

PUBLIC

1 April 2022 – 31 March 2023

# Carbon Footprint Report



utilita 

This report marks our fourth year of transparently reporting our carbon emissions. Since 2019, we have weathered a global pandemic and an energy market crisis. Despite this, Utilita's position as an environmentally conscious energy supplier continues to grow, with sustainability front and centre in our business decisions.

We use the data presented in this report, alongside our smart insights, to guide our business in a way that benefits both the pocket of our customers and the planet. This is a key part of our journey to towards net zero 2030.

The data within this report has been externally audited against ISO 14064-3 by Pause People Collective Ltd, and the results can be found [here](#).

## Foreword from Bill

I am proud to present Utilita's latest carbon footprint report. Our commitment to sustainability remains steadfast. This report serves as a benchmarking tool for accountability and progress tracking. By openly sharing our carbon footprint data, we invite scrutiny and feedback, driving us to continuously innovate and improve. It is also a testament to our dedication to reducing our environmental impact while striving towards our net zero goal by 2030.

It's important to acknowledge that there's still much work to be done. Sustainability isn't just a buzzword for us; it's ingrained in our business ethos and guides every decision we make. This report not only highlights our achievements but also provides a roadmap for future improvements and initiatives.

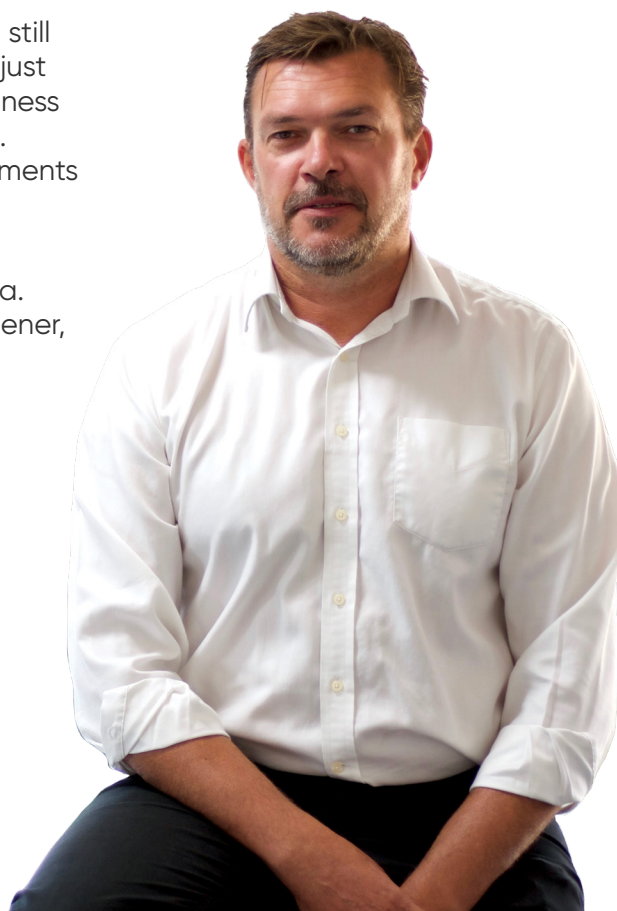
I extend my gratitude to everyone at Utilita. Together, we are paving the way for a greener, more sustainable future for generations to come.

**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 2022 and 31 March 2023, Utilita was responsible for 1.83 million tonnes of carbon dioxide or equivalent (mtCO<sub>2</sub>e) – approximately equal to 1.39m average-sized passenger cars driven over one year. The 1.83 mtCO<sub>2</sub>e comprises:

- ✓ 1,102 tCO<sub>2</sub>e Scope 1
- ✓ 502 tCO<sub>2</sub>e Scope 2
- ✓ 2,431,228 tCO<sub>2</sub>e Scope 3
- ✓ 602,100 tCO<sub>2</sub>e which were offset
- ✓ Total emissions fell by 27% compared to 2021.
- ✓ Emissions in 2022 were 25% lower than our 2019 baseline.
- ✓ Compared to our 2019 baseline, Scope 1 and 2 emissions fell by 26%, whereas Scope 3 emissions fell by 1%

## 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.

For the past two reporting periods, instead of purchasing REGOs, we invested in carbon offsets. Our aim is to increase the number of offsets we retire each year, so we can deliver maximal carbon reduction and benefit to communities. 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.

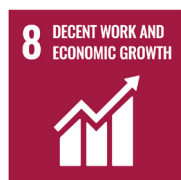


**In our final carbon footprint calculations, we have deducted the 602,177 tCO<sub>2</sub>e from our total to reflect this investment.**

## Projects we supported in 2022

Project Standard	Project Name	tCO <sub>2</sub> e purchased
Gold Standard, Verra	Gold Standard Share of Proceeds	53,100
Verified Carbon Standard	Choapa Wind Power, Chile	89,000
Clean Development Mechanism	Gas Distribution Leak Reduction, Bangladesh	85,000
Clean Development Mechanism	13.75 MW wind power project India	58,744
Clean Development Mechanism	Yunnan River Hydro Project, China	111
Clean Development Mechanism	Tongba Hydro Power, China	28,884
Clean Development Mechanism	Green Energy to Grid At Dhule, Maharashtra	97,432
Clean Development Mechanism	Tongba Hydro Power, China	8,532
Clean Development Mechanism	14.70 MW Wind Power Project, Maharashtra	25,918
Verified Carbon Standard	West India Wind Power, India	67,997
Verified Carbon Standard	Wind and Solar Power, Mahindra	6,589
Clean Development Mechanism	Yunnan River Hydro Project, China	408
Verified Carbon Standard	Yugur Run-of-River Hydro Project	17,379
Clean Development Mechanism	Hebei Chengde Wind, China	1,095
Clean Development Mechanism	Vaspet Wind Power Maharashtra	108
Clean Development Mechanism	30 MW wind power project at Surajbari, India	1,588
Clean Development Mechanism	18 MW Wind Power Project in Kutch	22,794
Clean Development Mechanism	3 MW Grid connected Wind Electricity Generation	28,884
Clean Development Mechanism	Theni Wind Power, India	5
Clean Development Mechanism	Renewable Wind Power generation (25MW)	8,532
<b>Total</b>		<b>602,100</b>

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:



# 2022 Carbon Footprint

## The detail

### Scope 1 and 2 emissions in 2022 and progress to net zero

The largest proportion of our Scope 1 and 2 footprint came from the fuel used in our fleet. However, compared to 2021 we saw a 22% reduction in fuel-related emissions. We have worked hard to optimise engineer travel, such as implementing new route planning procedures. Overall, emissions from fuel are down 8% compared to our baseline year of 2019.

