UTS Sales & Repairs

Net Zero Report 2023

UTS SALES AND REPAIRS

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Foreword

In 2022, we partnered with Positive Planet to measure our carbon footprint and begin our decarbonisation journey. Since then we have measured our emissions for two reporting periods, set carbon reduction targets and got started on some carbon reduction initiatives.

From measuring our scope 1, scope 2 and upstream scope 3 impacts, we have found that our purchase of direct goods and services is our largest source of emissions. Company vehicle use, the purchase of indirect goods and services and employee commuting are also significant sources of emissions. Over the next few years, we will focus on these areas, both in terms of reducing emissions, but also improving data quality. This year we excluded downstream emissions from our footprint but have committed to begin measuring these emissions by 2026.

In addition to assessing the carbon impact of our activities, we have also committed to some Science Based Target Initiative (SBTi) aligned targets, including a commitment to reach Net Zero by 2040.

In this document, you can find our measurement results, methodology, near- and long-term reduction targets, and priorities for the year ahead.

Based in Kent, UTS Sales and Repairs Ltd is the leading Next Generation aluminium access equipment manufacturer. With years of experience and dedication, we have developed a strong reputation for providing high-quality, safe, and reliable products to meet the needs of our clients.

Our core business values are what set us apart from the competition. We believe in always delivering on time and to specification, with unrivalled quality, service and price. Our clients rely on us to provide them with the access equipment they need to get their job done safely and efficiently, which is why we work tirelessly to ensure that our products are of the highest quality and our customer service is second to none.

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Measured by Positive Planet

Why we're taking action

Why we're taking action

At UTS Sales & Repairs we understand that taking action to reduce carbon emissions and achieve Net Zero is not just a responsibility; it's an imperative for our business. By committing to reducing our carbon footprint, we aim to contribute positively to the fight against climate change while also future-proofing our operations.

Embracing sustainability isn't just about mitigating risks; it's about embracing opportunities for innovation, efficiency, and long-term resilience. Our dedication to this cause reflects our commitment to leaving a better world for future generations and ensuring the continued success and sustainability of our business.

"The UK manufacturing industry will without a doubt be a major contributor to the UK's journey to Net Zero. Being the UK's third most emitting sector and responsible for a sixth of the country's total emissions, a concerted effort to reduce manufacturing emissions will have an important impact on the country's overall emissions profile." - Make UK, 2023

In their most recent report, the Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by 1.1°C above 1850-1990 levels (IPCC, 2023).

This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions.

These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.

Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is also important for the success of our business that we consider the challenges that we may face to sustain stakeholder confidence.

Risks

- Supply chain disruption
- Human health impacts
- Rapidly changing regulations
- Changing customer demands
- Increased insurance costs
- Increased heating and cooling costs
- Reputational risks

Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Increase efficiency, reduce costs
- Increase resilience to change
- Brand enhancement

Our carbon footprint

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our carbon footprint is calculated:

Our carbon footprint has been measured using principles from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Six Greenhouse Gases are calculated as part of this emissions report, known as the six Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential. For emissions reporting, these gases are simplified and measured in the unit tonnes of carbon dioxide equivalent (tCO_2e).

We sorted our business activities into the scopes and categories outlined by The GHG Protocol and reported all direct and upstream indirect emissions.

We measured all scope 1, scope 2 and upstream scope 3 emissions. We have not yet quantified our downstream impacts (which will include emissions associated with the disposal of our products at end-of-life).

CO$_2$ **CH$_4$** **N$_2$O** **HFCs** **PFCs** **SF$_6$** **NF$_3$**

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Scope 2
Controllable Indirect

2

Scope 1
Direct Emissions

1

Scope 3
Influenceable Indirect

3 Upstream

Scope 3
Influenceable Indirect

3 Downstream

Upstream leased assets

Purchased electricity

Employee commuting

Electric vehicles

Business travel

Purchased steam, heating, and cooling

Waste generated in operations

Purchased goods and services

Capital goods

Upstream transportation and distribution

Fuel- and energy-related activities (not included in scope 1 or scope 2)

Company ICE vehicles

Company facilities (gas, refrigerants, process)

