

PUBLIC

1 April 2021 – 31 March 2022

Carbon Footprint Report



utilita 

In 2019 we published our first ever carbon footprint report as part of a commitment to minimising our environmental impact whilst being completely transparent about our progress.

It was created to monitor our progress towards net zero by 2030. This is Utilita's third such report. It has been externally audited against ISO14064-3 by Pause People Collective Ltd, and the results can be found [here](#).

Foreword from Bill

As an energy supplier championing both pocket and planet, Utilita is committed to reducing our environmental impact and supporting the transition to a low-carbon economy. This financial year was a challenging one for us, as we faced the unprecedented effects of the Covid-19 pandemic on our business operations and our customers. Despite these difficulties, we continued to provide reliable and affordable energy services, while also taking steps to minimise our carbon footprint.

Our total emissions in 2021 rose by 9% compared to 2020, but were still 3% lower than our 2019 baseline. This reflects the recovery of our business activities from the pandemic, as well as our efforts to improve our energy efficiency and reduce our reliance on fossil fuels. Our Scope 1 and 2 emissions, which mainly come from our fleet and our buildings, fell by 18% compared to 2019, thanks to our adoption of hybrid working and our investment in low-emission vehicles. Our Scope 3 emissions, which include the indirect emissions from our supply chain and our customers, rose by 13% compared to 2019, due to the increased demand for our smart meters and the higher energy consumption at home by our customers.

We are proud of the progress we have made in reducing our carbon footprint, but we know there is still more work to do. We have set ourselves ambitious targets for 2023 and beyond, to further reduce our emissions and help our customers save energy and money. We believe that by working together, we can achieve our vision of a sustainable, clean-energy future for everyone.

Bill Bullen
CEO, Utilita

What is Net Zero?



Net zero means achieving an overall balance between greenhouse emissions produced, cutting greenhouse emissions where possible and taking the rest out of the atmosphere.



Summary

Between 1 April 2021 and 31 March 2022, Utilita was responsible for 2.5 million tonnes of carbon dioxide or equivalent (mtCO₂e) – approximately equal to 1.76m average-sized passenger cars driven over one year. The 2.5 mtCO₂e comprised:

- ✓ 1,314 tCO₂e Scope 1
- ✓ 471 tCO₂e Scope 2
- ✓ 2,782,646 tCO₂e Scope 3
- ✓ 265,100 tCO₂e which were offset
- ✓ Total emissions rose by 9% compared to 2020.
- ✓ Emissions in 2021 were 3% higher than our 2019 baseline.
- ✓ Compared to our 2019 baseline, Scope 1 and 2 emissions fell by 18%, whereas Scope 3 emissions rose by 13%

Offsetting and REGOs

Under their licence conditions, energy suppliers can purchase Renewable Energy Guarantees of Origin (or REGOs for short) to demonstrate their fuel mix disclosure. REGO-backed fuel mix is used to show how 'green' their energy supply is.

However, the process has a major inadequacy because REGOs can be purchased and sold separately from a unit of electricity. It is undeniable some companies have taken advantage, using the loophole to greenwash their fuel mix for reputational and financial gain. Worryingly, the use of REGOs in this way does NOT fund genuine decarbonisation of the UK's energy supply, thus undermining progress towards the UK's stated target of being net zero by 2050. We are very clear about our position, which is stated on our website.

In 2020, Utilita purchased REGOs and reported this in our previous carbon footprint report. For the reporting period for this report, instead of purchasing REGOs, we invested in carbon offsets. The offsets we have invested in met three strict criteria:

- 1. Additionality:** If it wasn't for the carbon finance, the project would not exist.
- 2. Leakage:** It must consistently remove or prevent emissions intended, and last as long as intended.
- 3. Co-benefits:** it should enhance the local community and biodiversity.

This exceeds the benefits of REGOs, and ensures new decarbonisation projects are invested in.

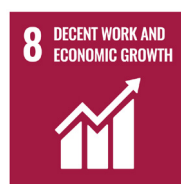


In our final carbon footprint calculations, we have deducted the 264,380 tCO₂e from our total to reflect this investment.

Projects we supported in 2021

Project Standard	Project Name	tCO ₂ e purchased
Renewable Energy Portfolio, Global	Clean Development Mechanism	228,187
Canales Wind Power, Guatemala	Clean Development Mechanism	12,913
Rivas Wind Power, Nicaragua	Gold Standard Clean Development Mechanism	14,000
Gold Standard Share of Proceeds	Gold Standard Verified Emission Reductions	10,000
Total		265,100

By investing in these projects, we are supporting the [UN's Sustainable Development Goals](#), while working towards a future of peace and prosperity for both people and planet. These are the SDGs our projects have supported:



2021 Carbon Footprint The Detail

Scope 1 and 2 emissions in 2021 and progress to net zero

Due to the impact of Covid-19 pandemic, our carbon footprint in 2020 was unusually low. In 2021, we worked hard to recover from the business impact of the pandemic, whilst being mindful of our carbon footprint.

The largest proportion of our footprint relating to Scope 1 and 2 emissions came from the fuel used in our fleet, which increased by 909% compared to 2020. This is because the relaxation of travel restrictions allowed us to restart installing meters in people's homes at a much higher volume than during the worst of the pandemic. Though this seems like a big increase, it's a 17% change from 2019 due to customer growth and, in turn, higher demand for meter installs.

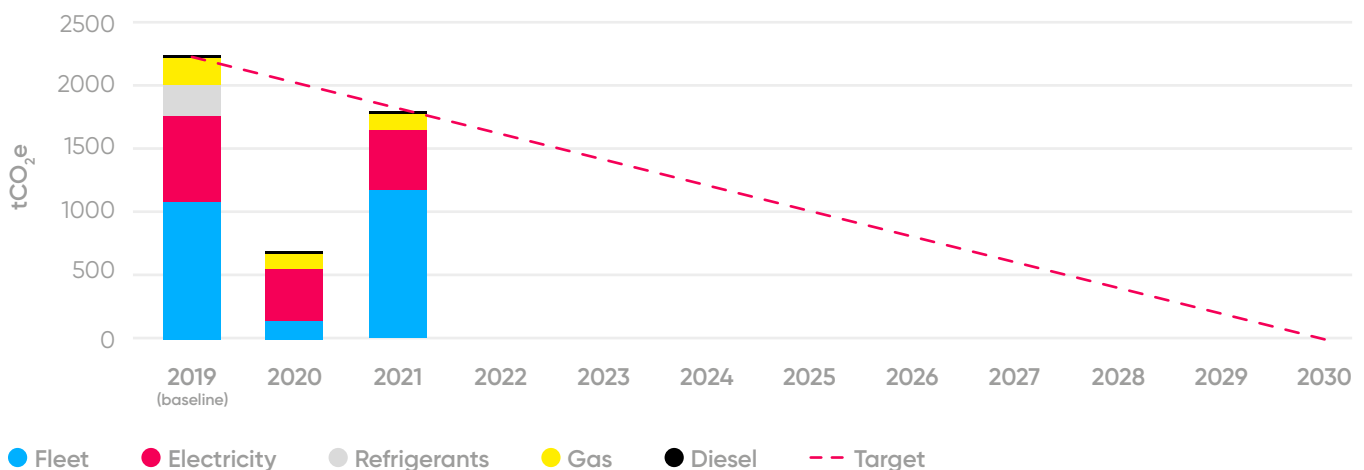
Gas and electricity consumption across our building remained low, with the latter increasing marginally compared to 2020 levels. Overall, the gas and electricity consumption from our

buildings is down 41% and 38% respectively when compared to our baseline year of 2019. Much of this can be attributed to the company's decision to switch to hybrid working. The net effect of this, from the likely increase of energy used at home, would have been incorporated where employees are also Utilita customers. However, where they are not, this likely increase in emissions was not measured due to the challenges of collecting such data in the time frame of this reporting cycle.