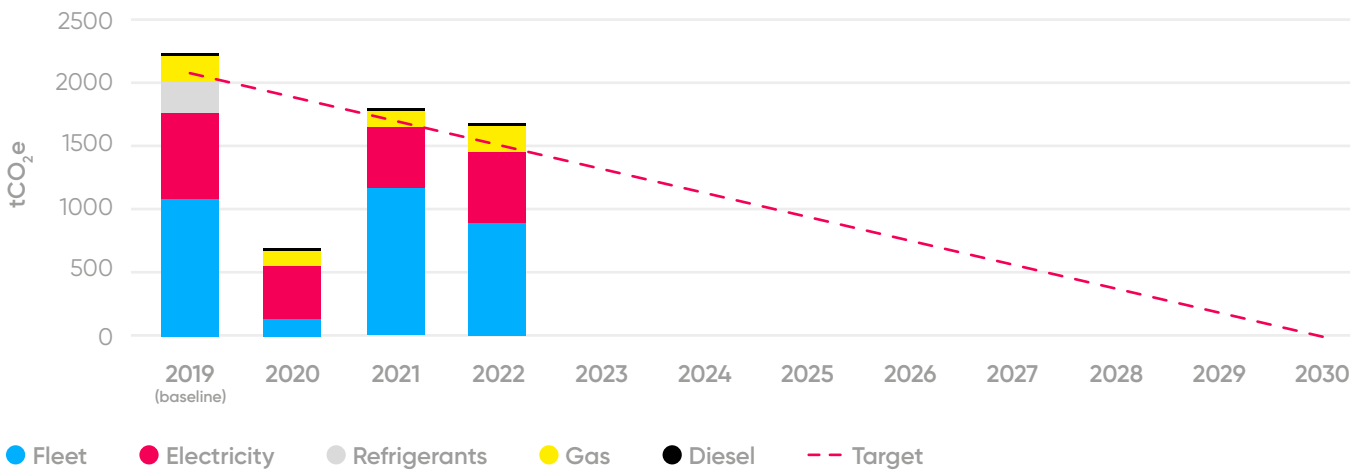
Gas and electricity consumption across our buildings remains low, despite more of our staff returning to the offices. Compared to our baseline year of 2019, gas emissions are down

2% and electricity emissions are down 34%. Improvement in building energy efficiency, such as the installation of point-of-use water heaters in employee welfare facilities to reduce gas consumption and expanded rollout of LED lighting has helped to sustain this reduction.

The backup diesel generator in our headquarters is used on an ad hoc basis. Emissions from this source are down 49% compared to 2021. For the third year running, we continued the trend of no emissions associated with refrigerant leaks.

Overall, our Scope 1&2 emissions are down 10% in comparison to 2021, and 26% from 2019 - in line with our target for the year.

### 2022 SCOPE 1 AND 2 EMISSIONS NET ZERO PROGRESS

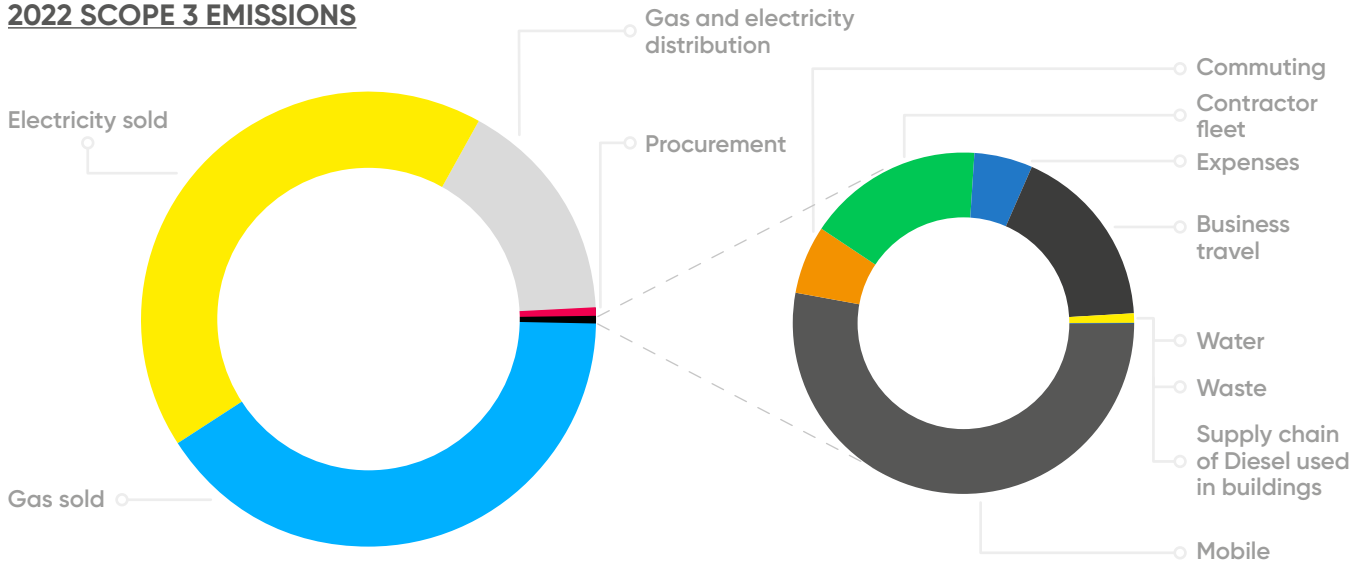


## Scope 3 emissions in 2022 and progress to net-zero

Scope 3 emissions comprised 99.93% of total emissions in 2022; 83.01% came from the gas and electricity we sold to our customers - 42.12% from electricity, 40.88% 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 99.83% of Scope 3 emissions.

### 2022 SCOPE 3 EMISSIONS



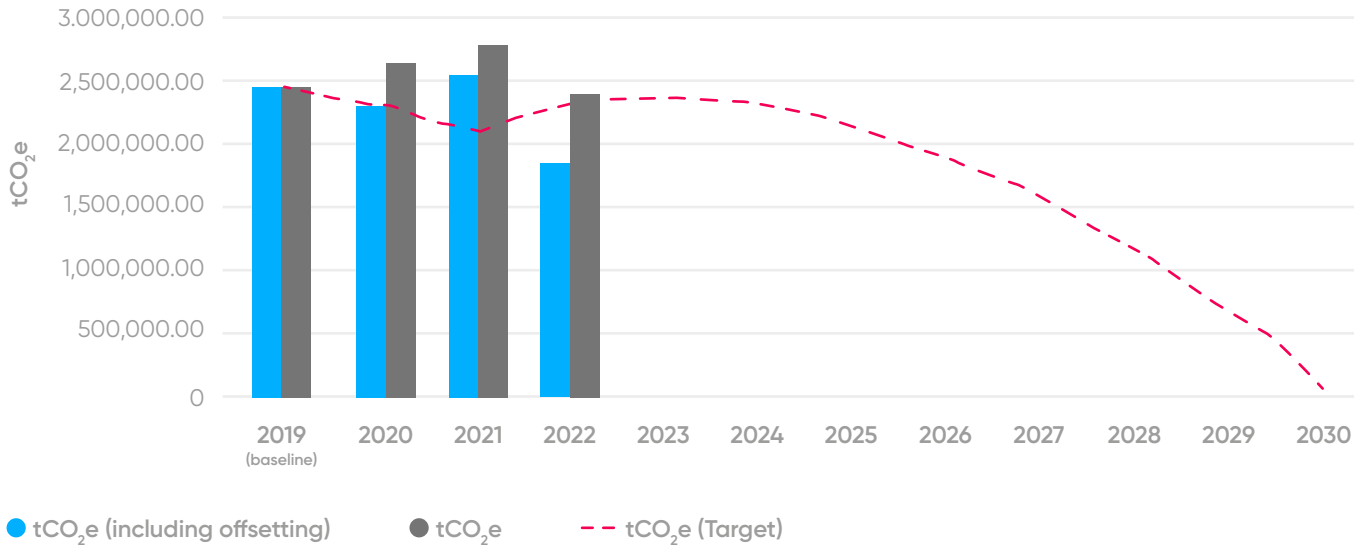
### Summary table

Scope 3 Emission Source	tCO <sub>2</sub> e	Change from 2021	Change from 2020	Change from 2019 (Baseline)
Gas Sold	994,105.37	-19%	-18%	-13%
Electricity Sold	1,024,267.39	-4%	42%	-6%
Gas and Electricity Distribution	390,331.32	-17%	9%	12%
Procurement	18,707.39	34%	29%	-35%
Mobile	1,839.19	-76%	-87%	0%
Commuting	225.76	0%	-19%	-76%
Contractor Fleet	581.07	-59%	254%	-70%
Expenses	192.91	4%	119.39%	8%
Business Travel	609.81	78%	764%	-15%
Water	31.17	1507%	578%	237%
Waste	3.62	-7%	113%	-2%
Supply Chain of Diesel Used in Buildings	0.12	-50%	-62%	-37%

For the majority of emissions sources, significant decarbonisation compared to both 2021 and the 2019 baseline 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, Verified Carbon

Standard and Gold Standard, we have reduced our carbon footprint by 602,100 tCO<sub>2</sub>e. This allowed us to surpass our 2022 decarbonisation target for scope 3 emissions.