Downstream transportation and distribution

Downstream leased assets

Processing of sold products

Use of sold products

Investments

Franchises

End-of-life treatment of sold products

Upstream Activities   **Reporting Company**   **Downstream Activities**

Our 2023 carbon footprint

Indirect Goods & Services
34.5 tCO_2e

Company Vehicles
51.0 tCO_2e

Employee Commuting
27.0 tCO_2e

Indirect Emissions*
26.7 tCO_2e

Electricity
12.5 tCO_2e

Direct Goods & Services
3,346.0 tCO_2e

Capital Goods
9.2 tCO_2e

Total*
3,516.9 tCO_2e

Distribution
8.7 tCO_2e

Waste
1.1 tCO_2e
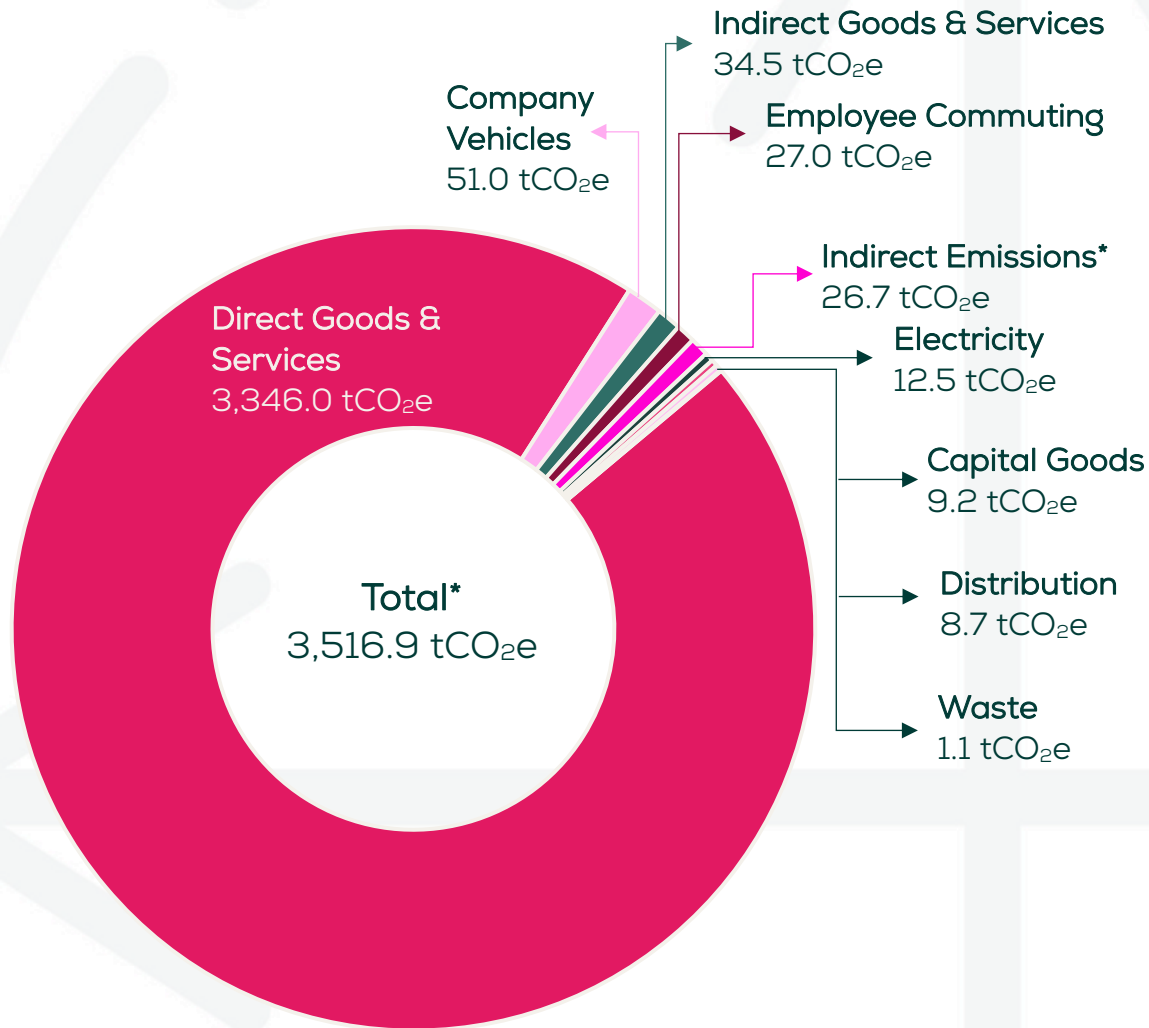
*Excluding downstream scope 3 emissions

Reporting Period
1st January 2023 – 31st December 2023

Carbon Intensity Per FTE
103.4 tCO_2e / Employee

Carbon Intensity Per £1 Of Revenue
0.589 $kgCO_2e$ / £1 of Revenue

Scope 1 – 51.0
Scope 2 (Location-based) – 16.0
Scope 2 (Market-based) – 12.5
Scope 3 – 3,453.4

High Impact Activities
- Procurement of direct goods and services
- Company vehicle use
- Procurement of indirect goods and services

Indirect energy emissions are those that occur in addition to the combustion emissions and electricity generation emissions that are measured in the other energy use categories.
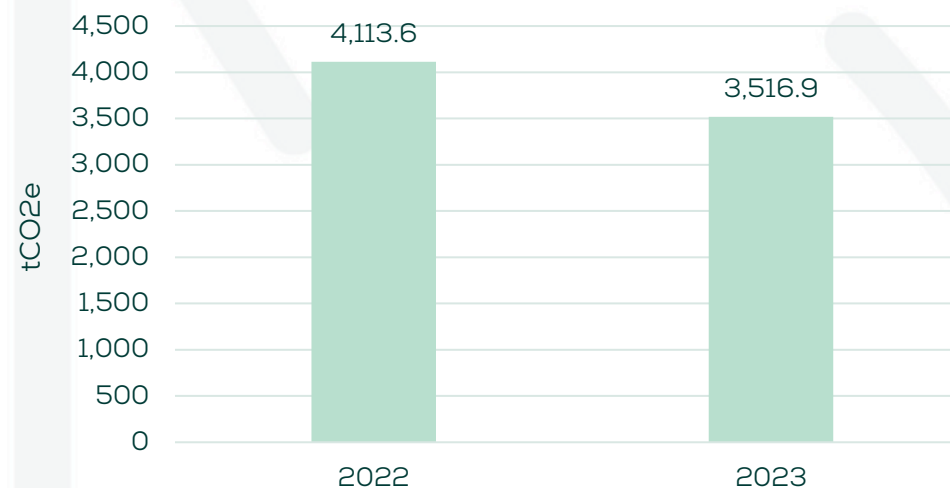
Our baseline emissions

Baseline Reporting Period: 1st January – 31st December 2022

Since our baseline reporting period, scope 1 emissions have increased by 26%, our scope 2 emissions (based on the market-based methodology) have increased by 54% and our scope 3 emissions have decreased by 15%.