The backup diesel generator in our headquarters is used on an ad hoc basis. Emissions from this source are down 23% compared to 2020.

The unprecedented impact of Covid-19 on our 2020 footprint means our overall Scope 1&2 emissions are up 152% in comparison to 2021. However, 2021's Scope 1&2 emissions are down 18% when compared to 2019 - in line with our target for the year.

2021 SCOPE 1 AND 2 EMISSIONS NET ZERO PROGRESS

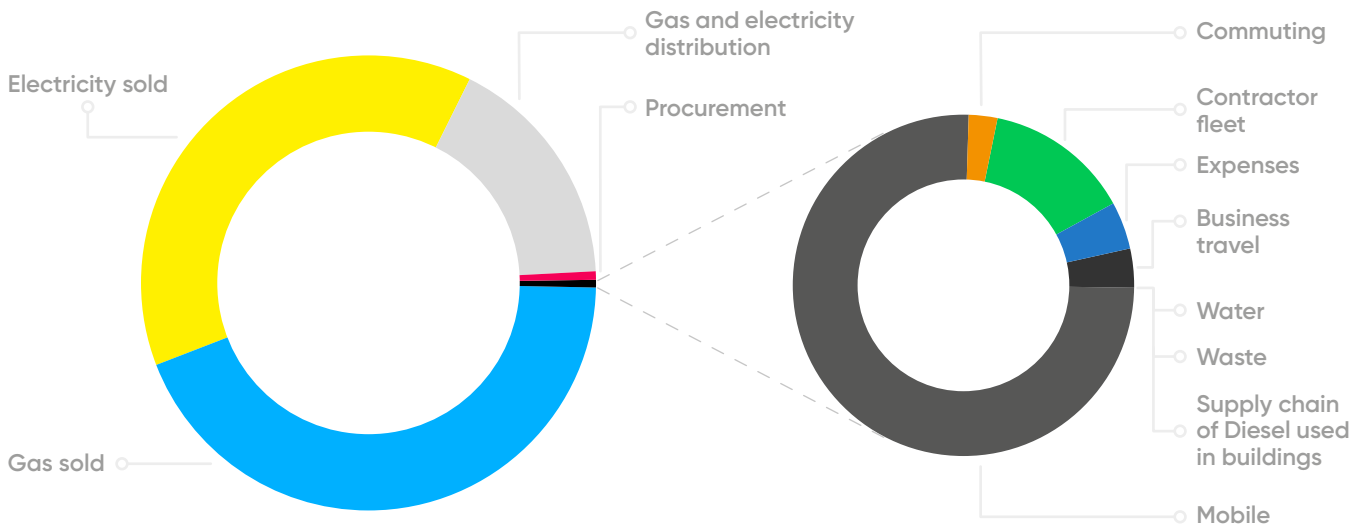


Scope 3 emissions in 2021 and progress to net-zero

Scope 3 emissions comprised 99.94% of total emissions in 2021; 82.24% of these Scope 3 emissions came from the gas and electricity we sold to our customers, 38.28% from electricity,

43.96% from gas. The other material sources came from distributing electricity around the country on the national and local networks of overhead cables, and the procurement of products and services we need to run Utilita day-to-day. These five sources comprised 99.63% of Scope 3 emissions.

2021 SCOPE 3 EMISSIONS



Summary table

Scope 3 Emission Source	tCO ₂ e	Change from 2020	Change from 2019 (Baseline)
Gas Sold	1,223,327.73	1%	7%
Electricity Sold	1,065,353.18	48%	-2%
Gas and Electricity Distribution	469,861.51	32%	35%
Procurement	13,947.78	-4%	-51%
Mobile	7,593.06	-45%	0%
Commuting	226.74	-19%	-76%
Contractor Fleet	1,416.74	763%	-27%
Expenses	459.01	422%	156%
Business Travel	342.11	385%	-52%
Water	1.94	-58%	-79%
Waste	3.88	128%	5%
Supply Chain of Diesel Used in Buildings	0.24	-23%	26%

It is important to note that whilst the percentage growth in some emission sources for 2021 compared to 2020 seems very high, this is because business activity drastically reduced in 2020 due to the COVID-19 pandemic. When compared to the 2019 baseline year, significant decarbonisation has been achieved.

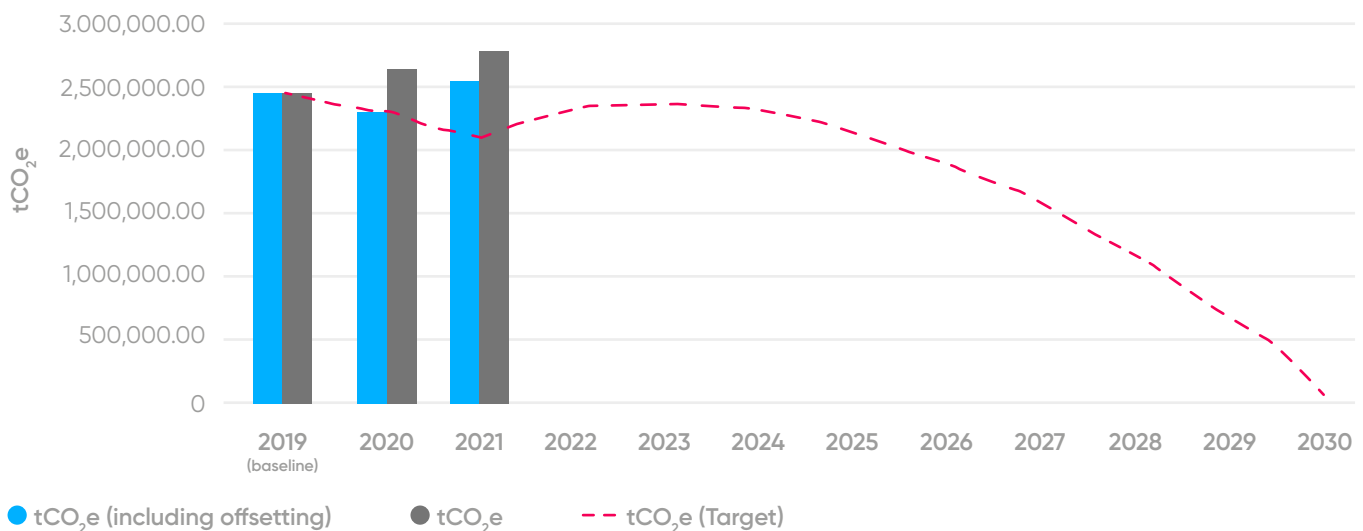
The above figures do not include the carbon savings we have made through carbon offsetting. By investing in quality offsets, certified by the Clean Development Mechanism and Gold Standard, we have reduced our carbon footprint by 265,100 tCO₂e.

Procurement-related emissions continue to decline, down 4% when compared to 2020.

Likewise, emissions from employee commuting remain low as our staff adapt to hybrid working. Business travel, water and waste emissions are also reduced compared to the 2019 baseline because our buildings remain at below-average occupancy. Emissions from the supply chain of diesel are also reduced due to decreasing reliance on the backup diesel generator in our headquarters. The only increase in emissions related to Utilita's operations is in employee expenses, up 156% compared to the baseline.

We acknowledge that we missed our scope 3 decarbonisation targets in 2021, and our aim moving forward is to balance emissions resulting from the growth of Utilita with our net zero by 2030 goal.