**2022 SCOPE 3 EMISSIONS NET ZERO PROGRESS**



It should be noted that 2019 was a recovery year from the COVID-19 pandemic, so emissions associated with procurement remained lower than usual. As we complete our first full year of "back to normal", procurement-related emissions have increased. A true reflection of our decarbonisation efforts can be seen when comparing 2022's emissions to 2019, where a 35% decrease can be seen. Similarly, emissions associated with business travel are up 78% compared to 2021, but sustained decarbonisation means they are down 15% compared to the baseline year.

In the case of water, a big jump in the reported emissions is due to improvements in the carbon accounting methodology, rather than a significant increase in consumption.

Emissions from employee commuting remain the same as 2021, despite more people visiting the office. The results of our staff survey show this is due to people travelling less distance to the office but opting for less green methods of transport. Emissions from our contractor fleet, waste and diesel used in buildings are also reduced compared to both 2021 and the 2019 baseline, as we work to improve efficiencies. Emissions related to employee expenses unfortunately continue to rise, up 26% compared to last year. This is associated with the increase seen in business travel.

Balancing these operational emissions with the growth of Utilita will be a challenge to overcome as we aspire to be net zero by 2030.

In 2021 we sold 7,855,659 MWh (gas and electricity combined) and produced 2,431,228 tCO<sub>2</sub>e of Scope 3 emissions. We sold 16% less energy and our Scope 3 emissions decreased by 13%. This resulted in a carbon intensity of 0.278 tCO<sub>2</sub>e/MWh of energy sold. We then invested in carbon offsets, to reduce our carbon footprint. This resulted in a carbon intensity of 0.202 tCO<sub>2</sub>e/MWh of energy sold. Compared to the 2019 baseline, this is a 4.87% reduction.

	tCO <sub>2</sub> e 2022	Change from 2021	Change from 2020	Change from 2019 (Baseline)
MWh sold (gas and elec)	7,855,660	-16%	-0.61%	3.52%
tCO <sub>2</sub> e/MWh	0.278	14%	19.61%	7.96%
Net tCO <sub>2</sub> e/MWh	0.202	-6%	5.39%	-4.87%



# 2022 Carbon Footprint

## Further detail

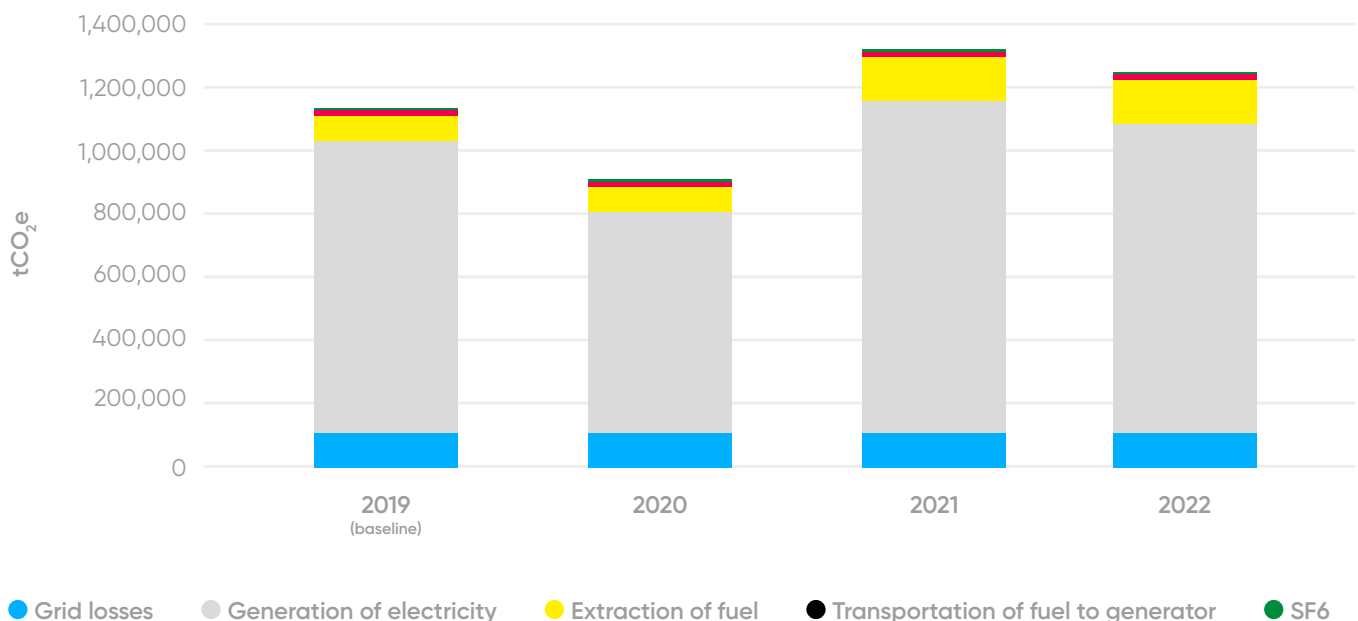
In this section we examine sources of emissions in even greater detail, including: The supply chain of the gas and electricity we sell, mobile offering, different modes of transport for employee commuting and business travel, emission sources per building, and a breakdown for employee expenses and procurement 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 <sub>2</sub> e 2022	Change from 2021	Change from 2020	Change from 2019 (Baseline)
Grid Losses	96,998.12	2%	1%	12%
Generation of Electricity	1,024,267.39	-4%	43%	10%
Extraction of Fuel	111,448.66	-26%	21%	9%
Transportation of Fuel to Generator	10,193.03	-23%	29%	18%
SF6	2,322.18	1%	-29%	-29%
<b>Total</b>	<b>1,245,229.39</b>	<b>-6%</b>	<b>36%</b>	<b>10%</b>

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 or 2022, which is why the footprint from the generation of electricity sold is almost 43% higher than in 2020. 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. Positively, even without buying REGOs, our footprint for electricity generation compared

