

# Carbon Reduction Plan

Supplier name: **Aareon UK Limited**.....

Publication date: 14 September 2022.....

## Commitment to achieving Net Zero

Aareon UK Limited is committed to achieving Net Zero emissions by 2050.

## 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.

<b>Baseline Year: Jan – Dec 2019</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
<p>This is Aareon UK's first report on emissions. The baseline year of 2019, as with the rest of the country the business activities were affected by the pandemic over the last 2 years.</p> <p>We have included the recommended the 5 scope 3 elements, although we have no up stream or downstream distribution in the business.</p> <p>The figures quoted although correct, we have made assumptions as to employees use of energy within their own homes. This could be something we will try to get more accurate information on in the future.</p>	
<b>Baseline year emissions: 1<sup>st</sup> Jan – 31<sup>st</sup> December 2019</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<p>As we are a software developer, we do not generate anything from manufacturing processes.</p> <p>We did however have a number of company cars ranging from 13 at the start of the year which had dropped to 9 by the end of 2019. For this calculation we are using the 13 cars averaging 18,937km each. 18,937kms x 0.17710 (See business travel below) x 13 = <b>43,599 tCO<sub>2</sub>e</b></p>
<b>Scope 2</b>	<p>We have 3 offices Kenilworth 394.64m<sup>2</sup>, Southampton 308.34m<sup>2</sup> and Swansea 510.95m<sup>2</sup>. Our electricity bill across the three offices for 2019 was £32,500. Using British Gas's average for a large house an annual bill</p>

	<p>of £703.48 generates 4,300kWh of electricity. We calculated that our £32,500 was equal to 198.655.257kWh. Using the formulae kWh x 0.21233kgCO<sub>2</sub>e ÷ 1,000 = tCO<sub>2</sub>e, from <a href="https://netzeroedinburgh.org/how-to-calculate-your-business-carbon-footprint/">https://netzeroedinburgh.org/how-to-calculate-your-business-carbon-footprint/</a>. We calculated that we generated <b>42.2 tCO<sub>2</sub>e</b> across the three sites.</p>
<p><b>Scope 3</b> (Included Sources)</p>	<p>4. Upstream transportation and Distribution – we don't have any transportation or distribution costs as we don't manufacture any tangible items.</p> <p>5. Waste generated in operations – we don't presently have this information it could be something we look at in the future.</p> <p>6. Business travel – We took 82 internal flights with an average distance of 277kms (<a href="https://www.carbonindependent.org/22.html">https://www.carbonindependent.org/22.html</a>). On average, passenger aviation emitted <b>90 grams of CO<sub>2</sub> per passenger-kilometer in 2019</b>. 82trips x 277kms x 0.009kg = <b>204.4 tCO<sub>2</sub>e</b>.</p> <p>Our car business travel totalled 395970.1kms x 0.17710 (<a href="https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting">https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting</a>) using 2019 figures = <b>70,126.3 tCO<sub>2</sub>e</b>.</p> <p>7. Employee commuting – in 2019 we had 125 staff, with 81 based in the 3 offices. Using, <a href="https://www.sme-news.co.uk/new-survey-reveals-large-regional-differences-in-workers-commuting-experience/">https://www.sme-news.co.uk/new-survey-reveals-large-regional-differences-in-workers-commuting-experience/</a>. The average commute is 23 miles. 365 days in the year, 261 are business days, 8 bank holidays, 25 annual leave, leaves 228 working days. For the 81 office based staff their commute for the year was approx. 424,764.</p> <p>The average CO<sub>2</sub> emissions per car in the UK in 2019 was 223.7grams per mile (<a href="https://www.nimblefins.co.uk/average-co2-emissions-car-uk">https://www.nimblefins.co.uk/average-co2-emissions-car-uk</a>).</p> <p>The tCO<sub>2</sub>e for employees commuting in 2019 is estimated to be <b>95,019.71 tCO<sub>2</sub>e</b>.</p> <p>Home workers in 2019 totalled 44. 365 days in the year, 261 are business days, 8 bank holidays, 25 annual leave, leaves 228 working days. Employees work 7.5 hours per day they work, which is 0.3125 of a full 24 hours.</p> <p>Gas</p> <p>The average gas usage 13,600kWh/year. kWh x 0.18316kgCO<sub>2</sub>e ÷ 1,000 = tCO<sub>2</sub>e. As above 228 working days in the year, employees work 7.5 hours per day, which is 0.3125 of a 24 hour day. We calculated 228 ÷ 365 x 13,600kWh x 0.3125 x 44 = kWh.</p> <p>116,810.96kWh x 0.18316kgCO<sub>2</sub>e ÷ 1,000 = <b>21.4tCO<sub>2</sub>e</b>.</p> <p>Electric</p> <p>The average electric usage 3,600kWh/year. kWh x 0.21233kgCO<sub>2</sub>e ÷ 1,000 = tCO<sub>2</sub>e. As above 228 working days in the year, employees work</p>

	<p>7.5 hours per day, which is 0.3125 of a 24 hour day. We calculated <math>228 \div 365 \times 3,600\text{kWh} \times 0.3125 \times 44 = 30,920.55\text{kWh}</math>.</p> <p><math>30,920.55\text{kWh} \times 0.18316\text{kgCO}_2\text{e} \div 1,000 = \mathbf{7.3tCO}_2\text{e}</math>.</p> <p>9. Downstream transportation and distribution - we don't have any transportation or distribution costs as we don't manufacture any tangible items.</p> <p><b>Scope 3 = 165,379.11tCO<sub>2</sub>e</b></p>
<b>Total Emissions</b>	<b>209020.3tCO<sub>2</sub>e</b>