2021 SCOPE 3 EMISSIONS NET ZERO PROGRESS



In 2021 we sold 9,394,152 MWh (gas and electricity combined) and produced 2,782,646 tCO₂e of Scope 3 emissions. We sold 0.6% less energy, but our Scope 3 emissions increased by 3.9%. This means the amount of carbon per MWh sold (tCO₂e/MWh), or carbon intensity, was higher in 2021 than in 2020. This was anticipated, because our scope 3 emissions were very low

in 2020 due to the pandemic. Our Scope 3 emissions resulted in a carbon intensity of 0.24 tCO₂e/MWh of energy sold. We then invested in carbon offsets, to reduce our carbon footprint. This resulted in a carbon intensity of 0.21 tCO₂e/MWh of energy sold. Compared to the 2019 baseline, this is a 4.8% reduction.

	2019 (baseline)	2020	2021	Difference to 2020	Difference to 2019 (Baseline)
MWh sold (gas and elec)	9,074,624.22	9,451,982.29	9,394,152.11	-0.61%	3.52%
tCO ₂ e/MWh	0.226	0.204	0.244	19.61%	7.96%
Net tCO ₂ e/MWh	0.226	0.204	0.215	5.39%	-4.87%

2021 Carbon Footprint

Further detail

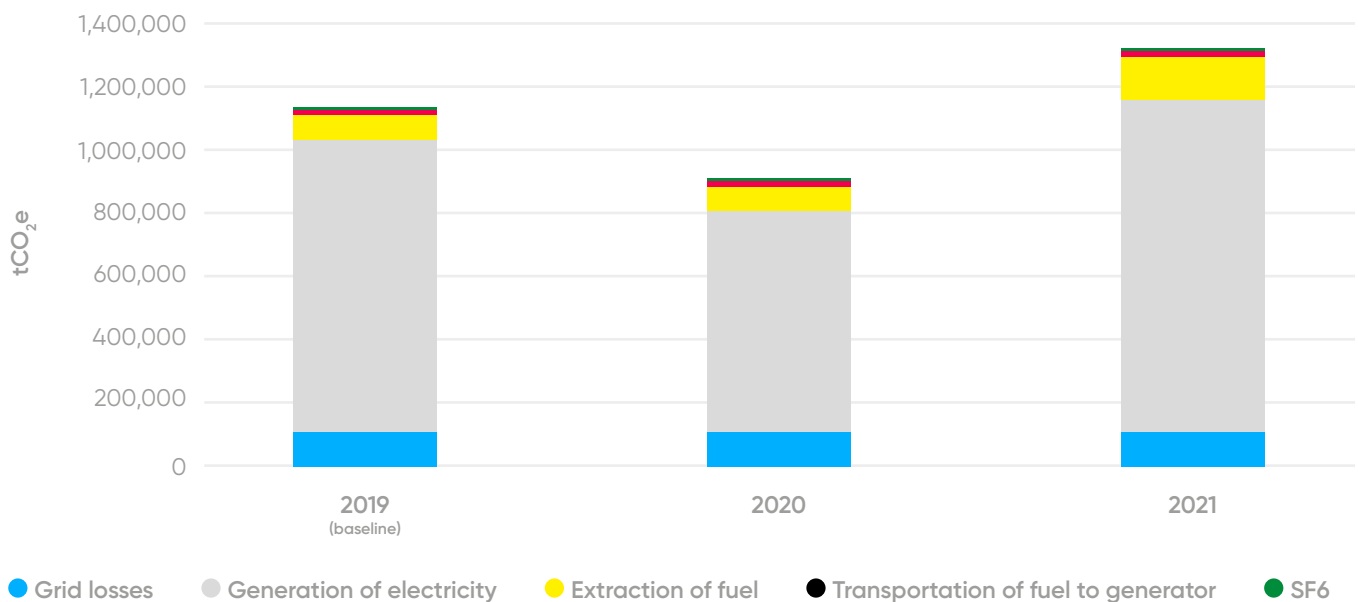
In this section we examine sources of emissions in even greater detail, including: The supply chain of the gas and electricity we sell, mobile offering, different modes of transport for employee commuting and business travel, emission sources per building, and a breakdown for employee expenses and procurement activity.

This transparency allows us to target specific parts of a supply chain when creating plans to meet net-zero targets.

For example, it is possible to see the proportion of emissions from gas sold that occur when pumping natural gas out of the ground and transporting it to customers' homes, compared with burning it in the home. Likewise for electricity, we can see what proportion of emissions come from producing the fuel used to generate the electricity or transporting the electricity on overhead cables from the generation stations to our homes.

Electricity

ELECTRICITY SUPPLY CHAIN EMISSIONS



Emission Source	tCO ₂ e			% Difference	
	2019 (baseline)	2020	2021	Difference to 2020	Difference to 2019 (Baseline)
Grid Losses	86,845	95,752	94,768.39	-1%	9%
Generation of Electricity	928,861	714,858	1,065,353.18	49%	15%
Extraction of Fuel	101,889	92,080	150,135.80	63%	47%
Transportation of Fuel to Generator	8,660	7,929	13,278.42	67%	53%
SF6	3,283	3,260	2,300.78	-29%	-30%
Total	1,129,537	913,879	1,325,836.56	45%	17%

The largest part of the electricity supply chain is generation via the combustion of fuels, such as natural gas. In 2020, we “purchased” renewable energy using REGOs, but have since changed our position. We do not believe REGOs result in genuine decarbonisation of the electricity grid and amount to greenwashing. As a result, we did not purchase any REGOs in 2021, which is why the footprint from the generation of electricity sold is almost 50% higher than last year. We also sold more electricity in 2021 than in 2020 and 2019, so generation and grid losses grew proportionately. We invested the money we would have spent on REGOs in carbon offsetting. These carbon offsets are deducted from our whole footprint, rather than one specific part.

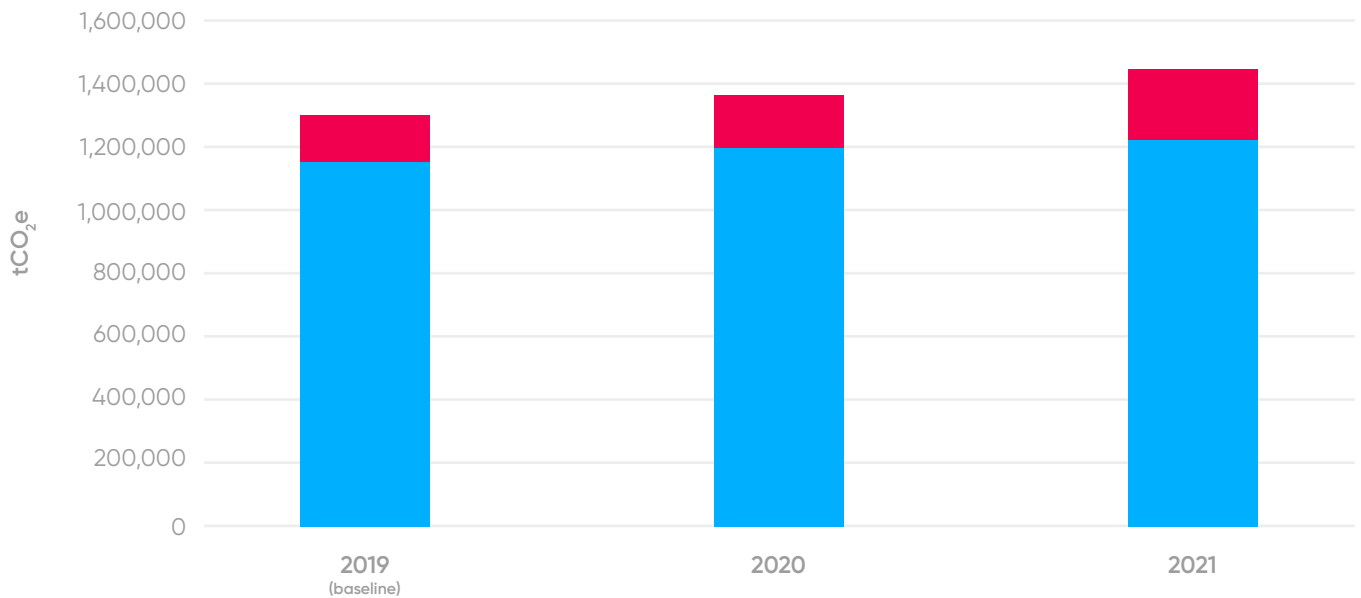
Our target for emissions resulting from electricity sold to customers was 974,650 tCO₂e, which we exceeded by 36%. As we no longer purchase REGOs, we have no agency over the electricity mix of the energy we supply. Not achieving this target is therefore a reflection of the UK’s slow rate of grid decarbonisation.