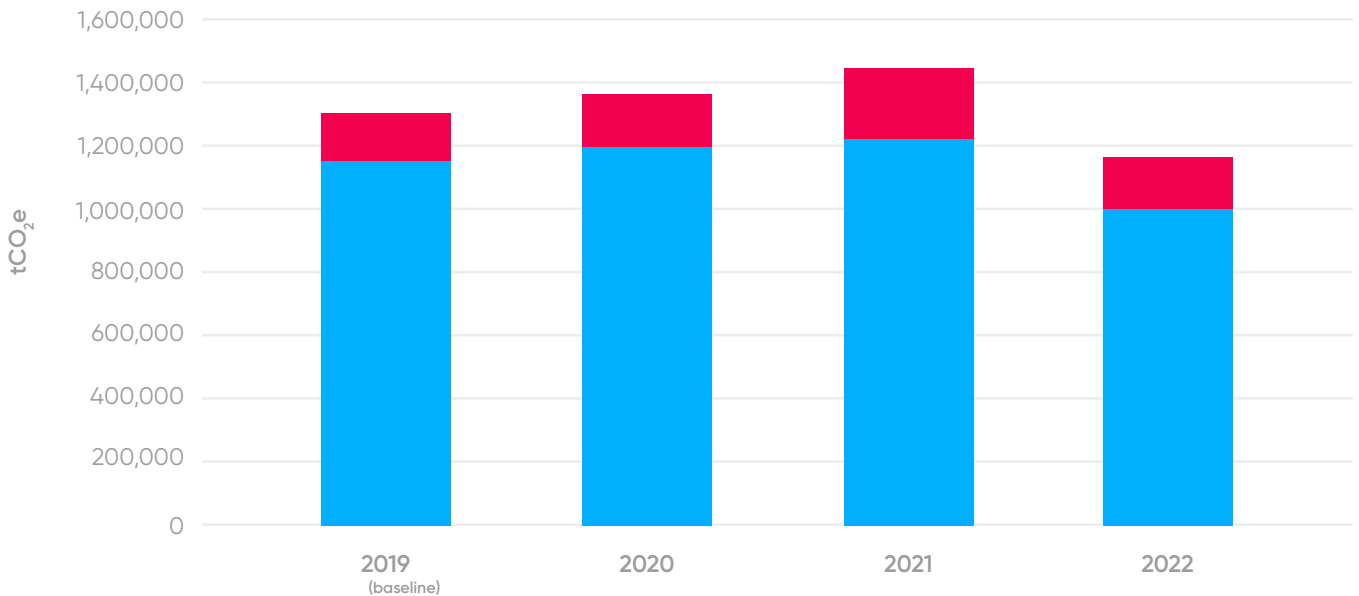
to 2019 is down 4%. This is because we bought and sold less electricity, but also due to genuine decarbonisation in the supply chain. These factors mean we surpassed our 2022 decarbonisation target in this category by 5%.

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. National Grid has sustained its 29% reduction in SF6 emissions in 2022.





## GAS SUPPLY CHAIN EMISSIONS



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

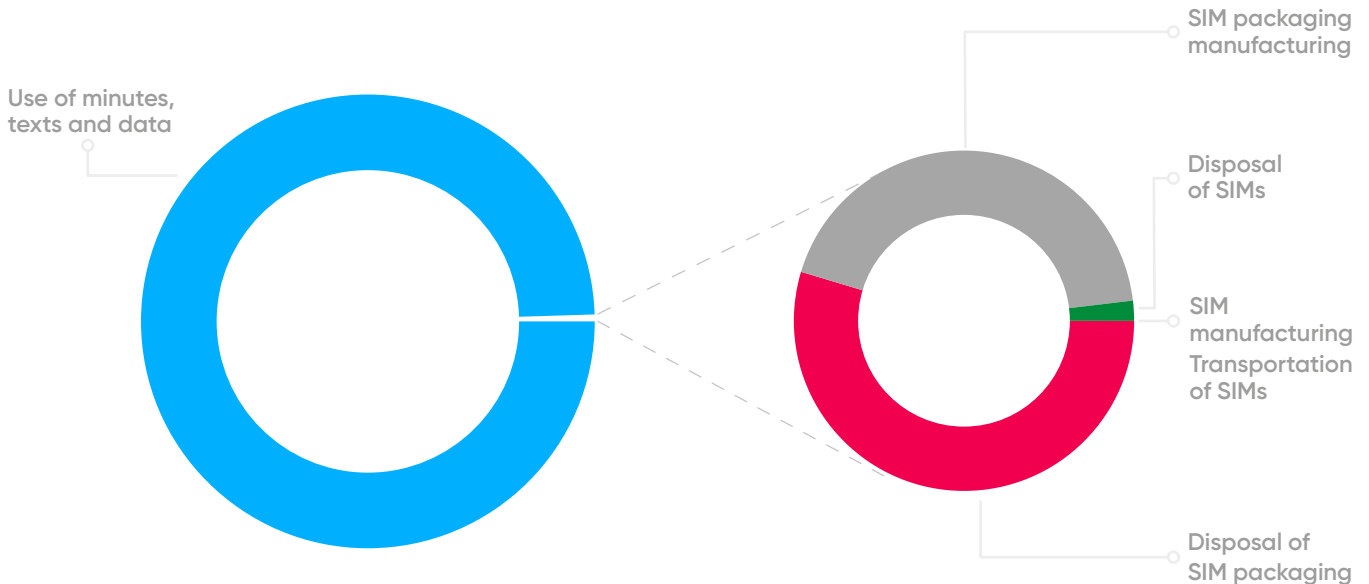
Emission Source	tCO <sub>2</sub> e 2022	Change from 2021	Change from 2020	Change from 2019 (Baseline)
Gas Burnt in Customers' Homes	994,105.37	-19%	1%	7%
Extraction and Transportation of Gas to Customers' Homes	169,369.33	-19%	33%	41%
<b>Total</b>	<b>1,163,474.69</b>	<b>-19%</b>	<b>34%</b>	<b>48%</b>

Utilita has little control over the carbon emissions from gas, and the variations in our emissions are a reflection of how much gas we bought and sold. 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. In 2022, getting the gas out of the ground, refining, and transporting it to households accounted for 17% of the total gas footprint. We went above and beyond our 2022 decarbonisation target of 1,239,207 tCO<sub>2</sub>e, achieving a further 20% reduction in emissions

# Utilita Mobile

## 2022 UTILITA MOBILE BREAKDOWN



Emission Source	tCO <sub>2</sub> e 2022	Change from 2021	Change from 2020
Use of Minutes, Texts and Data	1,838.51	-76%	-87%
Disposal of SIM Packaging	0.37	-76%	-100%
SIM Packaging Manufacturing	0.29	-76%	48%
Disposal of SIMs	0.0004	-100%	-100%
SIM Manufacturing	0.01	142%	34%
Transportation of SIMs	-	-100%	-100%

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 76% compared to 2021. We placed an order for SIM cards in

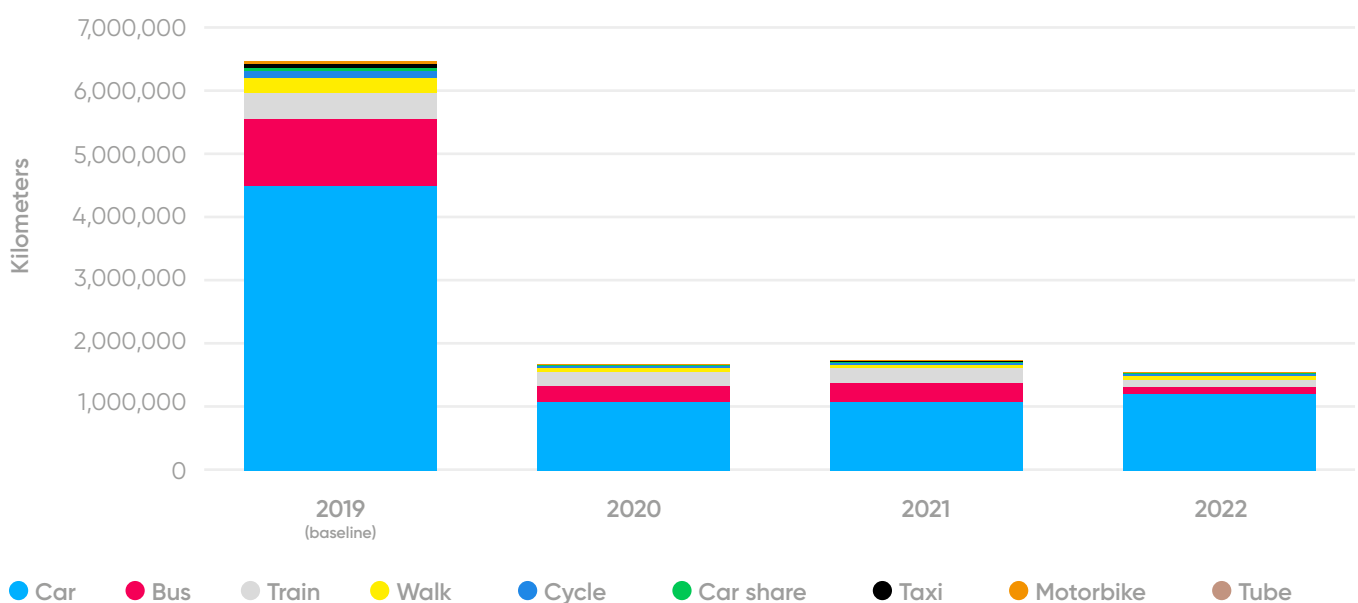
the early part of 2022, which accounts for the increase in SIM manufacturing, however, in the latter half of 2022, a decision was made to close down Utilita Mobile. A small amount of leftover SIM cards were disposed of. SIM cards are lightweight, so their disposal emitted only 0.425kg of CO<sub>2</sub>e emissions.

