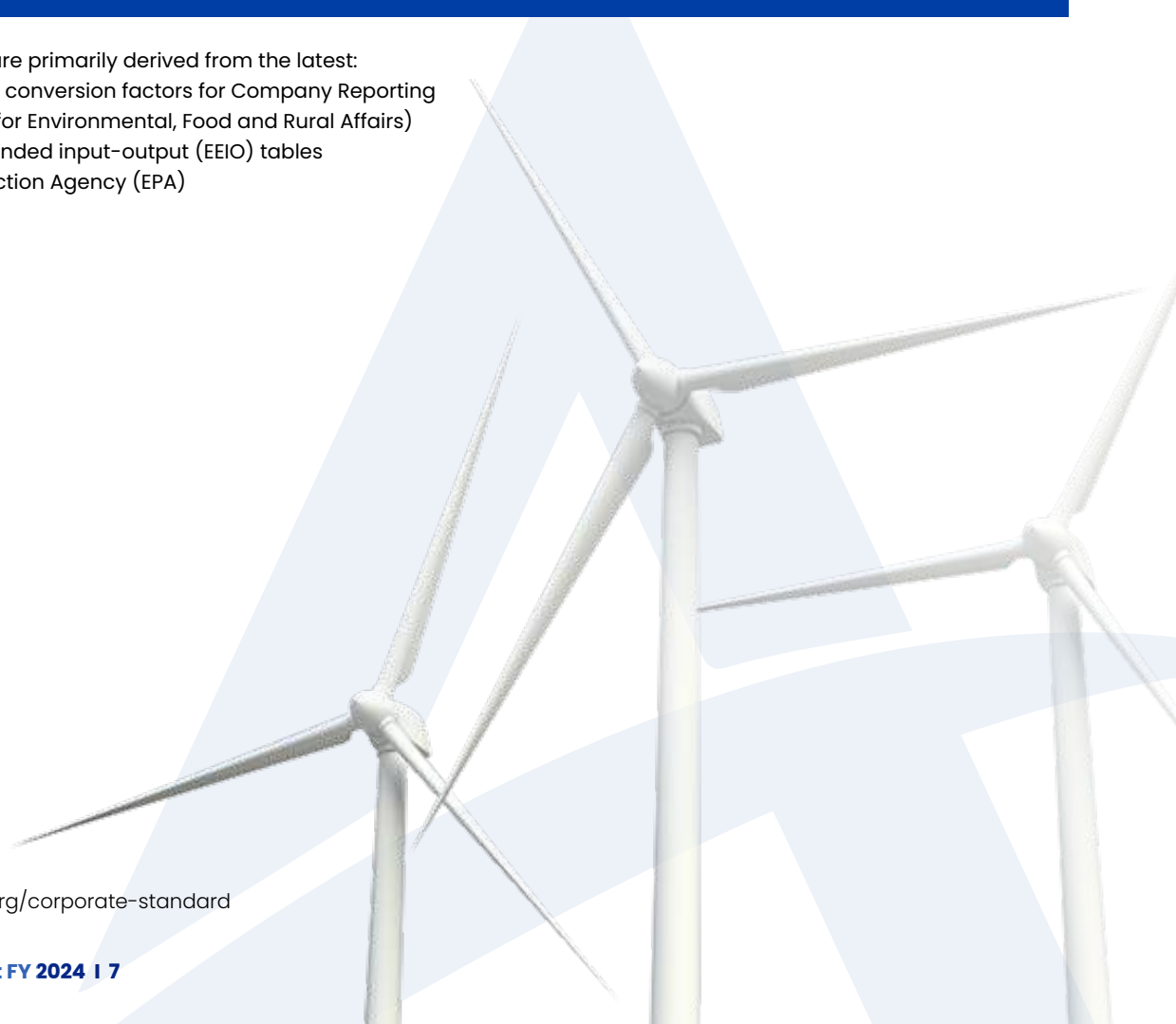
Source emissions data x conversion factor* = Total source emissions

Source unit x (tCO₂e/unit) = tCO₂e

* Conversion factors are primarily derived from the latest:

- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
- Environmental Protection Agency (EPA)