Sulphur Hexafluoride (SF₆) is a gas used in overhead transportation electricity cables to reduce grid losses. However, a proportion of it escapes each year. It is 23,500 times more powerful at causing global warming than Carbon Dioxide. Although a small amount is emitted each year it is an important part of the supply chain to monitor. We are pleased to see a further 29% decrease in SF₆ emissions compared to last year, which means electricity transportation cables are better insulated.





GAS SUPPLY CHAIN EMISSIONS



● Gas burnt in customer's home ● Extraction and transportation of gas to customer's home

Emission Source	tCO ₂ e			% Difference	
	2019 (baseline)	2020	2021	Difference to 2020	Difference to 2019 (Baseline)
Gas Burnt in Customers' Homes	1,142,920	1,211,649	1,223,275.83	1%	7%
Extraction and Transportation of Gas to Customers' Homes	148,639	157,560	209,378.13	33%	41%
Total	1,291,559	1,369,208	1,432,653.96	34%	48%

The largest part of the gas supply chain is the burning of gas in customers' homes, mostly in gas boilers to heat homes and in cooking. Getting the gas out of the ground, refining, and transporting it to households is about 17% of the total footprint. Emissions from gas sold

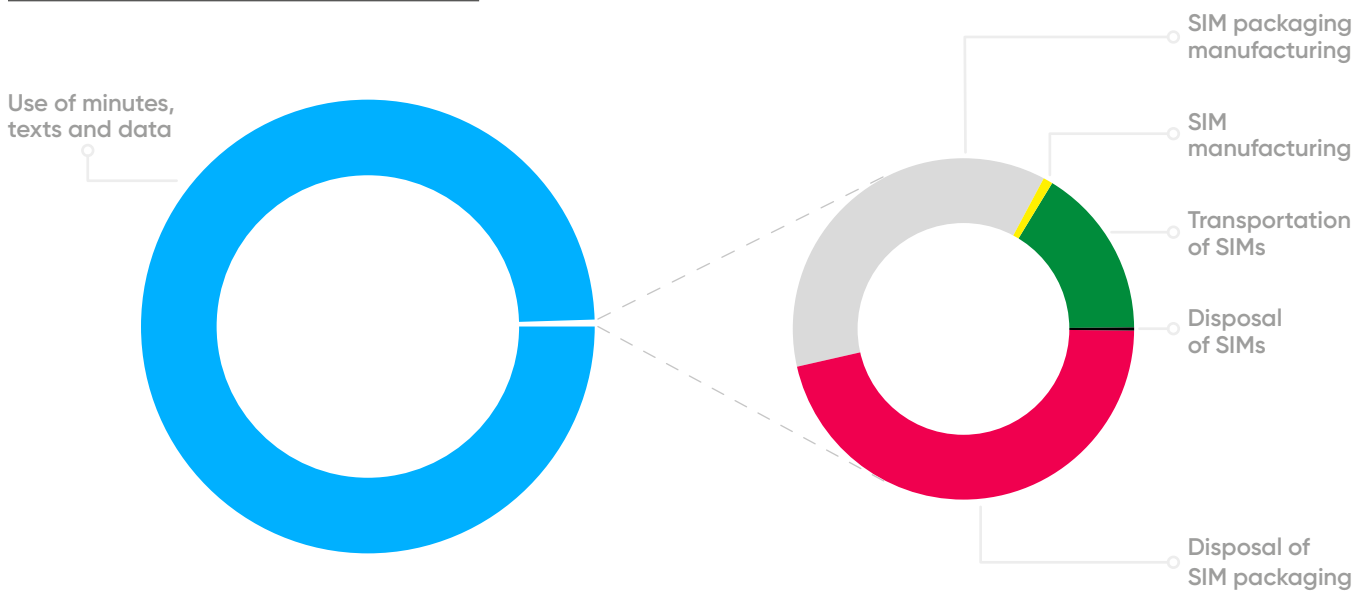
increased by 1% in 2020. As emission from the supply chain are contingent on the volume sold, the supply chain element also increased by 33%. We therefore missed our target of 1,114,454 tCO₂e by 29%.

Utilita Mobile

In its second year of operation, the most significant source of emissions from Utilita Mobile was again from the minutes, texts, and data we sold. These emissions occur from the electricity used by data centres and from BT Openreach’s physical network. Emissions relating to this were down 45% compared to 2020. The second largest source was the disposal of packaging used to send the SIMs to customers. This used virgin cardboard and

is laminated. It goes to landfill as it cannot be recycled, composted, or anaerobically digested. Further emissions came from manufacturing SIMs and SIM packaging, transporting SIMs from manufacturer to customer and the disposal of SIMs at the end of their life. SIMs end up in landfill because they are made of multiple materials and require specialist recycling facilities.

2021 UTILITA MOBILE BREAKDOWN



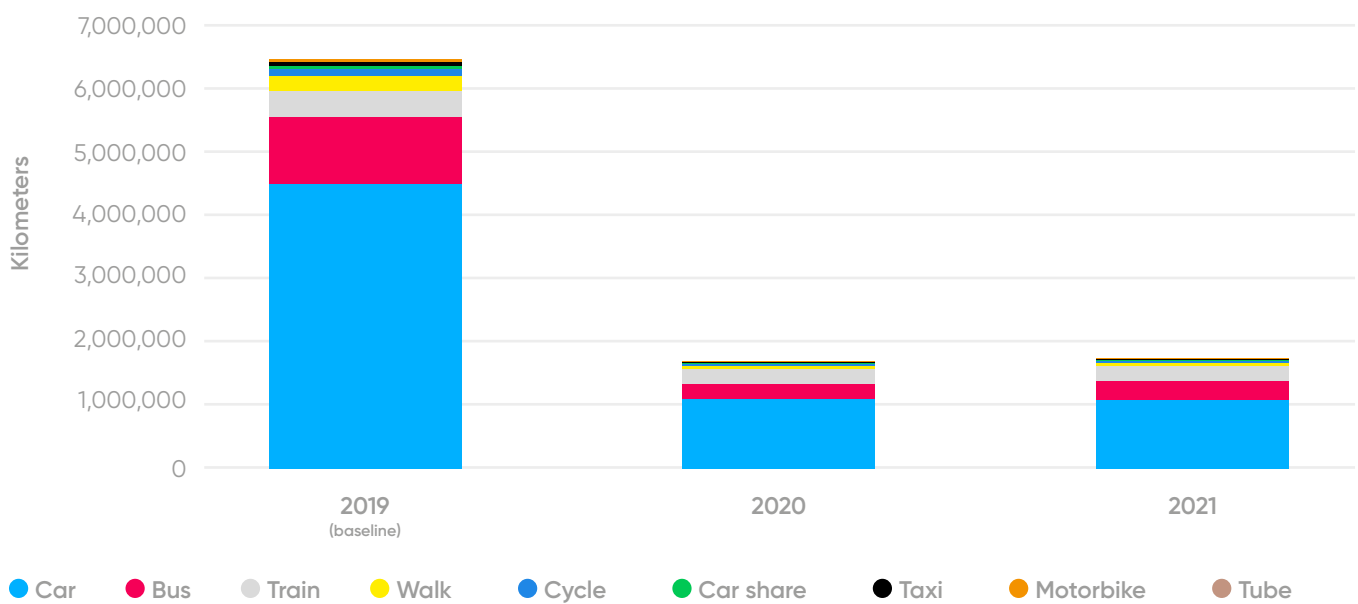
Source	tCO ₂ e
Use of Minutes, Texts and Data	7,589.78
Disposal of SIM Packaging	1.52
SIM Packaging Manufacturing	1.20
Disposal of SIMs	0.01
SIM Manufacturing	0.0053
Transportation of SIMs	0.54