## Current Emissions Reporting

Reporting Year: 1 <sup>st</sup> Jan – 31 <sup>st</sup> December 2021	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
<b>Scope 1</b>	<p>As we are a software developer, we do not generate anything from manufacturing processes.</p> <p>We no longer have any company cars.</p> <p><b>0tCO<sub>2</sub>e</b></p>
<b>Scope 2</b>	Using the same formulae as above we generated a total of <b>44.1tCO<sub>2</sub>e</b> across our three sites
<b>Scope 3 (Included Sources)</b>	<p>4. Upstream transportation and Distribution – we don't have any transportation or distribution costs as we don't manufacture any tangible items.</p>
	<p>5. Waste generated in operations – we do not presently have this information. It will in any event be very limited if any as we are a technology company creating and developing software and associated cloud services.</p>
	<p>6. Business travel – We took 1 internal flights from Manchester to Southampton a distance of 292kms (<a href="https://www.carbonindependent.org/22.html">https://www.carbonindependent.org/22.html</a>) the flight time is 21mins. A reasonable estimate for aviation CO<sub>2</sub> emissions is therefore <b>250 kg i.e. 1/4 tonne CO<sub>2</sub> equivalent per hour flying</b>. <math>250 \div 60 \times 21 = \mathbf{87.5 tCO}_2\text{e}</math>.</p>

	<p>Our car business travel totalled 2,812.82kms x 0.17148 (<a href="https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting">https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting</a>) using 2021 figures = <b>482.34 tCO2e</b>.</p>
	<p>7. Employee commuting – in 2021 our offices were closed, with all staff working from home.</p> <p>Home workers in 2021 totalled 130. 365 days in the year, 261 are business days, 8 bank holidays, 25 annual leave, leaves 228 working days. Employees work 7.5 hours per day they work, which is 0.3125 of a full 24 hours.</p> <p>Gas</p> <p>The average gas usage 13,600kWh/year. kWh x 0.18316kgCO2e ÷ 1,000 = tCO2e. As above 228 working days in the year, employees work 7.5 hours per day, which is 0.3125 of a 24 hour day. We calculated 228 ÷ 365 x 13,600kWh x 0.3125 x 130 = 345,123.3kWh.</p> <p>345,123.3kWh x 0.18316kgCO2e ÷ 1,000 = <b>63.2tCO2e</b>.</p> <p>Electric</p> <p>The average electric usage 3,600kWh/year. kWh x 0.21233kgCO2e ÷ 1,000 = tCO2e. As above 228 working days in the year, employees work 7.5 hours per day, which is 0.3125 of a 24 hour day. We calculated 228 ÷ 365 x 3,600kWh x 0.3125 x 130 = 91,356.16kWh.</p> <p>91,356.16kWh x 0.18316kgCO2e ÷ 1,000 = <b>16.7tCO2e</b>.</p>
	<p>9. Downstream transportation and distribution - we don't have any downstream transportation or distribution costs as we are a technology company and we don't manufacture any tangible items.</p>
	<p><b>Scope 3 = 649.74tCO2e</b></p>
<b>Total Emissions</b>	<b>693.84tCO2e</b>

## Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We have reduced the number of company cars to nil. Our three office premises are all leased and we will not be renewing the lease for one due in July 2023, thereby reducing our office premises and emissions by one third from that date.

Before the Covid pandemic, we introduced 'green consulting' with staff delivering services via electronic means rather than travelling to customer sites to reduce our carbon footprint. This is something that has continued since the pandemic and nearly all services are now delivered by this method. Only when a customer insists we deliver on their site do we travel to deliver

our services. We will continue to promote remote delivery to all our customers in an effort to eliminate the need for any site delivery by our employees.

We are committed to working towards Net Zero, Aareon UK anticipates that it will have completed its Net Zero plan by 2050.

Our figures for 2021 were not a normal year of operation as we were still in lock down through most of the year and our offices continued to be closed. We predict our footprint to increase in 2022 and then with the continued measures we will be looking to introduce we are confident that we will achieve our goal of Net Zero by 2050.

We project that carbon emissions will decrease to at least 169355 tCO<sub>2</sub>e by 2025. This is a reduction of 20%.

## **Carbon Reduction Projects**

### **Completed Carbon Reduction Initiatives**

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to 50,012tCO<sub>2</sub>e, a 24%ge reduction against the 2019 baseline and the measures will be in effect when performing the contract.

- We hold the ISO 14001 certificate currently and will continue to work to ensure we continue to hold this going forward.

In the future we will implement further measures such as:

- Zero company cars.
- 100% 'green consulting' that is to say may all delivery of all our services by remote means over the internet/cloud
- In 2023 we will reduce our office premises from 3 to 2, with a corresponding reduction in emissions and carbon footprint.
- We have introduced hybrid working across our three offices reducing the number of days employees are required to attend our offices by at least 60%.
- We will continue to introduce methods to reduce our carbon footprint in the coming years and commit to investigate and make all efficiency savings, such as better use of technology, recycling of equipment instead of replacement, using renewable energy, identifying any waste generated.

## **Declaration and Sign Off**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup>

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

and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on behalf of the Supplier:**

A handwritten signature in black ink, consisting of a stylized initial 'MS' followed by a long horizontal line extending to the right.

Meriel Sommers, Director,  
Aareon UK Limited

Date: 14 September 2022

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

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