## Employee commuting

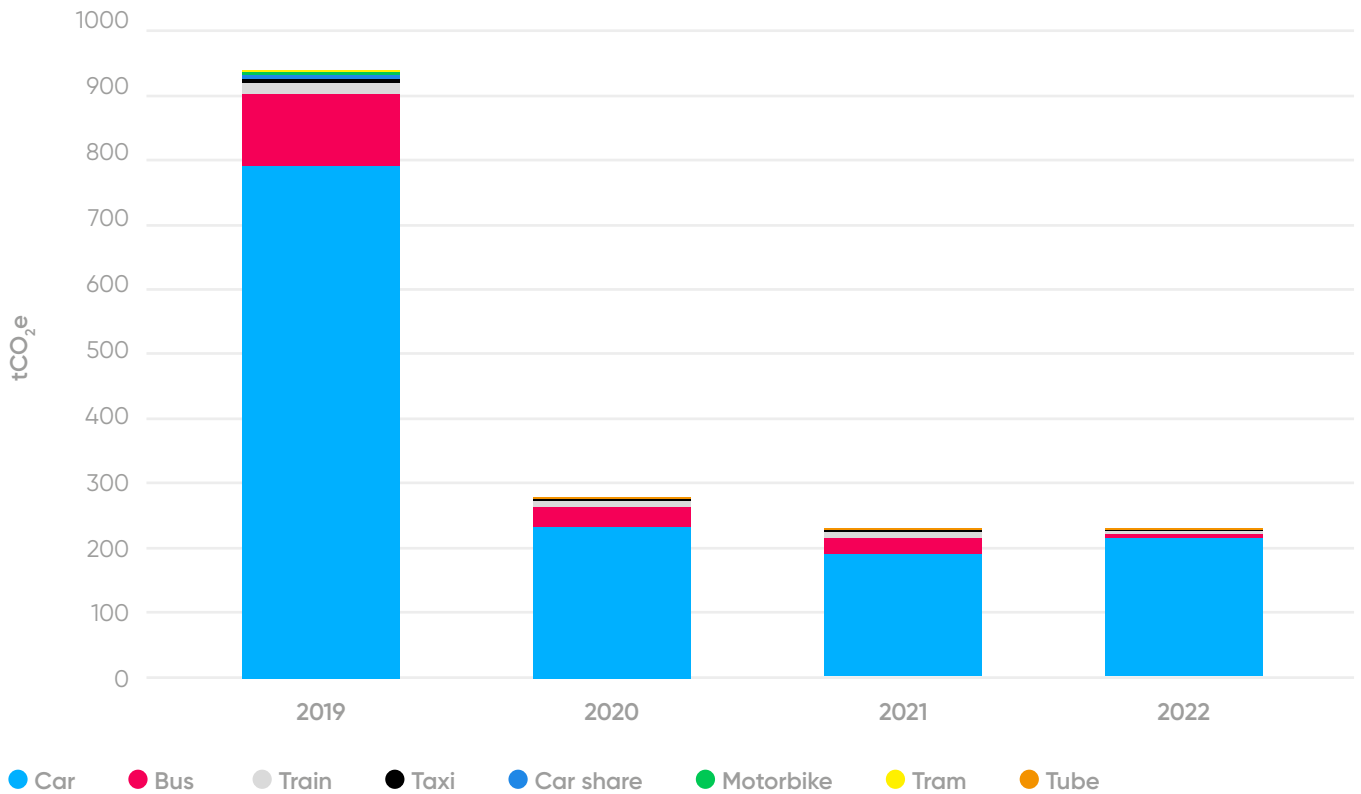
Though emissions from employee commuting declined only marginally, by 0.43%, compared to 2021, the total kilometres commuted declined by 13%. This suggests that employees are opting for less environmentally friendly transport options, as evidenced by a 14% increase in kilometres travelled in cars, and a 47% decrease in kilometres travelled on buses. As our business grows, and the location of our employees shifts

with the opening of new Energy Hubs, the mix of transport options will change. Overall, emissions are still down 76% compared to the 2019 baseline and 75% lower than our 2022 target, but it is clear more work is needed to encourage employees to adopt cleaner and greener methods of travel so we can sustain decarbonisation into 2023.

### KM FROM COMMUTING



Mode of Transport	2022 km	Change from 2021	Change from 2020	Change from 2019 (Baseline)
Car	1,256,610	14%	15.92%	-72%
Bus	60,941	-76%	-74.88%	-94%
Train	129,976	-47%	-43.61%	-68%
Walk	15,328	-73%	-72.22%	-94%
Cycle	18,283	-49%	-33.97%	-81%
Car Share	-	-100%	-100.00%	-100%
Taxi	684	-97%	-95.04%	-98%
Motorbike	4,866	8%	-2.67%	-88%
Tram	4,791	8163%	7375.08%	-17%
Tube	434	-83%	-84.97%	-
<b>Total</b>	<b>1,491,913</b>	<b>-13%</b>	<b>-10.25%</b>	<b>-77%</b>