Employee commuting

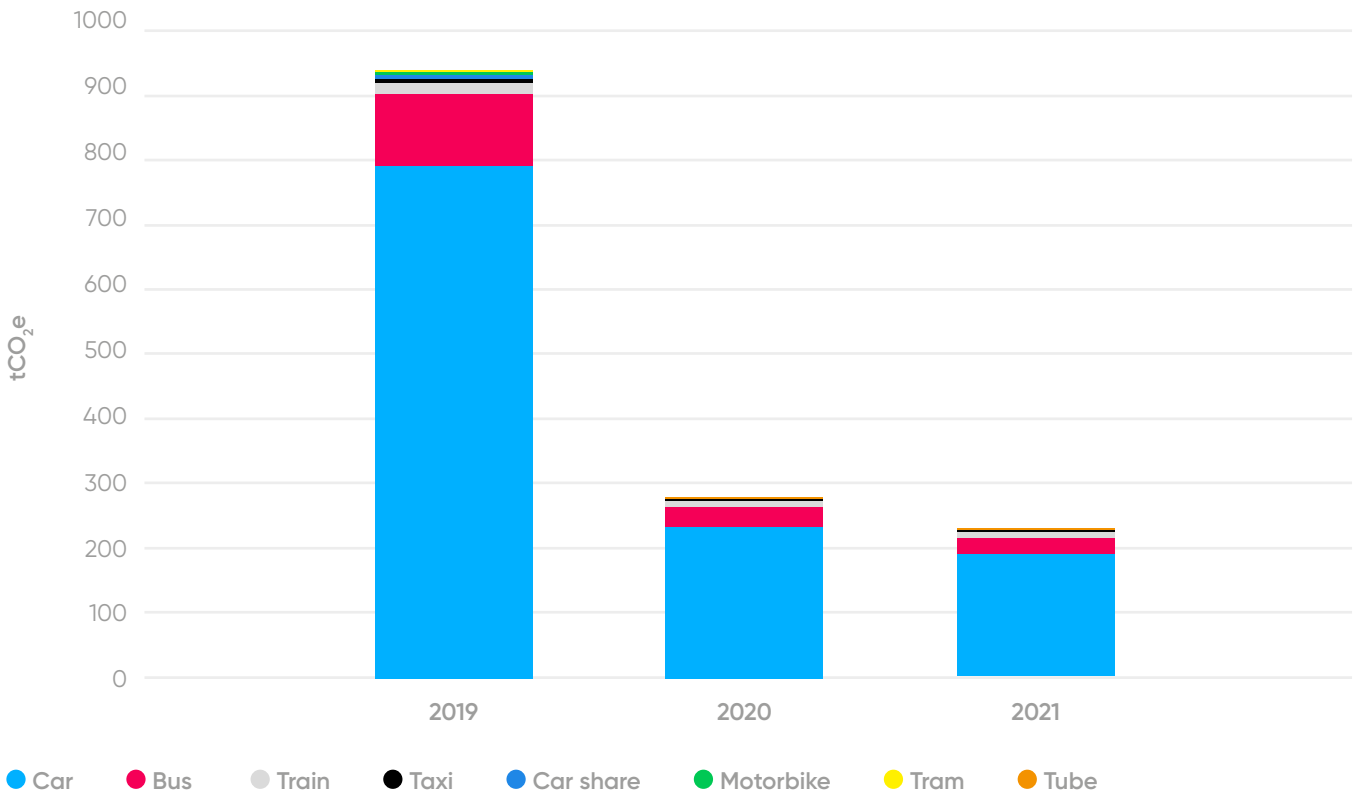
The impact of COVID-19 and change in working practices remains evident in commuting emissions, with an overall 73% decrease compared to the 2019 baseline. This means we surpassed our decarbonisation target for 2021 by 72%. Total kilometres commuted did rise by 3.23% compared to 2020, but the resulting

emissions fell by 18.53% as more employees opt for cleaner and greener methods of travel. For example, a 29.2% increase in the kilometres cycled was recorded. Cars remain the most popular mode of transport, although total kilometres driven is down 75% compared to 2019 levels.

KM FROM COMMUTING



Mode of transport	km	Change from 2020	Change from 2019 (Baseline)
Car	1,100,885	1.56%	-75%
Bus	249,927	3.00%	-77%
Train	244,391	6.04%	-40%
Walk	56,676	2.71%	-77%
Cycle	35,775	29.20%	-64%
Car Share	464	-9.54%	-99%
Taxi	20,584	49.36%	-50%
Motorbike	4,523	-9.54%	-89%
Tram	58	-9.54%	-99%
Tube	2,609	-9.54%	-
Total	1,715,891	3.23%	-73%

EMISSIONS FROM COMMUTING

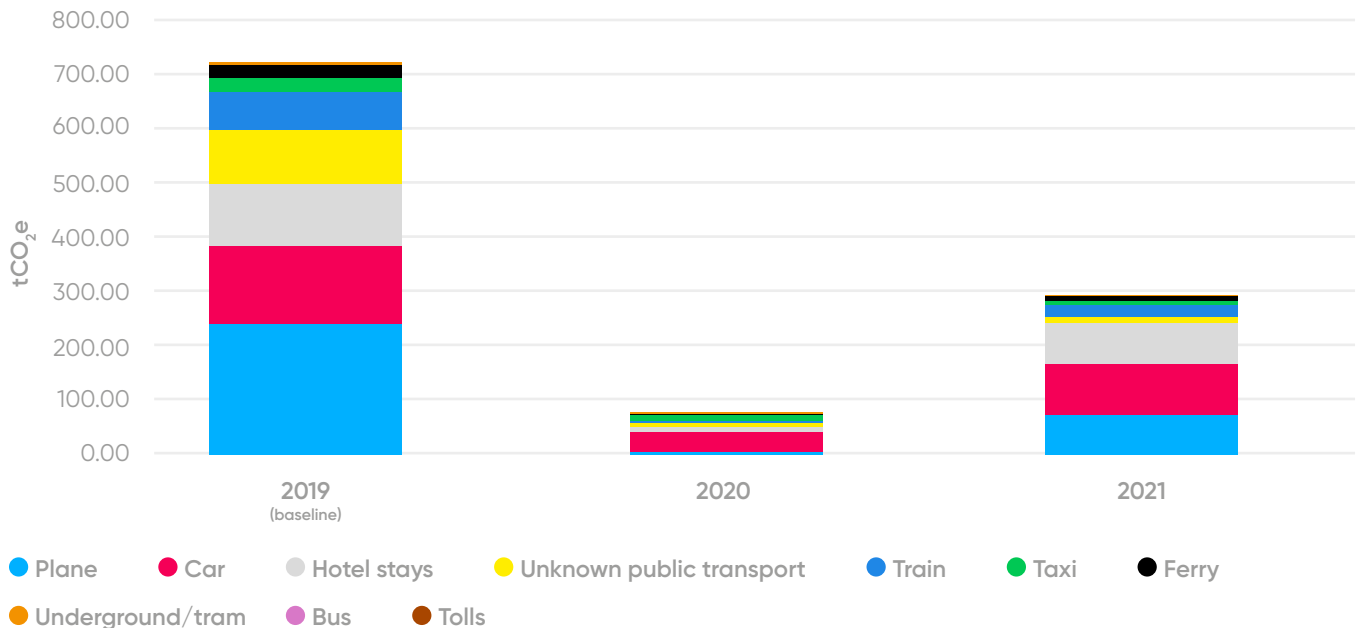
Mode of Transport	tCO ₂ e	Change from 2020	Change from 2019 (Baseline)
Car	189	-19.22%	-76%
Bus	26	-17.66%	-77%
Train	9	-14.82%	-48%
Taxi	3	23.08%	-50%
Car Share	0.1	-28.05%	-99%
Motorbike	0.514	-28.65%	-89%
Tram	0.00	-23.97%	-99%
Tube	0.075	-23.23%	-
Van	0	0.00%	-
Total	227	-18.53%	-76%

Business travel

As with commuting, business travel saw a large decrease in emissions resulting from the pandemic. As we recover and resume normal operations, business travel emissions start to rise.