As scope 3 makes up the majority of the footprint (98%), overall, emissions decreased by 15%.

A full breakdown of emissions by category is given below.

Baseline vs Current Total Emissions

Scope	Category	Baseline Emissions (tCO₂e)	Current Emissions (tCO₂e)	% Change
Scope 1	Company Cars	40.5	51.0	+26%
Scope 2	Electricity (Location-based)	10.4	16.0	+54%
Scope 2	Electricity (Market-based)	10.4	12.5	+20%
Scope 3	Direct Goods & Services	3,934.4	3,346.0	−15%
Scope 3	Indirect Goods & Services	41.4	34.5	−17%
Scope 3	Employee Commuting	23.3	27.0	+16%
Scope 3	Indirect Energy Emissions	24.6	26.7	+0%
Scope 3	Capital Goods	19.1	9.2	−52%
Scope 3	Distribution	17.7	8.7	−51%
Scope 3	Waste	2.1	1.1	−46%

11

Category breakdown

Category breakdown

Direct goods & services – 3,346.0 tCO$_2$e

This category includes the cradle-to-gate emissions of all the goods we purchase to produce our products. We used spend-based factors to estimate the emissions, which means these figures also include estimates for transportation from the suppliers to us. In the future, we will improve this calculation by collecting data from our suppliers and measuring transportation emissions separately. Our emissions in this category have decreased by 15% from the previous year due to a decrease in spending.
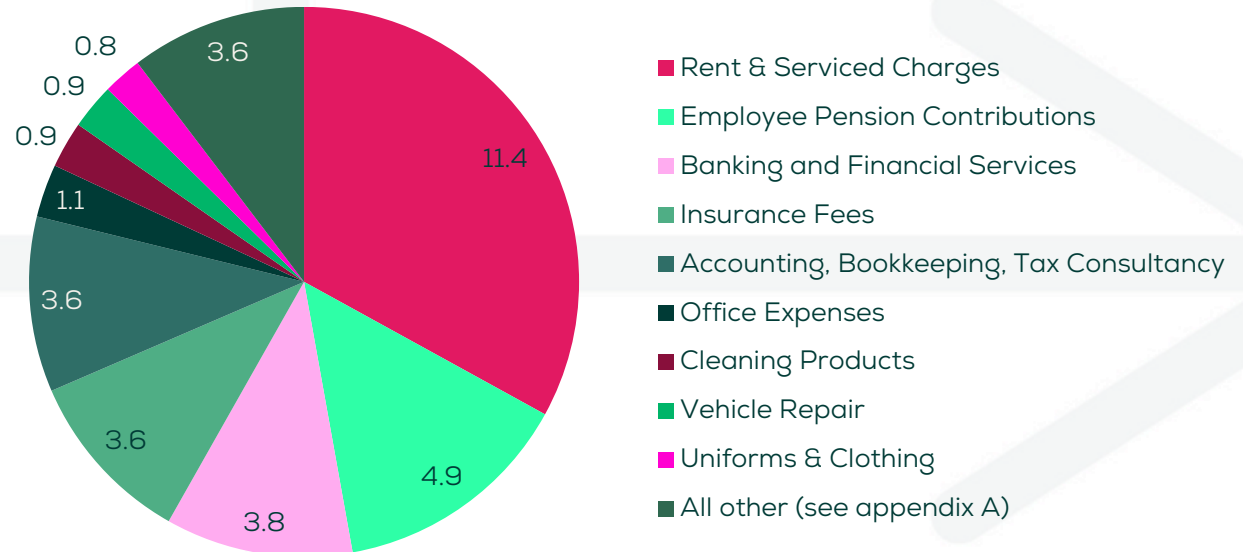
Category	Emissions (tCO$_2$e)
Non-ferrous Metals	2,586.3
Aluminium Castings	563.1
Plastic Products	17.2
Machinery & Equipment	10.0
Rubber Products	2.6

Company Vehicles – 51.0 tCO$_2$e

This category includes emissions that occur as a result of the use of our diesel vans. We estimated emissions using litres of fuel which is the highest quality data. Our emissions in this category have increased by 26% from the previous year.

Indirect goods & services – 34.5 tCO$_2$e

This category includes the cradle-to-gate emissions of all the goods and services we need to run our business. As with our direct goods and services emissions, these emissions have been measured using spend-based factors. Our emissions in this category have decreased by 17% from the previous year due to a decrease in spending.