**EMISSIONS FROM COMMUTING**

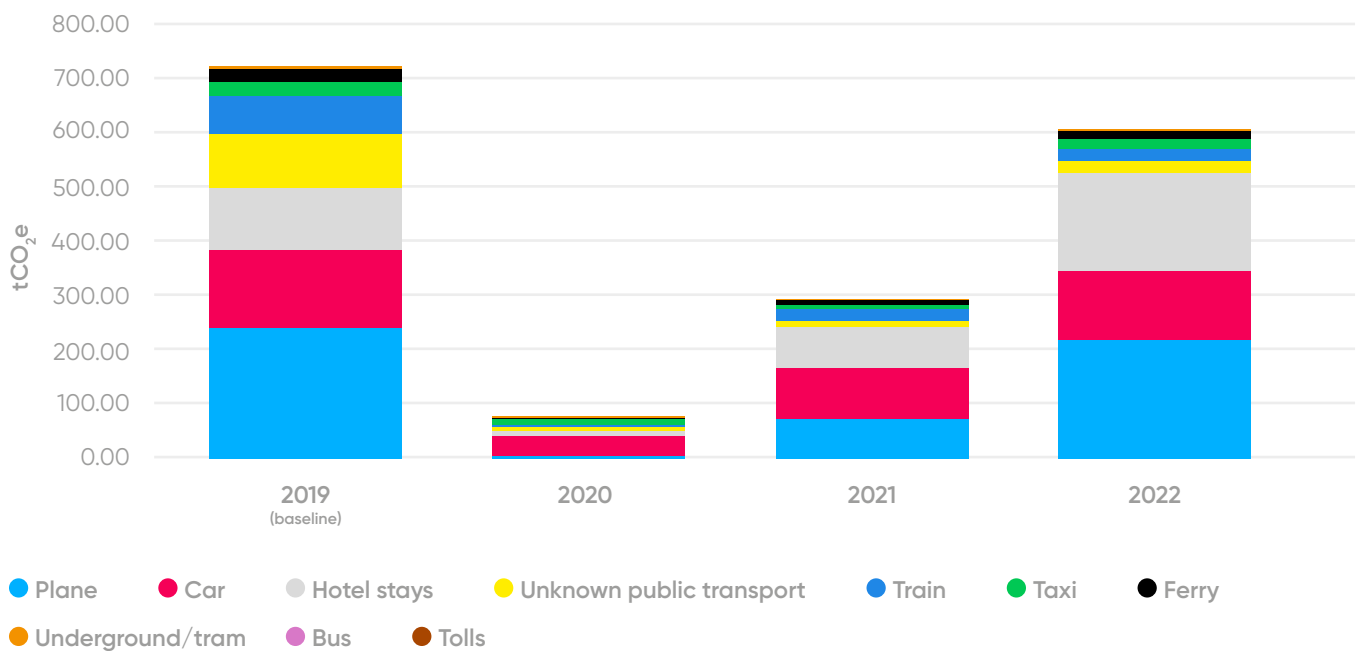
Mode of Transport	2022 tCO <sub>2</sub> e	Change from 2021	Change from 2020	Change from 2019 (Baseline)
Car	214.47	14%	-8.23%	-73%
Bus	5.88	-77%	-81.05%	-95%
Train	4.61	-47%	-54.70%	-72%
Taxi	0.10	-97%	-95.91%	-98%
Car Share	0	-100%	-100.00%	-100%
Motorbike	0.55	8%	-23.24%	-88%
Tram	0.14	8161%	6180.75%	-32%
Tube	0.01	-83%	-87.24%	-
Van	0	0%	0%	0%
<b>Total</b>	<b>225.76</b>	<b>-0.43%</b>	<b>-18.89%</b>	<b>-76%</b>

## Business travel

Utilita's business travel has seen a large variation in emissions over the past 4 years, due to the impact of the pandemic. That's why there some huge increases compared to 2020, where our activity came to a standstill. Business emissions have risen again, by 111%, compared to 2021 but overall travel emissions are still

down 60% compared to the baseline year. We have also achieved a further 11% reduction in our emissions compared to the 2022 target. We know this an area where we need to work on reducing our footprint, but we are headed in a positive direction.

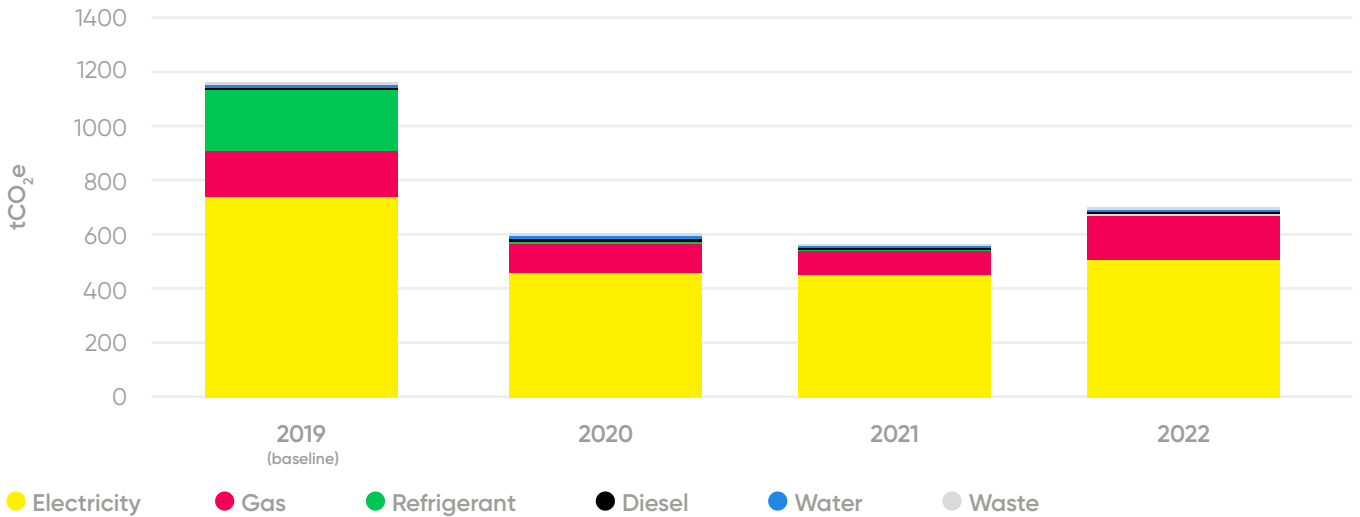
### **BUSINESS TRAVEL**



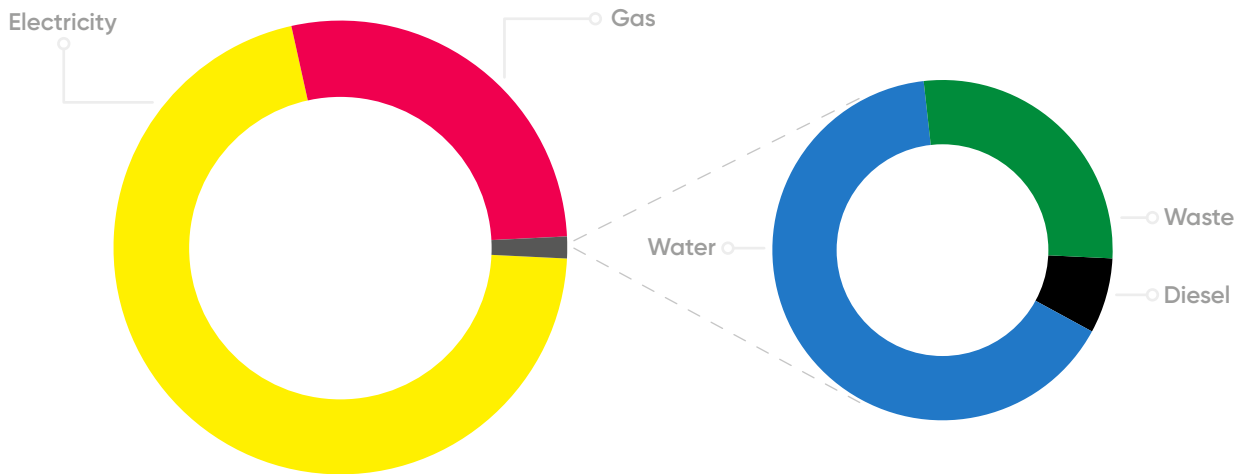
Mode of Transport	2022 tCO <sub>2</sub> e	Change from 2021	Change from 2020	Change from 2019 (Baseline)	Difference to 2019 (Baseline)
Plane	226.63	224%	3652%	-71%	-71%
Car	143.49	49%	153%	-32%	-32%
Hotel Stays	161.52	112%	500%	-32%	-32%
Unknown Public Transport	16.60	104%	244%	-92%	-92%
Train	27.53	228%	88662%	-88%	-88%
Taxi	9.03	357%	-47%	-92%	-92%
Ferry	21.15	-15%	141%	11%	11%
Underground/tram	0.71	189%	-29%	-86%	-86%
Bus	0.20	570%	-97%	-96%	-96%
Tolls	2.95	-4%	4206%		
<b>Total</b>	<b>609.8</b>	<b>111%</b>	<b>310%</b>	<b>-60%</b>	<b>-60%</b>