A 310% increase has been seen compared to 2020, but overall travel emissions are still down 60% compared to the baseline year, and 53% lower than this year's target.

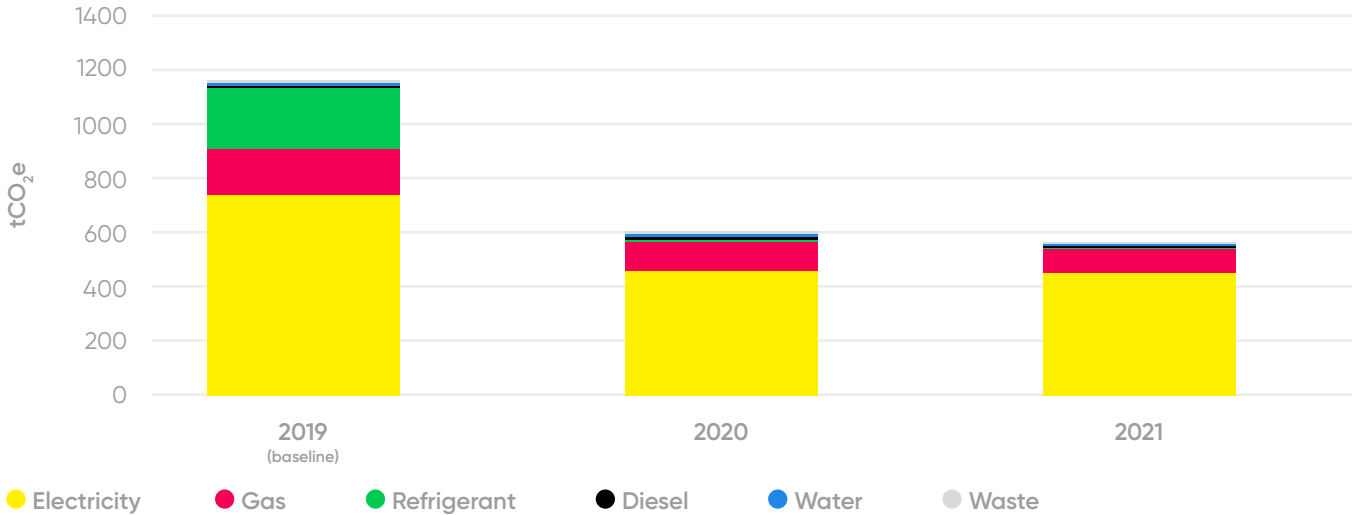
BUSINESS TRAVEL



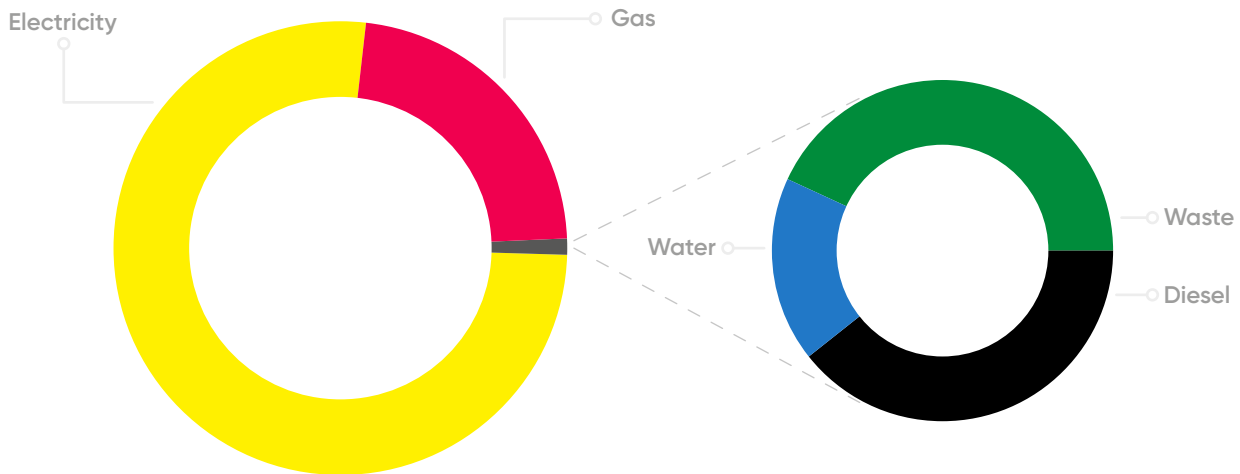
Mode of Transport	tCO ₂ e			% Difference	
	2019	2020	2021	Difference to 2020	Difference to 2019 (Baseline)
Plane	238.57	1.86	69.84	3652%	-71%
Car	140.78	38.03	96.10	153%	-32%
Hotel Stays	112.12	12.73	76.36	500%	-32%
Unknown Public Transport	102.34	2.36	8.12	244%	-92%
Train	69.69	0.01	8.39	88662%	-88%
Taxi	25.21	3.75	1.98	-47%	-92%
Ferry	22.46	10.33	24.92	141%	11%
Underground/tram	1.79	0.34	0.25	-29%	-86%
Bus	0.82	1.09	0.03	-97%	-96%
Tolls	0	0.07	3.08	4206%	
Total	713.8	70.6	289.1	310%	-60%