Pie chart values: 11.4, 4.9, 3.8, 3.6, 3.6, 3.6, 1.1, 0.9, 0.9, 0.8

Legend:
- Rent & Serviced Charges
- Employee Pension Contributions
- Banking and Financial Services
- Insurance Fees
- Accounting, Bookkeeping, Tax Consultancy
- Office Expenses
- Cleaning Products
- Vehicle Repair
- Uniforms & Clothing
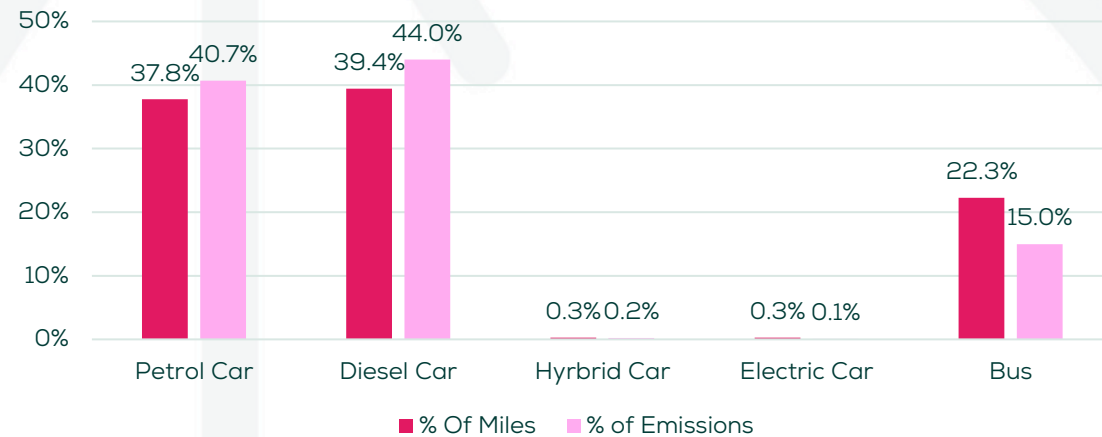- All other (see appendix A)

Category breakdown

Employee commuting – 27.0 tCO$_2$e

This category includes emissions that occur as a result of our employee travelling to and from work. Emissions were calculated using data collected via a survey with a 54% response rate. We estimated that, on average, each employee produced 0.8 tCO$_2$e via their commuting activites. Our emissions in this category have increased by 16% from the previous year, but this is as a result of increased workforce size.

% of Miles vs % of Emissions

Bar chart data:
- Petrol Car: % Of Miles 37.8%, % of Emissions 40.7%
- Diesel Car: % Of Miles 39.4%, % of Emissions 44.0%
- Hyrbrid Car: % Of Miles 0.3%, % of Emissions 0.2%
- Electric Car: % Of Miles 0.3%, % of Emissions 0.1%
- Bus: % Of Miles 22.3%, % of Emissions 15.0%

Legend: ■ % Of Miles ■ % of Emissions

Indirect Energy Emissions – 26.7 tCO$_2$e

This category includes all of the emissions that occur before fuel reaches the tank e.g. from mining, processing and transportation (known as well-to-tank emissions), and emissions associated with electricity that is lost in the transmission and distribution system (known as T&D losses). In this measurement, we have included the upstream energy emissions for all scope 1, scope 2, and upstream scope 3 activities (distribution, business travel and commuting). These emissions cannot be targeted with any standalone action but will be reduced as energy consumption across all activities is reduced.
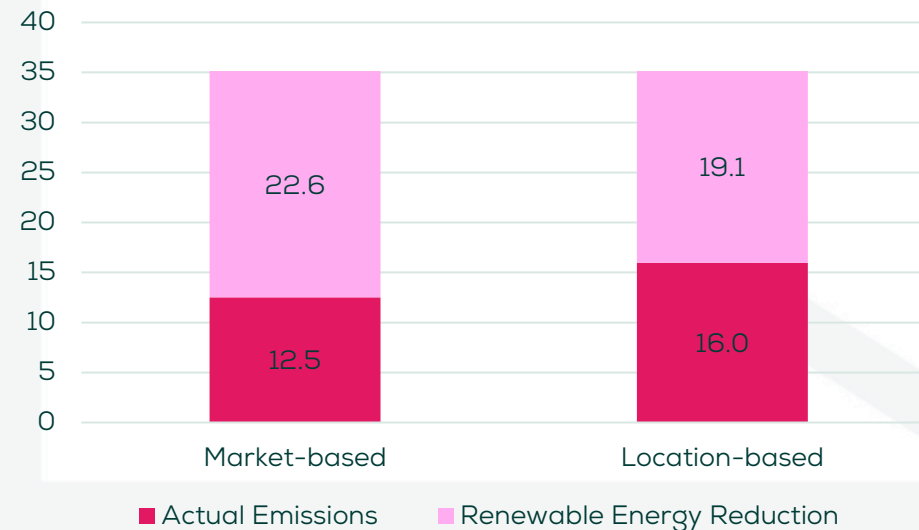
Category breakdown

Electricity emissions – 12.5 tCO$_2$e

This category includes emissions that occur as a result of the generation of electricity used on site. We measured this emissions using kWh usage, which is the highest quality of data available, and have reported emissions using two methods:

1. The market-based method, which is used in final reporting, takes into account the specific supplier and tariff chosen by us.

2. The location-based method, on the other hand, is an estimate of emissions before the introduction of any renewable energy purchasing instruments and reflects the emissions of the national grid from which the electricity was purchased.

64.4% of the electricity we purchased was backed by Renewable Energy Guarantee of Origin certificates (REGO), this is higher than the UK grid average of 54.5% making market-based emissions lower than location-based emissions. Our emissions in this category have increased by 20% since our previous year due to increased electricity usage.