⁶<https://ghgprotocol.org/corporate-standard>



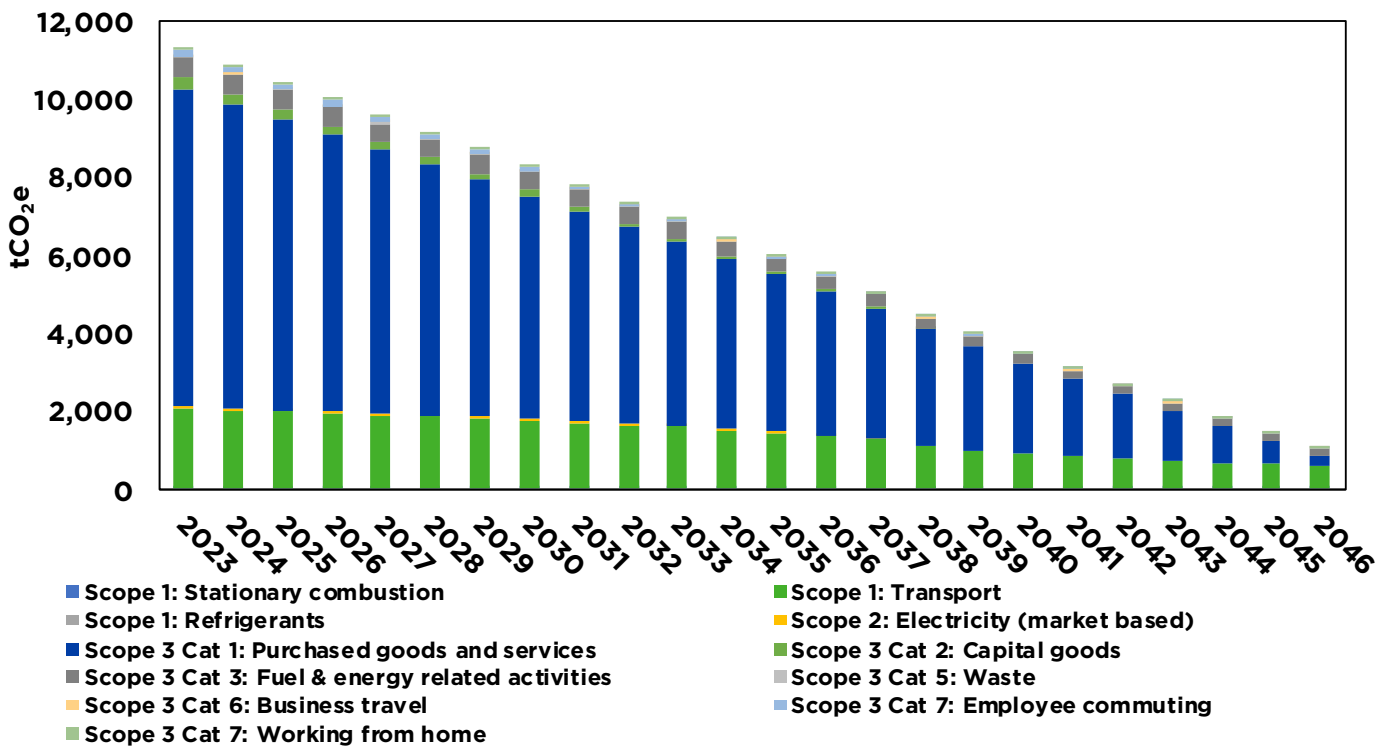
Emission Reduction Targets

In order to continue our progress to achieving Net Zero CO₂e, we have mapped out and planned a number of positive actions to achieve the following CO₂e reduction targets:

- ✓ **8% absolute reduction in emissions by 2025 from 2023 baseline levels**
- ✓ **27% absolute reduction in emissions by 2030 from 2023 baseline levels**
- ✓ **47% absolute reduction in emissions by 2035 from 2023 baseline levels**
- ✓ **69% absolute reduction in emissions by 2040 from 2023 baseline levels**
- ✓ **87% absolute reduction in emissions by 2045 from 2023 baseline levels**
- ✓ **91% absolute reduction in emissions by 2046 from 2023 baseline levels**