Emissions by building

EMISSIONS FROM BUILDINGS



HUTWOOD COURT EMISSIONS

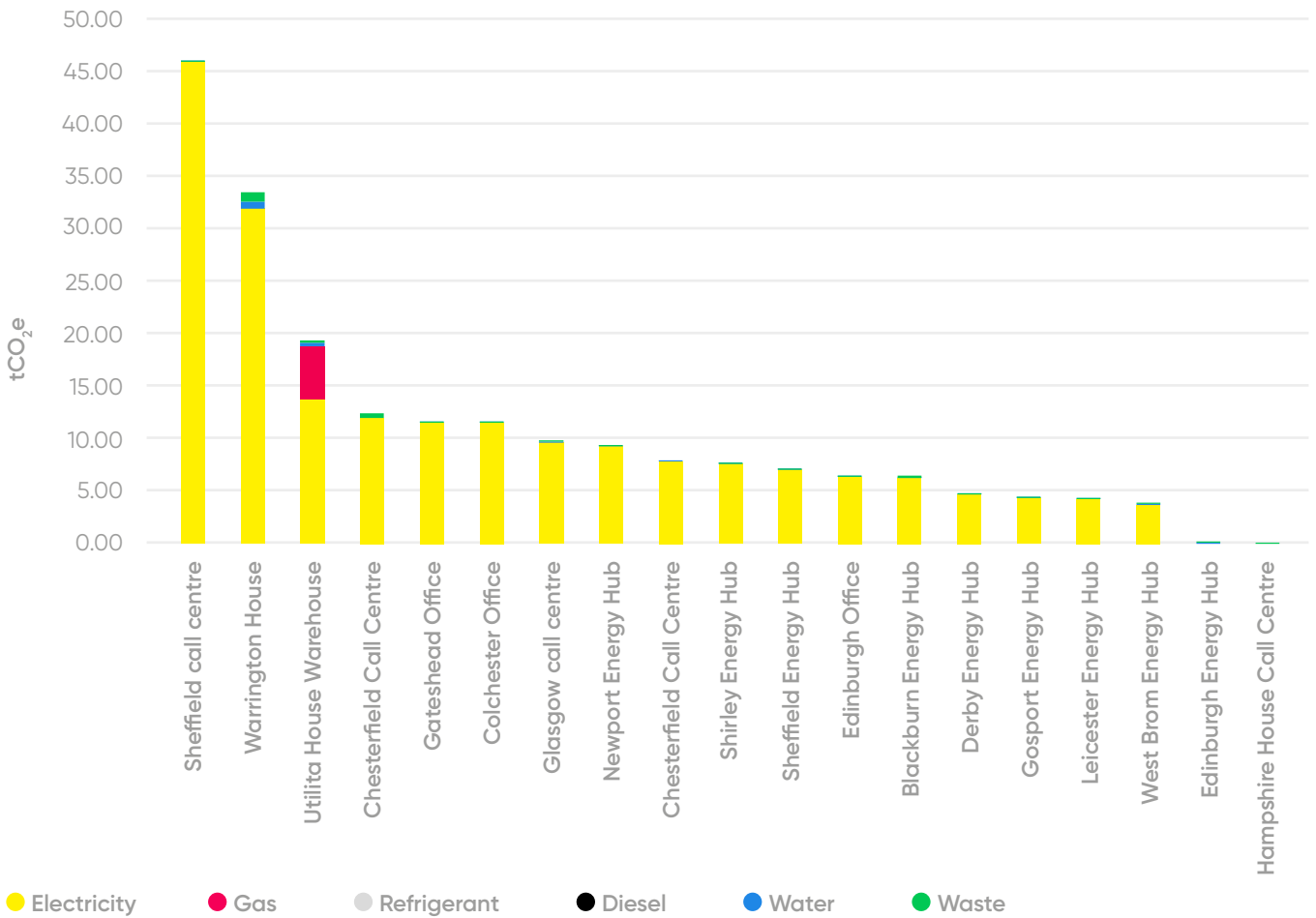


In 2021, the total emissions from our buildings decreased by 5% compared to 2020. This is despite increased activity and footfall across our offices, warehouses and Energy Hubs as lockdown restrictions lifted. Compared to the baseline year of 2019, our building emissions are down 51%, and we surpassed our 2021 decarbonisation target by 25%. Our Hutwood Court HQ comprised 63% of all emissions from buildings.

Emission Source	Hutwood Court share of total emissions from buildings
Electricity	58%
Gas	94%
Refrigerant	0% (no refrigerant leaks across all buildings)
Diesel	100%
Water	21%
Waste	28%
Total	63%

	Emission Source (tCO ₂ e)						
	Electricity	Gas	Refrigerant	Diesel	Water	Waste	Total
Hutwood Court Office	274.02	81.51	0.00	0.98	0.41	1.08	358.00
Sheffield Call Centre	45.88	0.00	0.00	0.00	0.04	0.12	46.04
Warrington Warehouse	31.91	0.00	0.00	0.00	0.71	0.89	33.51
Chesterfield Call Centre	7.79	0.00	0.00	0.00	0.15	0.00	7.94
Utilita House Warehouse	13.73	5.08	0.00	0.00	0.31	0.25	19.38
Gateshead Office	11.54	0.00	0.00	0.00	0.02	0.02	11.58
Colchester Office	11.54	0.00	0.00	0.00	0.02	0.01	11.56
Glasgow Call Centre	9.64	0.00	0.00	0.00	0.04	0.02	9.70
Newport Energy Hub	9.26	0.00	0.00	0.00	0.02	0.12	9.41
Chesterfield Call Centre	12.01	0.00	0.00	0.00	0.00	0.39	12.40
Sheffield Energy Hub	7.00	0.00	0.00	0.00	0.02	0.02	7.05
Shirley Energy Hub	7.56	0.00	0.00	0.00	0.03	0.05	7.63
Edinburgh Energy Hub	0.00	0.00	0.00	0.00	0.03	0.15	0.18
Blackburn Energy Hub	6.26	0.00	0.00	0.00	0.02	0.12	6.41
Gosport Energy Hub	4.31	0.00	0.00	0.00	0.02	0.14	4.47
Derby Energy Hub	4.65	0.00	0.00	0.00	0.02	0.11	4.78
Leicester Energy Hub	4.25	0.00	0.00	0.00	0.02	0.11	4.37
West Bromwich Energy Hub	3.71	0.00	0.00	0.00	0.02	0.12	3.86
Hampshire House Call Centre	0.00	0.00	0.00	0.00	0.00	0.13	0.13
Edinburgh Office	6.36	0.00	0.00	0.00	0.02	0.05	6.43
Total	471.41	86.59	0.00	0.98	1.94	3.88	564.80

EMISSIONS FROM BUILDINGS EXCLUDING HUTWOOD COURT



Expenses and procurement

Below are the emissions from employee expenses and procurement activity. Expenditure related to emissions already accounted have been removed. This was calculated by categorising each supplier we spent with, into a DEFRA emissions category adjusted for inflation, available here. Each DEFRA category

has a tCO₂e/£ emissions factor associated to it. Total spend in each category was multiplied by the relevant emissions factor to return total emissions. We achieved our decarbonisation goal for 2021 in this category, emitting 43% less CO₂e than the target and 105% less than in the baseline year.

	tCO ₂ e			% Difference	
	2019	2020	2021	Difference to 2020	Difference to 2019 (Baseline)
Procurement emissions	28,944	14,605	14,137	-3%	-105%

DEFRA Emissions Category	Emissions (tCO ₂ e)	Percentage of total emissions
Services furnished by membership organisations	2583.86	18.28%
Other professional, scientific and technical services	1498.75	10.60%
Financial services, except insurance and pension funding	1212.87	8.58%
Electrical equipment	926.51	6.56%
Telecommunications services	915.95	6.48%
Office administrative, office support and other business support services	848.83	6.01%
Architectural and engineering services; technical testing and analysis services	839.52	5.94%
Computer programming, consultancy and related services	755.37	5.34%
Road transport	751.49	5.32%
Advertising and market research services	701.12	4.96%
Public administration and defence services; compulsory social security services	537.25	3.80%
Sports services and amusement and recreation services	491.50	3.48%
Furniture	249.78	1.77%
Printing and recording services	195.71	1.38%
Gas distribution	184.89	1.31%
Services to buildings and landscape	169.59	1.20%
Real estate services, excluding on a fee or contract basis and imputed rent	152.18	1.08%
Libraries, archives, museums and other cultural services	145.04	1.03%
Postal and courier services	138.80	0.98%
Insurance, reinsurance and pension funding services, except compulsory social security and pensions	138.52	0.98%
Other manufactured goods	117.97	0.83%
Legal services	113.11	0.80%
Services of head offices; management consulting services	59.44	0.42%
Food and beverage serving services	52.53	0.37%
Wearing apparel	50.52	0.36%
Other food products	48.65	0.34%
Security and investigation services	44.22	0.31%
Not elsewhere classified	22.66	0.16%