Market vs Location-based Emissions

	Actual Emissions	Renewable Energy Reduction
Market-based	12.5	22.6
Location-based	16.0	19.1

Category breakdown

Capital goods – 9.2 tCO$_2$e

Here we measure the emissions that occur as a result of the production of capital goods acquired during the reporting year. This reporting year, capital goods included vehicles and property renovations and emissions were estimated using spend data. Emissions in this category have decreased since the baseline reporting year due to a decrease in spending.

Distribution – 8.7 tCO$_2$e

This category includes emissions that occur as a result of the transportation of goods. Usually, this category would include emissions for both incoming goods (physical goods purchased by us) and any goods transportation services we pay for, but as we are using spend data to estimate our physical goods emissions, we haven't yet separated the transportation emissions from the production emissions. This category therefore currently only includes emissions associated with goods transportation services purchased by us. Emissions were measured using distance and weight data and assumed vehicle type and have decreased since the previous year.

Waste – 1.1 tCO$_2$e

This category includes emissions associated with the disposal of waste and also site water use. Waste emissions were measured using a mix of weight and destination data and spend data, they were estimated to be 1.1 tCO$_2$e. Water emissions were measured using a mix of m3 and spend data, they were estimated to be 0.01 tCO$_2$e. Emissions have decreased since the baseline reporting period, mainly due to a significant reduction in waste production (92 tonnes vs 51 tonnes).

Our reduction targets

What does Net Zero mean?

To achieve Net Zero, we will be aiming to reduce emissions in line with guidance from the Science Based Target Initiative (SBTi).

SBTs are greenhouse gas reduction goals set by organisations. They are defined as "science-based" when they align with the scale of reductions required to keep global temperature increases well below 2°C, and ideally below the 1.5°C agreed in the Paris Agreement, compared to pre-industrial temperatures. SBTs provide organisations with pathways to sustainable transformational change to accelerate the transition to a low-carbon economy.

We have set the following long-term, Net Zero, targets:

- To reduce our total market-based emissions by at least 90% by 2040

- To offset any residual residual emissions annually from 2040

What's the difference?

Net Zero
When a business has reduced its scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our near-term targets

UTS Sales & Repairs is committed to reaching Net Zero by 2040. We have also set the following near-term targets which we will use to track progress to 2030:

1

Reduce scope 1 emissions by 100% by 2030

2

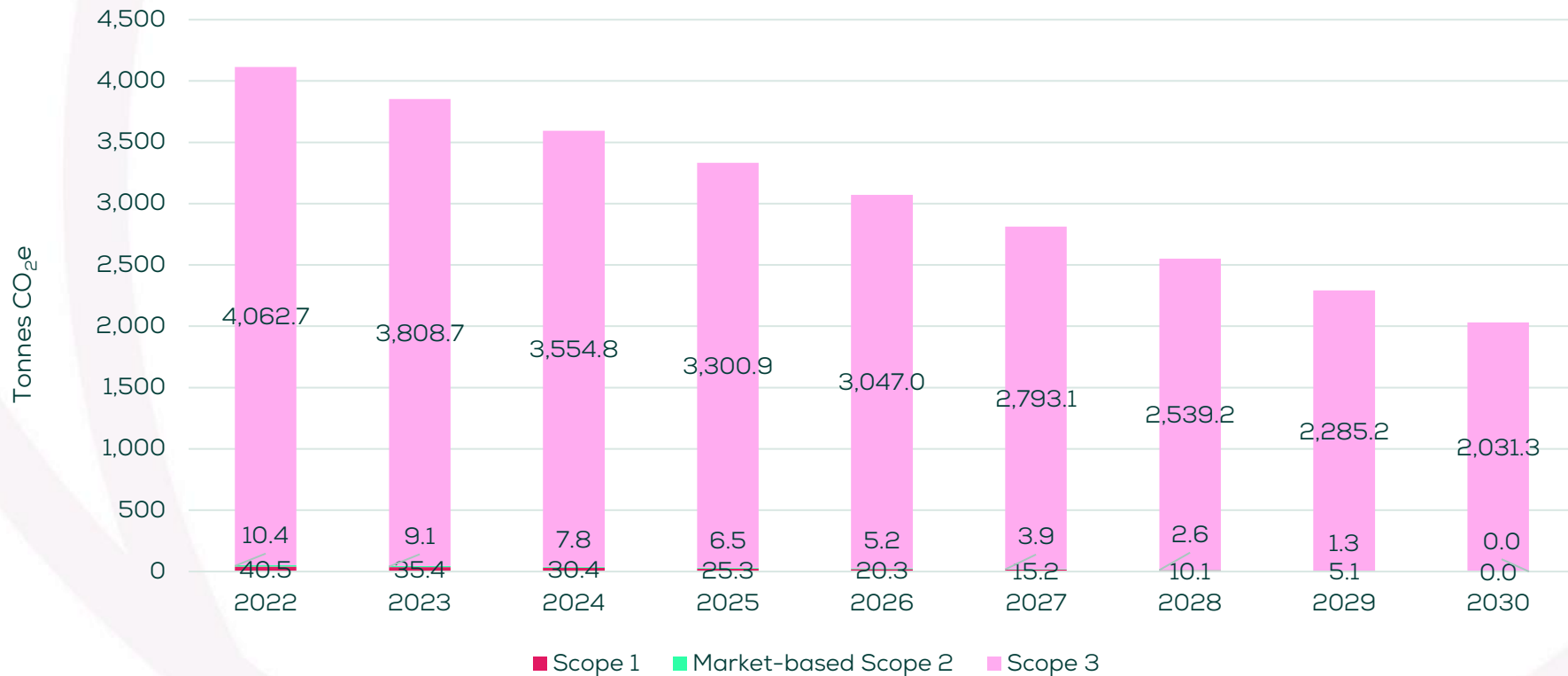Reduce market-based scope 2 emissions by 100% by 2030

3

Reduce scope 3 emissions by 50% by 2030

NB. We will review our targets following any significant changes to our business, with the release of any new guidance from the SBTi and as standard every five years.