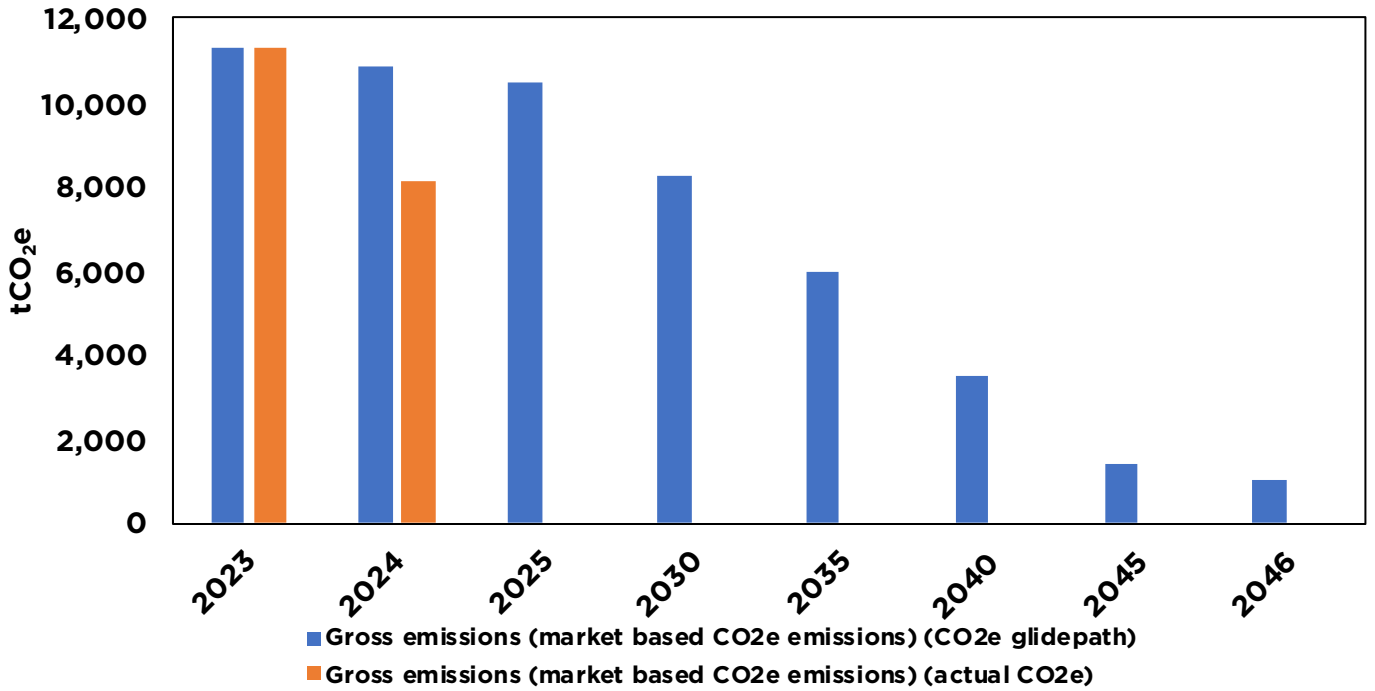
These are shown in the graph CO₂e Reduction Plan (Total emissions Scopes 1, 2 and 3) below:

Carbon Emission Glidepath tCO₂e

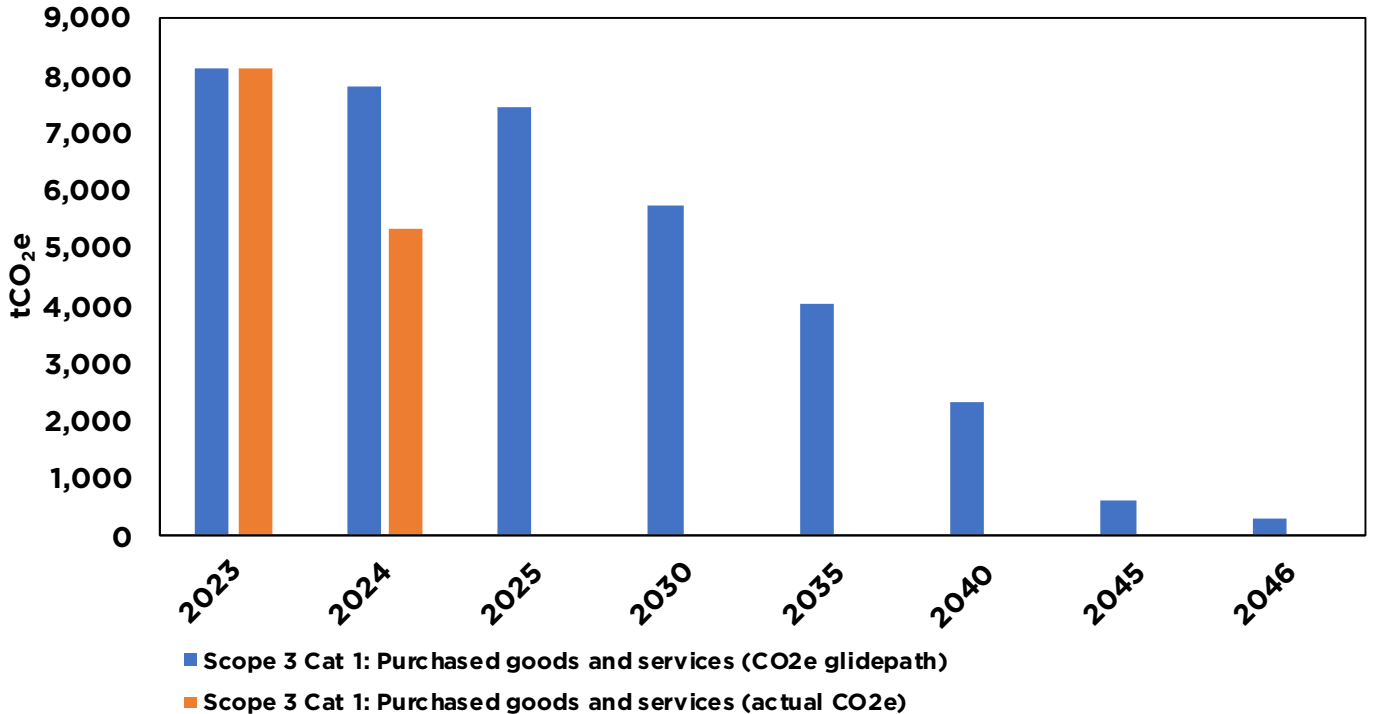


Our CO₂e emissions this year have reduced in comparison to last years and our CO₂e reduction glidepath. The main reasons for the reduction in CO₂e emissions are a result of the reduction in CO₂e emissions in our Scope 1 transport and one of our core Scope 3 Categories, Purchased goods and services. The reduction in Scope 1 transport is a result of using fewer litres of fuel from our bowser system, as this year we have had fewer active jobs than last year. Our engineers typically serviced fewer clients, and therefore used less fuel for transportation to their site to carry out utility infrastructure work. The reduction within Purchased goods and services is due to an improvement to the methodology we have applied this year and consideration of industrial decarbonisation of core emitting sectors that influence our supply chain.

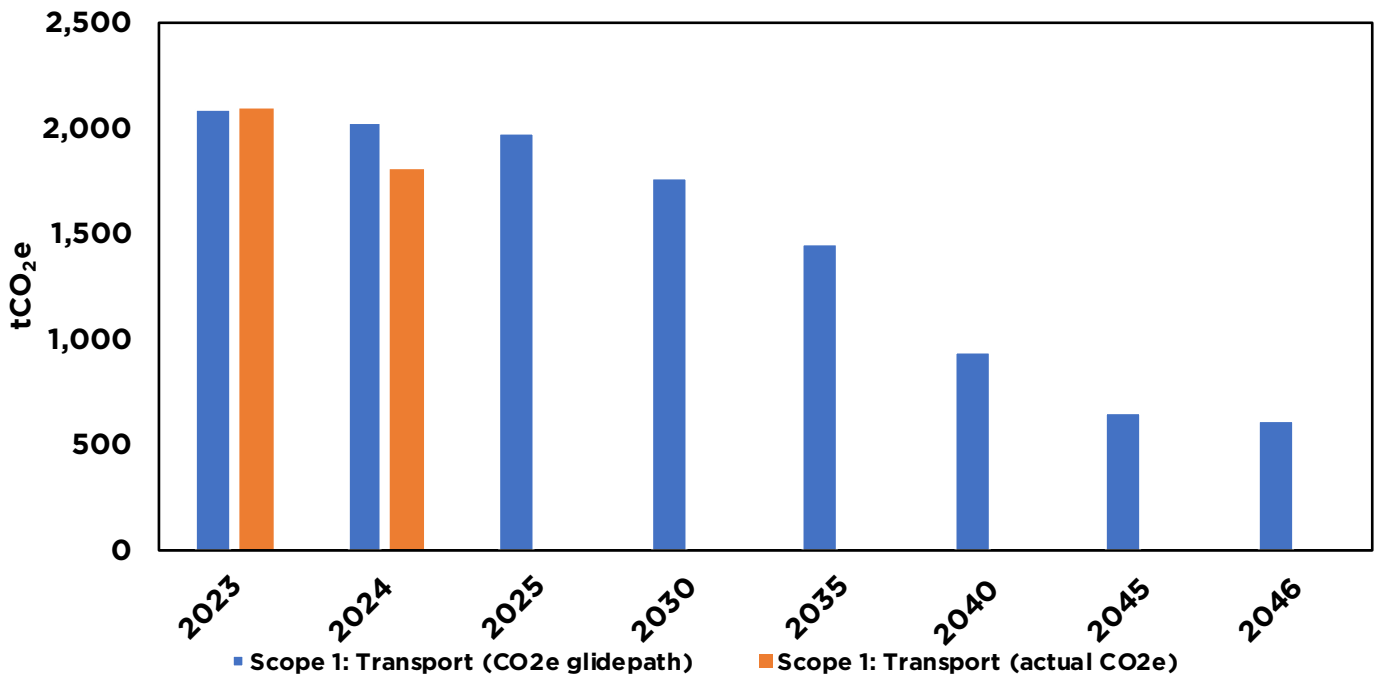
CO₂e Reduction Plan Actual vs Target (Total CO₂e Emissions Scopes 1, 2 and 3)