# Emissions by building

## EMISSIONS FROM BUILDINGS



## HUTWOOD COURT EMISSIONS



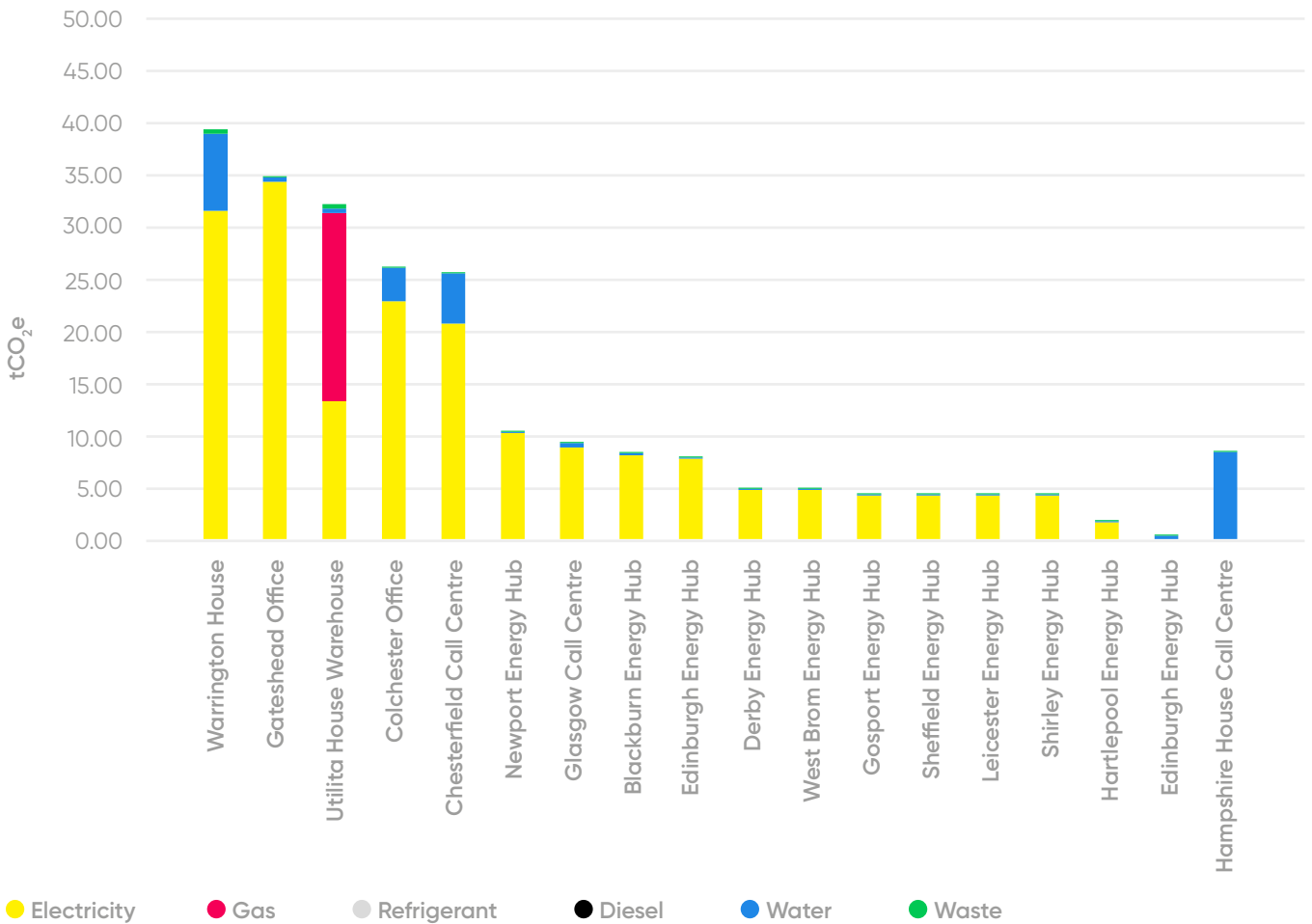
In 2022, the total emissions from our buildings rose by 21% compared to 2021. This is because more of our staff have adopted a hybrid work pattern, and we've opened new Energy Hubs. Compared to the baseline year of 2019, our building emissions are down 51%, but we acknowledge that we missed our 2022 decarbonisation target by 1% in this category. Our Hutwood Court HQ comprises 66% of all emissions from buildings.

Emission Source	Hutwood Court share of total emissions from buildings
Electricity	63%
Gas	87%
Refrigerant	0% (no refrigerant leaks across all buildings)
Diesel	100%
Water	15%
Waste	53%
<b>Total</b>	<b>66%</b>



	Emission Source (tCO <sub>2</sub> e)						
	Electricity	Gas	Refrigerant	Diesel	Water	Waste	Total
Hutwood Court Office	318.69	124.73	0.00	0.50	4.55	1.92	450.40
Warrington Warehouse	31.35	0.00	0.00	0.00	7.40	0.41	39.16
Gateshead Office	34.15	0.00	0.00	0.00	0.49	0.02	34.65
Utilita House Warehouse	13.21	18.01	0.00	0.00	0.43	0.35	32.00
Colchester Office	22.76	0.00	0.00	0.00	3.23	0.03	26.02
Chesterfield Call Centre	20.61	0.00	0.00	0.00	4.85	0.08	25.53
Newport Energy Hub	10.15	0.00	0.00	0.00	0.13	0.03	10.31
Glasgow Call Centre	8.69	0.00	0.00	0.00	0.43	0.09	9.22
Blackburn Energy Hub	8.02	0.00	0.00	0.00	0.13	0.03	8.17
Edinburgh Energy Hub	7.67	0.00	0.00	0.00	0.13	0.03	7.83
Derby Energy Hub	4.68	0.00	0.00	0.00	0.13	0.10	4.91
West Bromwich Energy Hub	4.62	0.00	0.00	0.00	0.13	0.03	4.78
Gosport Energy Hub	4.16	0.00	0.00	0.00	0.13	0.09	4.38
Sheffield Energy Hub	4.16	0.00	0.00	0.00	0.13	0.08	4.37
Leicester Energy Hub	4.16	0.00	0.00	0.00	0.13	0.07	4.36
Shirley Energy Hub	4.16	0.00	0.00	0.00	0.13	0.06	4.35
Hartlepool Energy Hub	1.56	0.00	0.00	0.00	0.13	0.04	1.73
Edinburgh Office	0.00	0.00	0.00	0.00	0.27	0.09	0.36
Unallocated Spend	0.00	0.00	0.00	0.00	8.26	0.07	8.33
<b>Total</b>	<b>502.81</b>	<b>142.74</b>	<b>0.00</b>	<b>0.50</b>	<b>31.19</b>	<b>3.62</b>	<b>680.86</b>

**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 tCO<sub>2</sub>e/£ emissions factor

associated to it. Total spend in each category was multiplied by the relevant emissions factor to return total emissions. Our procurement emissions were 32% lower than the target we had set for 2022, evidencing that whilst we did see an increase from 2021, we are still on track for our net zero goals.