Targeted annual reduction

The graph below shows our scope 1, market-based scope 2 and scope 3 emissions reduction targets to 2030 based on our baseline emissions. To achieve a linear reduction, we would need to reduce scope 1 emissions by 5.1 tCO_2e each year, market-based scope 2 emissions by 1.3 tCO_2e each year and scope 3 emissions by 2,031.2 tCO_2e each year.

Reduction Targets to 2030 Based on Baseline Emissions

Year	Scope 1	Market-based Scope 2	Scope 3
2022	40.5	10.4	4,062.7
2023	35.4	9.1	3,808.7
2024	30.4	7.8	3,554.8
2025	25.3	6.5	3,300.9
2026	20.3	5.2	3,047.0
2027	15.2	3.9	2,793.1
2028	10.1	2.6	2,539.2
2029	5.1	1.3	2,285.2
2030	0.0	0.0	2,031.3

Tonnes CO_2e

■ Scope 1   ■ Market-based Scope 2   ■ Scope 3

Progress

Scope 1

Our scope 1 emissions increased between the baseline and the current year by 26%, meaning we are behind target. We were aiming for scope 1 emissions of 35.4 tCO_2e or less but emissions were measured to be 51.0 tCO_2e.
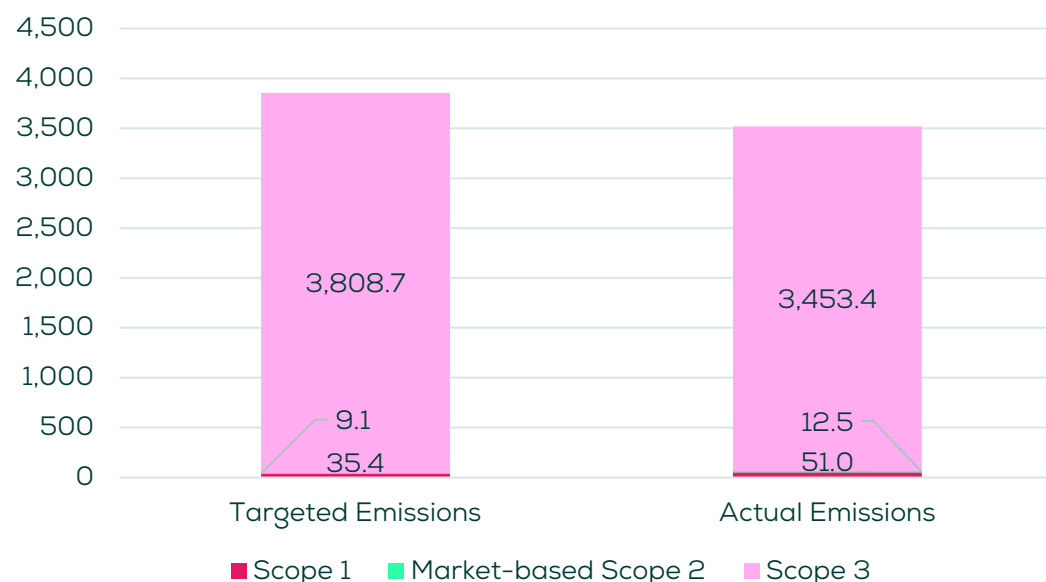
Market-based Scope 2

Our scope 2 emissions also increased between the baseline and the current year, here by 20%. We were aiming for market-based scope 2 emissions of 9.1 tCO_2e or less, but emissions were estimated to be 12.5 tCO_2e.

Scope 3

Emissions in scope 3 did decrease between the baseline year and the current year, by a total of 15%. We were aiming for scope 3 emissions of 3,808.7 tCO_2e or less, and emissions were measured to be 3,453.4 tCO_2e.

Targeted vs Actual Emissions 2023

Targeted Emissions: Scope 3 = 3,808.7; Market-based Scope 2 = 9.1; Scope 1 = 35.4

Actual Emissions: Scope 3 = 3,453.4; Market-based Scope 2 = 12.5; Scope 1 = 51.0

■ Scope 1   ■ Market-based Scope 2   ■ Scope 3

Emissions intensity also decreased between the two years. We measured 141.8 tCO_2e per employee and 0.709 $kgCO_2e$ per £1 of revenue for our baseline year. For our most recent year, figures were estimated to be 103.4 tCO_2e per employee and 0.589 kgCO2e per £1. This is a reduction of 27% and 17% respectively, which means reductions are not a result of changes to workforce size or revenue.

Reducing our emissions

Steps we have already taken

Measuring our carbon footprint

In 2022 we committed to measuring and reporting our business' carbon footprint annually, allowing us to understand where our emissions come from and take action to reduce them. Following each measurement, we have also created an action plan for the year ahead.

Energy and waste

We have switched all lighting onsite to LED lighting to reduce electricity consumption. We have also put signage up around the site to encourage proper use of energy (e.g. turning off lights and equipment when not in use) and disposal of waste (putting waste in the right bins).