CO₂e Reduction Plan Actual vs Target (Total CO₂e Emissions Scopes 3 Category 1 Purchased goods and services)



CO₂e Reduction Plan Actual vs Target (Total CO₂e Emissions Scopes 1 Transport)



Our approach is to always focus our efforts on reducing our own CO₂e emissions, with significant planning and finances set aside to do this. However, a large proportion of our CO₂e emissions lie within Scope 3. It is difficult to reduce these CO₂e emissions within the short term as these are within our supply chain where we have influence but do not control. To try and reduce these CO₂e emissions, we will work with our suppliers to encourage CO₂e reducing behaviours within our supply chain.

Environmental Management Measures / Emission Reduction Plan

As a responsible business we are focusing on the environment and reducing our CO₂e emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the Aptus Board on global best practices on CO₂e reduction. We have a detailed CO₂e emissions reduction plan, the key actions of which are summarised below:



SCOPE 1: Stationary combustion (Natural gas)

We use natural gas for space heating at our Head Office – a leased site. In order to reduce CO₂e emissions in this area we will consider:

- Review our energy performance certificate (EPC) rating, service reports, and the length of the lease to help us evaluate what the best option is for transitioning the existing gas boiler to an electric heating system such as Hybrid Variable Refrigerant Flow (Hybrid VRF) for space heating and cooling or installing new electric radiators to replace the current radiators powered by the gas boiler
- Gain an understanding on the impact of behavioural change in reducing energy consumption



SCOPE 1: Transport (owned and leased vehicles)

We understand that a significant portion of our CO₂e emissions arise as a result of our engineers using our owned and leased vehicle fleet to drive to the customer sites to support the UK's utilities infrastructure. We are in the process of evaluating how our fleet can be decarbonised and what this transition will look like. However, in the meantime we will consider the below actions in order to reduce CO₂e emissions in the short term:

- Review the data that we receive from the telematics that have been installed on our fleet vehicles, consider which vehicles are used the most and which of our fleet are the oldest and due to be replaced as a result of reaching the end of their capital depreciation cycle
- Use this information to create a score card that allows us to rank and rate each of our vehicles
- Where vehicles are used the most and are older in nature when compared to the rest of our fleet, consider them as a priority to switching to ultra-low emission vehicles (ULEVs), depending on their use case



SCOPE 1: Refrigerants

In order to reduce the CO₂e emissions in this category to zero, or to orders of magnitude that are considered to be at residual CO₂e emission levels, we will continue to service and repair our heating ventilation and air conditioning (HVAC) units to ensure that they are operating efficiently and that the risk of refrigerant leaks is minimised as far as reasonably practicable. To help to reduce the energy consumption of these units and their use we will consider:

- Educating employees on the importance of appropriate temperature settings for heating and cooling, natural ventilation, and the use of shading in summer months, to prevent solar gains
- Ascertain if it is possible to substitute the existing HVAC refrigerants with other less harmful refrigerants e.g., refrigerant gas with zero ozone depletion potential (ODP) and low global warming potential (GWP)