	2022 tCO <sub>2</sub> e	Change from 2021	Change from 2020	Change from 2019 (Baseline)
<b>Procurement emissions</b>	19,285.71	34%	30%	-35%

DEFRA Emissions Category	Emissions (tCO <sub>2</sub> e)	Percentage of total emissions
Electrical equipment	3,097.16	16.39%
Services furnished by membership organisations	3,097.16	15.80%
Computer programming, consultancy and related services	2,986.36	11.54%
Office administrative, office support and other business support services	2,180.86	9.75%
Other professional, scientific and technical services	1,842.05	5.23%
Financial services, except insurance and pension funding	988.46	5.18%
Architectural and engineering services; technical testing and analysis services	978.90	4.67%
Printing and recording services	881.88	4.40%
Sports services and amusement and recreation services	830.86	3.34%
Road transport	631.64	3.21%
Advertising and market research services	607.56	2.87%
Services of head offices; management consulting services	542.92	2.66%
Public administration and defence services; compulsory social security services	503.69	2.64%
Services to buildings and landscape	498.04	1.71%
Gas distribution	323.73	1.52%
Libraries, archives, museums and other cultural services	287.84	1.24%
Furniture	233.54	0.85%
Telecommunications services	161.26	0.84%
Other manufactured goods	159.28	0.79%
Wholesale trade services, except of motor vehicles and motorcycles	148.67	0.51%
Employment services	96.56	0.46%
Insurance, reinsurance and pension funding services, except compulsory social security and Pensions	87.07	0.45%
Food and beverage serving services	85.05	0.38%
Real estate services, excluding on a fee or contract basis and imputed rent	71.56	0.30%
Other personal services	56.64	0.27%
Legal services	51.84	0.27%
Information services	50.53	0.26%

DEFRA Emissions Category	Emissions (tCO <sub>2</sub> e)	Percentage of total emissions
Machinery and equipment n.e.c.	49.03	0.22%
Rest of repair; Installation - 33.11-14/17/19/20	42.06	0.18%
Postal and courier services	34.47	0.18%
Employee Expenses	33.12	0.17%
Education services	31.45	0.16%
Construction <sup>4</sup>	30.75	0.16%
Rental and leasing services	29.49	0.15%
Wearing apparel	27.62	0.14%
Retail trade services, except of motor vehicles and motorcycles	26.88	0.13%
Security and investigation services	25.00	0.13%
Publishing services	24.68	0.10%
Not assigned	19.48	0.10%
Wholesale and retail trade and repair services of motor vehicles and motorcycles	18.11	0.09%
Services auxiliary to financial services and insurance services	16.42	0.07%
Computer, electronic and optical products	12.80	0.07%
Creative, arts and entertainment services	12.79	0.06%
Paper and paper products	11.79	0.06%
Textiles	11.74	0.06%
Motion picture, video and TV programme production services, sound recording and music publishing and programming and broadcasting services	11.67	0.06%
Programming and broadcasting services	10.77	0.04%
Specialised construction works	6.77	0.03%
Natural water; water treatment and supply services	5.82	0.03%
Accommodation services	4.99	0.02%
Rubber and plastic products	4.45	0.02%
Owner-Occupiers' Housing Services	3.97	0.02%

DEFRA Emissions Category	Emissions (tCO <sub>2</sub> e)	Percentage of total emissions
Other food products	2.99	0.01%
Constructions and construction works for civil engineering	2.46	0.01%
Social care services	1.82	0.01%
Human health services	1.40	0.01%
Repair services of computers and personal and household goods	1.28	0.00%
Social work services without accommodation	0.23	0.00%
Legal services	0.08	0.00%

\*Employee expenses are not a DEFRA category, but calculated using an average emission factor based on SIC codes.

# 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

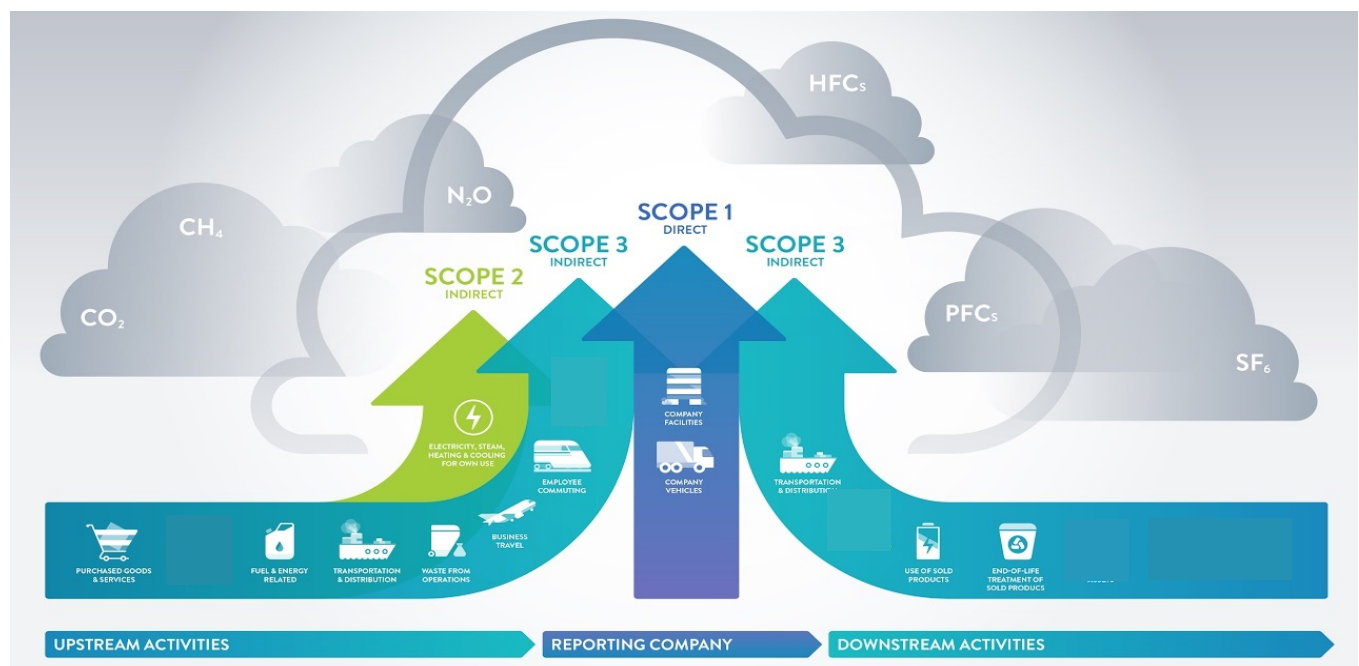
A company categorises its different kinds of carbon emissions into three scopes.

**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 <sub>2</sub> e	Comments
Category 1 - Purchased Goods and Services	19,317	
Category 2 - Capital Goods		Capital goods purchased were already included in Category 1. The procurement data under category 1 contained expenditure on capital goods.
Category 3 - WTT and T&D	1,315,612	
Category 4 - Upstream Transportation and Distribution	581	
Category 5 - Waste	4	
Category 6 - Business Travel	610	
Category 7 - Employee Commuting	226	
Category 8 - Upstream Leased Assets		Upstream leased assets were already included in Category 1. The procurement data under category 1 contained expenditure on capital goods.
Category 9 - Downstream Transportation and Distribution	99,320	
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	995,944	
Category 12 - End-of-Life Treatment of Sold Products	0	
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 tCO<sub>2</sub>e. That's a 31% reduction compared to the 1.8m tCO<sub>2</sub>e 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 <sub>2</sub> e	
	Location based	Market based
Electricity sold (scope 3)	465,987.93	1,024,267.39
Electricity used in UEL buildings (scope 2)	228.71	502.81
All other emissions	805,964.20	
Total footprint inc offsets	1,272,180.83	1,830,734.40