

# Carbon Reduction Plan

**Supplier name:** Vital Energi Utilities Limited (04050190) & Vital Energi Solutions Limited (07828647)

**Publication date:** 08/11/2023

Vital Energi Utilities Limited and Vital Energi Solutions Limited are leading providers of low-carbon energy solutions to both the public and private sectors. We deliver a broad range of energy efficiency measures as well as low-carbon power generation, storage and distribution, and heating and cooling solutions for our clients.

Our energy solutions are supported by a full suite of customer services including energy metering, monitoring and asset management.

We work with clients to reduce their energy use and cost whilst, at the same time, helping them to achieve their carbon reduction targets.

## Commitment to achieving Net Zero

Vital Energi Utilities Limited & Vital Energi Solutions Limited are committed to achieving Net Zero emissions by 2035. In addition, we are committing to reduce actual emissions by 50% from 2020 levels by 2030 without using offsets.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured.

**Baseline Year: July 2020 – June 2021**

### Additional Details relating to the Baseline Emissions calculations.

Throughout this period, extensive work was undertaken to ensure the baseline calculation was as robust and accurate as possible.

Vital Energi Utilities Limited (VEUL) and Vital Energi Solutions Limited (VESL) fall under a single payroll, share facilities, and rely on common resources. There are many interdependencies between these two bidding entities, and each may be involved in the bidding or delivery of works covered by PPN-06/21. To ensure accurate reporting, the two companies' emissions have been aggregated, as such the Carbon Reduction Plan (CRP) and its proposed measures should be considered to apply to both.

The CRP reporting boundary is based on the operational control approach to GHG accounting, reflecting upon the substance and economic reality of the companies' business relationships and their operations. Emissions associated with fuel combustion and electricity procured to meet the heating and power needs of clients through arrangements such as Energy Service Companies (ESCOs) and Energy Performance Contracts (EPCs) have been excluded.

<b>Baseline year emissions: July 2020 – June 2021</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	1,217
<b>Scope 2</b>	169
<b>Scope 3 (Included Sources)</b>	735
<b>Total Emissions</b>	2,121

## **Current Emissions Reporting**

<b>Reporting Year: July 2022 – June 2023</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	1,484
<b>Scope 2</b>	32
<b>Scope 3 (Included Sources)</b>	879
<b>Total Emissions</b>	2,391

## **Emissions reduction targets**

In order to continue our progress toward achieving Net Zero, we continue to adopt the following headline carbon reduction targets:

- A projected 50% reduction in carbon emissions over the next ten years to around 1061 tCO<sub>2</sub>e by the July 2030 - June 2031 period.
- A commitment to achieving Net Zero emissions by 2035.

Benchmarked from the baseline year, progress against these targets has been tracked on the graph shown below to include figures for July 2022 – June 2023:

## **Carbon Reduction Projects**

Vital Energi's carbon reduction initiatives include both qualitative and quantitative measures to reduce our carbon footprint as well as educate and develop awareness of climate change and Net Zero among our stakeholders. To achieve our short and medium-term targets Vital has identified a number of actions that have either been initiated or are planned for future implementation:

- Working alongside climate experts Greenly, we are making considerable efforts to improve our Scope 3 data recording, which will have the effect of increasing the accuracy of our carbon footprint. This will allow us to identify the areas of our value chain with the greatest potential for decarbonisation.

- Continue phased plan to electrify fleet vehicles based on a 3-year lease cycle and improvements in vehicle technology.
- Development of a Car Fleet Strategy.
- Head office energy reduction measures, including but not limited to:
  - developing the business case for the design and installation of a heat pump solution.
  - developing the business case for the expansion of the existing PV system.
- Provision of energy-efficient site accommodation and welfare facilities powered and heated by renewable energy.
- Reduce reliance upon fossil fuels for construction sites through the use of biofuel or blends of fuel for construction site generators and mobile machinery.
- Update our Sustainable Procurement Policy and Supplier Code of Conduct to prioritise the use of suppliers and distributors focused on reducing their own carbon emissions and committed to working with us in collaboration to achieve our decarbonisation targets.
- Continuation of our annual Get Green Week/ staff engagement campaigns to increase awareness of individual choices and actions/behaviours.
- Deliver at least one supply chain workshop per region (Scotland/Northwest/London/Wales & Midlands) to improve Scope 3 emissions reporting and share sustainability best practices.
- Verification of our carbon reduction targets by the Science Based Targets initiative (SBTi).
- Development of an ESG Strategy using the GRI framework, setting targets and KPIs aligned with the United Nation's Sustainable Development Goals.

## Completed Carbon Reduction Initiatives

During the reporting year, Vital Energi Utilities Limited and Vital Solutions Limited saw a significant increase in our order book, leading to a greater geographical diversity of project sites and an increase in headcount of 15.3%. The remoteness of some locations coupled with the need for some staff members to travel around multiple sites has caused an increase in our carbon footprint by 13% against the baseline year.

The increase in emissions is a function of business growth; however, our carbon intensity per employee has decreased by 4.72% over the same period. Despite the increase in consumption and carbon emissions, Vital Energi is making continual improvements in reducing our carbon footprint from the energy consumed. The impact of these improvements is not necessarily linear year-on-year and in some years, particularly where we have had a significant increase in headcount such as FY2022/23, we may see no change or even localised peaks.

Our ultimate goal is to reduce our absolute carbon emissions as far and as fast as possible, aiming for a 50% reduction in absolute carbon emissions by 2030 compared to a 2020 baseline, without offsets, and net zero carbon by 2035. We will continue to make qualitative improvements by educating all stakeholders on climate change and Net Zero and quantitative improvements to infrastructure to reduce our carbon emissions.

Actions we have taken in the past 12 months include:

- Making adjustments to the Building Management System (BMS) in Century House to optimize the system and reduce demand on the boilers, resulting in a reduction in gas consumption of 3.7%.
- Completion of the project to switch all lighting in Century House to LEDs, resulting in a reduction in electricity consumption of 0.85%.
- Reduction in carbon emissions from grid-supplied electricity to Century House by 36.9% through our renewable energy tariff.
- Continuing replacement of diesel and petrol vehicles, where feasible based on job role requirements, resulting in a decrease in the overall intensity ratio for the fleet of 9.61%, even as the size of the fleet increased by 26% on FY21/22.
- Established a partnership with HSS to source low-carbon alternatives to diesel for on-site generators and plants, such as biofuels, solar PV panels and eco-cabins.
- Successful delivery of the annual Get Green Week highlighting waste management seminars and workshops developed for employees.
- Continued delivery of workshops and subcontractor days with supply chain members to improve carbon reporting and share our sustainable procurement practices with the supply chain.
- Undertaking an extensive and detailed Greenhouse Gas Inventory for FY22/23 with Greenly, a carbon footprinting expert.

## Declaration and Sign Off

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

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and use the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

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

**Signed on behalf of the Supplier:**



**Chief Executive Officer – Vital Energi Group Of Companies**

**8<sup>th</sup> November 2023**

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

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

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