DEFRA Emissions Category	Emissions (tCO ₂ e)	Percentage of total emissions
Publishing services	21.42	0.15%
Accounting, bookkeeping and auditing services; tax consulting services	21.32	0.15%
Other personal services	18.75	0.13%
Education services	17.36	0.12%
Social care services	15.03	0.11%
Accommodation services	14.19	0.10%
Computer, electronic and optical products	13.61	0.10%
Paper and paper products	10.96	0.08%
Motion picture, video and TV programme production services, sound recording and music publishing and programming and broadcasting services	9.65	0.07%
Other transport equipment	8.25	0.06%
Rest of repair; Installation	7.64	0.05%
Machinery and equipment n.e.c.	5.82	0.04%
Creative, arts and entertainment services	5.13	0.04%
Wholesale and retail trade and repair services of motor vehicles and motorcycles	4.68	0.03%
Human health services	4.64	0.03%
Natural water; water treatment and supply services	2.38	0.02%
Creative, arts and entertainment services	2.20	0.02%
Construction	1.73	0.01%
Retail trade services, except of motor vehicles and motorcycles	0.65	0.00%
Real estate services on a fee or contract basis	0.58	0.00%
Repair services of computers and personal and household goods	0.54	0.00%
Sports services and amusement and recreation services	0.42	0.00%
Services auxiliary to financial services and insurance services	0.24	0.00%
Waste collection, treatment and disposal services; materials recovery services	0.14	0.00%
Information services	0.11	0.00%

Appendix 1 Methodology

To calculate our carbon footprint, we have used the internationally recognised Greenhouse Gas Protocol standard. The below diagram and fact box explain how this standard works. More information about this standard is available [here](#).

We have used a market-based approach to calculate our emissions. This means we calculate the intensity of the electricity we have sold using the [fuel mix disclosure](#), which is the remaining intensity of energy in the UK grid, once REGOs have been accounted for.

As Utilita does not purchase REGOs, we use the 'default' left-over figure for the UK's grid intensity. It is important to note that this figure does not reflect the intensity of electricity coming through a home's meters. That will vary depending on location. Instead, it is the average energy intensity across the UK.

Understanding Emissions

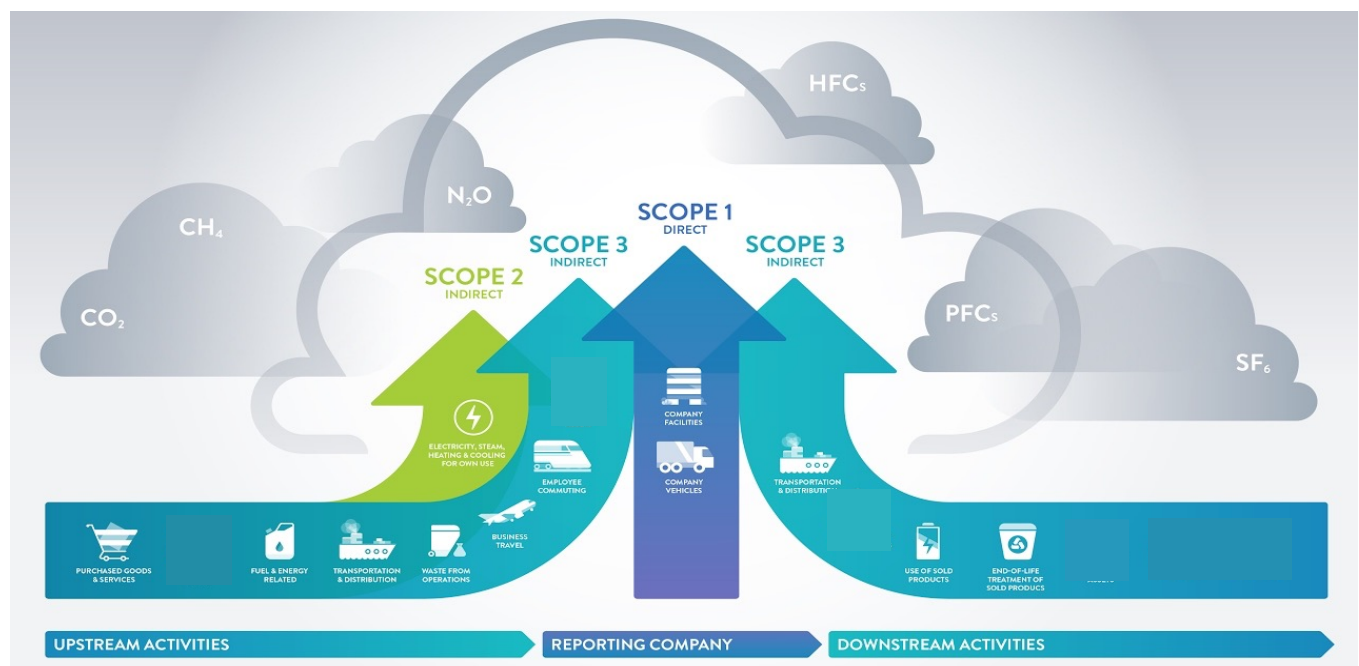
A company categorises its different kinds of carbon emissions into three scopes.

Scope 1: The greenhouse gases a company makes directly by burning fuel, such as running vehicles.

Scope 2: The emissions a company makes indirectly – like buying electricity for lighting and computers, where emissions are being produced indirectly but, on its behalf.

Scope 3: All other emissions that the company is indirectly responsible for that are not included in Scope 2. This includes the supply chains and life cycles of products its customers use (the gas and electricity they buy from us), as well as the products it buys from its suppliers.

Not all categories are relevant to Utilita's operations. We simply do not partake in some of the activities of upstream and downstream Scope 3 emissions. So, before we start calculating emissions, we must rule out some of the categories. The below diagram shows which categories are relevant to Utilita:



Scope 3 category	tCO ₂ e	Comments
Category 1 - Purchased Goods and Services	14,137.19	
Category 2 - Capital Goods		Capital goods purchased were already included in Category 1
Category 3 - WTT and T&D	1,438,580.68	
Category 4 - Upstream Transportation and Distribution	1,417.28	
Category 5 - Waste	3.88	
Category 6 - Business Travel	342.11	
Category 7 - Employee Commuting	226.74	
Category 8 - Upstream Leased Assets		Upstream leased assets were already included in Category 1.
Category 9 - Downstream Transportation and Distribution	97,071.28	
Category 10 - Processing of Sold Products		Utilita's products are not processed downstream, so this category is not relevant
Category 11 - Use of Sold Products	1,230,865.61	
Category 12 - End-of-Life Treatment of Sold Products	1.52	
Category 13 - Downstream Leased Assets		No assets leased by Utilita that have not already been included in Scope 1 and 2.
Category 14 - Franchises		Utilita does not have any franchises.
Category 15 - Investments		Utilita does not have any investments.

Appendix 2

Alternative Methodology

Location based

The GHG protocol requires us to report our Scope 2 emissions using both a location-based and market-based methodology. We have gone one step further than this and applied a location-based methodology to both the electricity consumed in Utilita's buildings (Scope 2) and the electricity consumed in customers' homes (Scope 3). This calculation method reflects the average emission intensity of the grid, rather than emissions from electricity that companies have chosen to purchase. This means it does not include the emissions from energy purchased through REGOs. As Utilita does not purchase any REGOs, we use the residual fuel mix for our market-based

calculation. This is the intensity of the grid once all the purchased green energy has been taken out. The location-based emission factor is much lower than the market-based, as it includes all the energy generated in the UK. Using a location-based methodology helps us understand the true mix of energy consumed by our customers, and therefore its true environmental impact.

Utilita's total carbon footprint using a location-based method is 1.27m tCO₂e. That's a 31% reduction compared to the 1.8m tCO₂e reported in the main body of this report. There's a 55% reduction in electricity consumed by Utilita and our customers, compared to emissions reported under a market-based methodology.

	tCO ₂ e	
	Location based	Market based
Electricity sold (scope 3)	576,578.84	1,065,376.93
Electricity used in UEL buildings (scope 2)	255.12	471.41
All other emissions	1,453,756.58	
Total footprint inc offsets	2,030,590.54	2,519,604.91