SCOPE 2: Electricity

Our electricity contracts last year were a mixture of green and brown. We have now switched 100% of our electricity contracts to green contracts, and the next time we undertake a Net Zero CO₂e emissions comparison for FY25, all of our electricity contracts will be green. We have also installed some passive infrared (PIR) sensors to help to reduce the electricity consumption of the newly installed Light Emitting Diodes (LED) lighting. In order to reduce electricity consumption further we will consider:

- Evaluating the capital depreciation cycle of computers and replace them with energy efficient computers
- Purchasing a boiling water tap across our sites to help reduce the energy consumption during breaktime
- Efficient use of the HVAC units through having the unit regularly serviced and applying appropriate seasonal set points



SCOPE 3 Category 1: Purchased goods and services

We realise that much of the CO₂e reduction opportunities in this Category will arise as a result of our suppliers reducing their Scope 1 and 2 CO₂e emissions and becoming more CO₂e aware as the UK progresses towards a Net Zero 2050. However, that does not mean that we will take a passive approach to the category especially as it accounts for 65.3 % of our total CO₂e emissions. To try and enact positive change within our suppliers, we will:

- Engage with our suppliers
- Consider applying a balanced score card approach to supplier selection and create a procurement policy that supports the balanced score card
- Make CO₂e a material consideration when assessing suppliers
- Send out suppliers surveys as part of a Supplier Management System



SCOPE 3 Category 2: Capital goods

We realise that these CO₂e emissions primarily arise as a result of purchases of computers, and vehicles. In order to reduce CO₂e emissions in this category we will:

- For laptops and computers review Environmental Product Declarations (EPD's) where available and choose laptops with the lowest embodied CO₂e (ECO₂e) and energy consumption when in use
- For vehicles we are evaluating the possibility of investing in battery electric vehicles (BEVs) and other forms of low carbon transport, such as plug-in hybrid electric vehicles (PHEVs), depending on use case and operational constraints



SCOPE 3 Category 5: Waste

We already follow the waste hierarchy where all waste is diverted from landfill and have supported recycling through educational posters on the wall near the waste segregation bins. However, in order to reduce the amount of general waste being produced in our offices we will:

- Engage with the sites waste management company about the possibility to collect compost waste and educate employees so that it is used effectively for compostable waste
- Audit the types of waste being produced within the general waste and create a site level league table for waste reduction strategies to support shared learnings across their sites
- Consider what actions can be taken to reduce the amount of waste being produced from office equipment or employee lunches



SCOPE 3 Category 6: Business travel

The CO₂e emissions in this category arise primarily as a result of employees claiming miles travelled during business trips. This category also covers other types of reclaimed transportation such as trains, planes, taxis and hire vehicles, as well as nights stayed in hotels and food reimbursed during business trips. We are in the process of implementing a cycle to work scheme, offer a better mileage reclaim rate for employees who lift share, and the same mileage reclaim rate for EV's as conventional petrol and diesel vehicles. However, in order to reduce our CO₂e emissions further in this category we will:

- Evaluate and appraise the average distances of business trips, access to local EV charging infrastructure and behavioural barriers to encouraging employees to use ULEVs
- Whilst EV salary sacrifice scheme is being deployed, Aptus could also consider EV bulk buying schemes to help them to procure EV's at a company level and a cheaper rate than the free market; helping to encourage the uptake of EV's as cost is often a barrier



SCOPE 3 Category 7: Employee commuting

Even though our sites are located outside of public transport networks our employee commuting survey indicates that over 97% of our employees currently use conventionally fuelled cars to commute to work. We have therefore engaged with Transport for Manchester and the local highways authority as part of a bimonthly estate forum meeting to evaluate options to incentivise the use of local public transport. In order to further encourage lower CO₂e emissions in this category we will:

- Send out an updated employee commuting survey to understand what the barriers are for employees to use ULEVs, active travel such as cycling to work from a both a behavioural change and access to infrastructure perspectives
- Installing EV charger points at our leased sites
- Create new policies that incentivise employees to use public transport, ULEV and active travel instead of petrol and diesel vehicles



SCOPE 3 Category 7: Employee homeworking

Our CO₂e emissions in this category are relatively low as nearly one third of our employees work from our customers site as their main place of work. Approximately another third of our employees work from home either two or three days per week. In order to reduce CO₂e emissions in this category we will:

- Collect better data that relates to employees CO₂e emissions for working from home and using this type of data to improve the CO₂e accounting accuracy and provide policies which will help employees to reduce their home working environmental impacts
- Utilise this data to evaluate what the best sustainability management options are for reducing CO₂e emissions in this category
- Educate employees on ways to reduce CO₂e emissions when working from home

Conclusion

We are managing our environmental impact through our environmental management systems (EMS) that is certified to International Organization for Standardization (ISO) 14001:2015 - Environmental management systems. This is helping us to reduce our environmental impact and stay compliant within the regulated environment that we operate in.