Offsetting our emissions

We offset 100% of our emissions for our first reporting period. We will now focus on investing in reduction initiatives but will reintroduce offsetting once we have made some significant reductions.

Site Energy Use

Our electricity emissions make up only a small portion of our footprint, but as they are in our direct control, we have a responsibility to reduce them as soon as possible.

To reduce our electricity emissions we will need to ensure that we minimise usage where possible and also consider alternatives to grid electricity.

Over the next few years, we will do several things to reduce our scope 2 emissions:

- We will perform a site audit and create a long-term plan for building energy efficiency improvements

- We will switch to a 100% renewable energy tariff

- We will conduct a renewable energy feasibility study

- We will ensure that energy efficiency is considered when purchasing any new technology or machinery

Transport

Fleet

We have committed to reducing our scope 1 emissions by 100% by 2030, which means all company vehicles will need to be electric by then. To prepare for this, we will look into the installation of charging facilities onsite, and commit to only purchasing electric cars. It will take us longer to switch over to larger vehicles, so for the time being, we will focus on reducing fuel consumption with measures such as better route planning, driver training, and speed restrictions and by purchasing the most fuel-efficient models possible.

Commuting

It was estimated that each employee produced, on average, 0.8 tCO_2e via travel to and from work. By 2040, we are aiming to reduce this to below 0.08 per employee, which will require all employees to be travelling via lower carbon modes (EV, public transport or active transport). If all car mileage was complete in EVs this year, emissions would be 0.2 per employee, but with the decarbonisation of the UK energy grid, this figure will be further reduced by 2040 with no reductions to mileage.

Over the next few years, we will be looking to implement measures that will support and encourage staff to commute via low-emission modes by introducing an EV salary sacrifice scheme, sharing information on EV charging sites and installation grants and subsidising public transport.

Suppliers and contracted services

The purchase of goods and services is our most carbon-intensive activity, making up 96% of total measured emissions in our baseline year. As our purchased goods and services emissions are essentially our suppliers' emissions, they will need to be working towards similar carbon reduction goals as ours if we are to meet our targets.

The first step towards alignment across our supplier chain will be to implement an effective system for the collection of data from suppliers* so that we are able to:

1. To assess and compare the sustainability credentials of new and current suppliers
2. To improve the accuracy of our footprint calculation

Information will need to be collected before procurement decisions are made and properly considered alongside other criteria (e.g. price, speed, quality), and then on an annual basis going forward for use in the footprint. We will first need to consider the different methods available to us for the collection of environmental data from our suppliers and contractors (e.g. Climate Disclosure Project, SupplyShift, EcoVadis, Responsibly vs the use of our own systems), and then work to implement a system that is capable of executing data collection for these two functions.

The second step will be to set targets for our suppliers and procurement teams based on several metrics (emissions reporting, target setting, carbon reduction) and build this into our Procurement Policy. We will ensure open communication with our suppliers and provide them with resources and support. We can also offer sustainable suppliers preferential terms and pricing or introduce terms surrounding emissions measurement and reduction into some of our contracts.

We will also look to purchase materials with strong sustainability credentials e.g. from ResponsibleSteel- or ISCC-certified suppliers.

*' Suppliers' includes all other businesses we purchase either a physical good or a service from, including indirect costs and goods transportation.

Company culture

Every company will have a culture made up of both surface elements (e.g. company policies, branding, office environment, organisational structure) and deeper, often undocumented, elements (e.g. leadership attitudes, perceived values and beliefs, employee satisfaction). Sustainability strategies will not be successful if they do not run through all elements of the company culture and if it is not recognised as a priority across the business.

To achieve a culture shift conducive to our proposed sustainability strategy, we will look to embed sustainability into all elements of our company culture through a number of actions such as:

- Aligning all of our company policies with our carbon reduction plans
- Providing training for staff to ensure they have the knowledge and skills to execute carbon reduction plans
- Including sustainability-related responsibilities in job descriptions
- Discussing sustainability and reviewing action plan progress during company and team meetings
- Addition of questions surrounding sustainability to 1-2-1 templates
- Creating a sustainability page on our website and running social media campaigns communicating our commitments
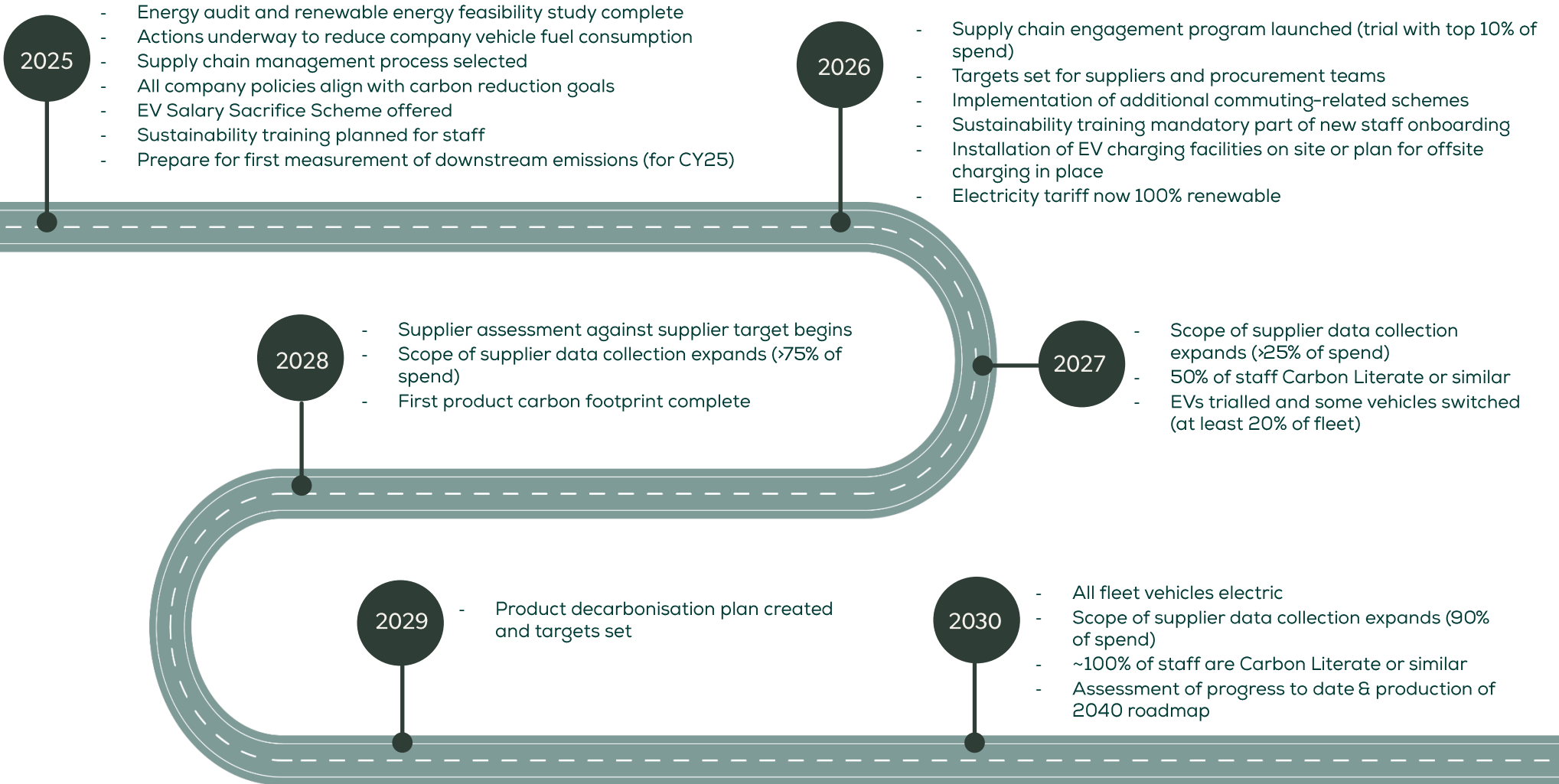
Every member of our organisation will need to be working towards Net Zero if we are to meet our targets, but as an organisation, we also have a responsibility to support staff in doing so.

Our 2030 roadmap

Our 2030 roadmap

The below roadmap sets out some key milestones we would like to achieve by each year's end.

2025
- Energy audit and renewable energy feasibility study complete
- Actions underway to reduce company vehicle fuel consumption
- Supply chain management process selected
- All company policies align with carbon reduction goals
- EV Salary Sacrifice Scheme offered
- Sustainability training planned for staff
- Prepare for first measurement of downstream emissions (for CY25)

2026
- Supply chain engagement program launched (trial with top 10% of spend)
- Targets set for suppliers and procurement teams
- Implementation of additional commuting-related schemes
- Sustainability training mandatory part of new staff onboarding
- Installation of EV charging facilities on site or plan for offsite charging in place
- Electricity tariff now 100% renewable

2028
- Supplier assessment against supplier target begins
- Scope of supplier data collection expands (>75% of spend)
- First product carbon footprint complete

2027
- Scope of supplier data collection expands (>25% of spend)
- 50% of staff Carbon Literate or similar
- EVs trialled and some vehicles switched (at least 20% of fleet)

2029
- Product decarbonisation plan created and targets set

2030
- All fleet vehicles electric
- Scope of supplier data collection expands (90% of spend)
- ~100% of staff are Carbon Literate or similar
- Assessment of progress to date & production of 2040 roadmap

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Summary

As we embark on our journey to Net Zero, we look forward to collaborating with our teams, suppliers and customers to reduce our shared impact.

We are committed to measuring our emissions each year and continuously working to reduce them with the ultimate goal of reaching Net Zero by 2040.

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Appendix A

Full list of procurement category emissions

Categroy	Emissions (tCO$_2$e)	Categroy	Emissions (tCO$_2$e)
Rent & Serviced Charges	11.4	IT and Electrical Products	0.3
Employee Pension Contributions	4.9	Entertainment	0.3
Banking and Financial Services	3.8	Office Decorating	0.3
Insurance Fees	3.6	Consultancy Services	0.3
Accounting, Bookkeeping, Tax Consultancy	3.6	Training	0.2
Office Expenses	1.1	Telecoms and Broadband	0.1
Cleaning Products	0.9	Office Furniture	0.1
Vehicle Repair	0.9	Stationary	0.1
Uniforms & Clothing	0.8	Legal Services	0.1
Business Support Services	0.6	Equipment Repair and Maintenance	0.1
Motor Vehicle Short-Term Rental	0.4	Additional spend from fuel card	0.1
IT Support and Software Subscriptions	0.4	Printing and Publishing	0.0
Advertising and Market Research Services	0.3	Total	34.5