We will continue to work on our path to Net Zero CO₂e by recalculating our CO₂e footprint annually for each year. We will track how we are performing vs our targets and adjust our methods to ensure we stay on track to hit our Net Zero target. We will continue to do all we can to minimise our CO₂e emissions and play our part in minimising the negative effects of climate change on the planet

Emissions Methodology – Inclusions within Current Numbers:

Scope 1

Scope 1 sources included in the inventory are onsite (or “stationary”) natural gas combustion, mobile fuel combustion from leased and owned vehicles, and refrigerants.

Scope 2

Purchased electricity was the only identified Scope 2 CO₂e emissions source. However, per the GHG Protocol Scope 2 Guidance, Scope 2 CO₂e emissions have been calculated and reported using two separate methodologies:

- A location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting CO₂e emissions from the electricity that Aptus have purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers and the residual mix of the grid for brown contracts

Scope 3

Category 1: Purchased goods and services

Includes all upstream (i.e., cradle-to-gate) CO₂e emissions from the production of goods purchased or acquired and services used by us in the reporting year.

Category 2: Capital goods

Includes all upstream (i.e., cradle-to-gate) CO₂e emissions from the production of capital goods purchased or acquired and services used by us in the reporting year.

Category 3: Fuel and energy-related services

Relates to transportation and distribution losses, and the well-to-tank CO₂e emissions for all fuels consumed as a result of us operation

- Well-to-tank CO₂e emissions account for all the CO₂e emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by our owned or leased vehicles)
- Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines)

Category 5: Waste

Includes CO₂e emissions from third-party disposal and treatment of waste generated in our owned or controlled operations in the reporting year

- We have utilised the ‘waste-type-specific’ method, which involves using CO₂e emission factors for specific waste types and waste treatment methods

Category 6: Business travel

Includes CO₂e emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This also includes CO₂e emissions resulting from hotel stays resulting from business-related trips

- We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate CO₂e emission factor for the mode used where possible
- We have used the number of nights stayed in hotels to calculate the CO₂e emissions

Category 7: Employee commuting and working from home

Includes CO₂e emissions from the transportation of employees between their homes and our offices. CO₂e emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category

- Where appropriate we have used the average-data method, which involves estimating CO₂e emissions from employee commuting based on average (e.g., national) data on commuting patterns
- We will in future years supplement the above with employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method

Emissions Methodology – Material Exclusions from Current Numbers:

Scope 3 Category 4: Upstream transportation and distribution

Is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a small part of our CO₂e emissions however we plan to collect this data for future reporting

Emissions Methodology – Non-Material Exclusions for FY24 Baseline Emissions:

Scope 3 Category 8: Upstream leased assets

Is excluded from FY24 CO₂e emissions, as we do not lease any assets

Scope 3 Category 9: Downstream Transportation and Distribution

Is excluded from FY24 CO₂e emissions, as we do not sell goods that need to be transported by our customers

Scope 3 Category 10: Processing of sold products

Is excluded from FY24 CO₂e emissions, as we do not manufacture products

Scope 3 Category 11: Use of sold products

Is excluded from the FY24 CO₂e emissions, as we do not sell physical products

Scope 3 Category 12: End-of-life treatment of sold products

Is excluded from FY24 CO₂e emissions, as we do not sell physical products

Scope 3 Category 13: Downstream Leased Assets

Is excluded from FY24 CO₂e emissions, as we do not own any leased assets that we lease to other businesses

Scope 3 Category 14: Franchises

Is excluded from FY24 CO₂e emissions, as we do not operate franchises

Scope 3 Category 15: Investments

Is excluded from FY24 CO₂e emissions, as we do not have any investments whereby, we provide capital or offer financing as a service



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