

Carbon Reduction Plan



Cabinet Office

Supplier name: Mitie Group PLC

Publication date: 22/9/21

Commitment to achieving Net Zero

Mitie Group PLC is committed to achieving Net Zero emissions by 2025 (Scope 1 and 2) and 2035 (Scope 3).

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: 2018/19 | |
| Additional Details relating to the Baseline Emissions calculations. | |
| In 2010 Mitie set a target of 35% carbon reduction in intensity ratio by 2020. This was achieved a year early in FY18/19. This result dictated that FY18/19 would be the new baseline year for future carbon reporting. | |
| Mitie has reported full Scope 1 and Scope 2 emission since 2010. The reported Scope 3 emissions during this time included waste, water, and expensed fuel. | |
| In FY20/21 Mitie included additional Scope 3 emissions reporting for Business Travel data (rail / air / hotel) and emissions from EV Charging. Within the same year, Mitie acquired Interserve Support Services which increased the size of the business operationally by 50%. From a carbon perspective, the businesses reported separately within this financial year. | |
| Baseline year emissions: FY18/19 | |
| EMISSIONS | TOTAL (tCO₂e) |
| Scope 1 | 28,055.45 |
| Scope 2 | 857.08 |

| | |
|--------------------------------------|---|
| Scope 3 (Included Sources) | 8,816.19 (Waste, water and expensed fuel) |
| Total Emissions | 37,729.44 |

Current Emissions Reporting

| | |
|--------------------------------------|---|
| Reporting Year: FY20/21 | |
| EMISSIONS | TOTAL (tCO₂e) |
| Scope 1 | 18,718.96 |
| Scope 2 | 485.65 |
| Scope 3 (Included Sources) | 6,338.45 (Waste, water and expensed fuel, business travel data (rail / air / hotel) and emissions from EV charging) |
| Total Emissions | 25,543.06 (Mitie only excluding Interserve) |

Emissions reduction targets

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

In 2020, we publicly set out our net zero carbon target for direct operational Scope 1 and Scope 2 emissions by 2025. In 2021, we publicly committed to a Science Based Target to become net zero for indirect Scope 3 emissions by 2035.

A fully integrated Mitie / Interserve business will report as one entity in FY21/22 which might impact on the continuing decline in our carbon emissions. The additional built estate and vehicles will increase our Scope 1 and 2 carbon emissions in the short term, but we are committed to meet our net zero target by 2025 (direct emissions Scope 1 and 2).

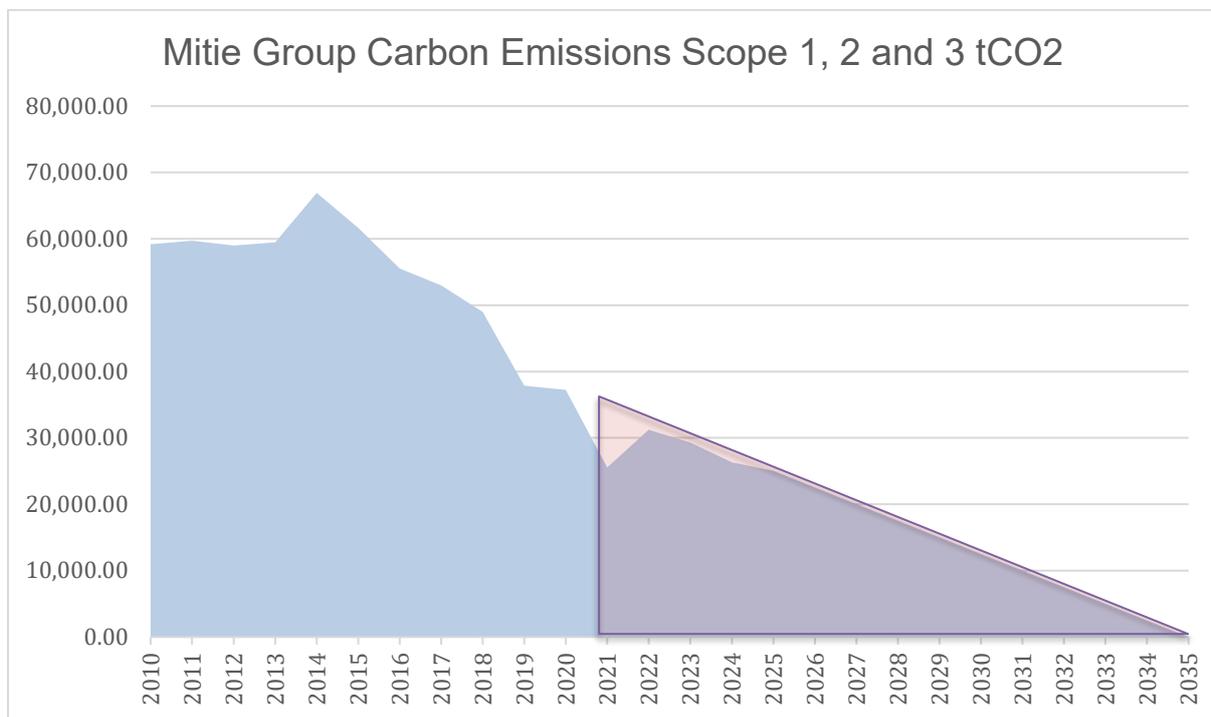
In FY21/22, we will report on additional scope 3 sectors not previously accounted for, such as Employee Commuting, Working from Home, Upstream Transportation and Goods and Services (supply chain). This will see a significant increase to our scope 3 emissions due to additional reporting of new categories. As our Scope 1 and 2 emissions decrease, our scope 3 emissions will be proportionally higher. We see Scope 3 reporting as an evolving area over the next 5 years and predict fluctuations as we improve our capture of emissions related to this scope and we may rebaseline in the next two years to reflect a more accurate account of our carbon impact.

We predict Scope 3 Supply Chain emissions to significantly increase our carbon footprint as we capture and report more detailed emissions in our procurement process. Excluding the unknown impact of our supply chain emissions, we project that carbon emissions will decrease over the next five years to 22,500 tCO₂e (all three scopes) by 2026. This is a reduction of 40% based on the 2018/19 baseline year emissions. This is based on our current Scope 3 reporting of waste, water, expensed fuel, business travel and EV charging.

There is a significant reduction in FY20/21 due in part to the COVID 19 Lockdown and our continued carbon reduction efforts. We predict this to increase in FY21/22 back to pre-lockdown levels.

Progress against these targets can be seen in the graph below (excludes Scope 3 Supply Chain emissions):

Carbon Reduction: Projected vs Actual



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2018/19 baseline. The carbon emission reduction achieved by these schemes equate to 12,186.38 tCO₂e, a 32.3% reduction against the 2018/19 baseline and the measures will be in effect when performing the contract

Certification and Management Standards

The Mitie Integrated Management System (IMS) uses the three most common ISO management standards as its main foundations for the development of the IMS, these are:

ISO 9001 - Quality Management

ISO 14001 – Environmental Management

ISO 45001 – Occupational Health and Safety

In addition to the three main standards outlined above, Mitie incorporate ISO 50001:2018 (Energy Management) and ISO 27001:2013 (Information Security), along with ISO 44001:2017 (Collaborative Business Relationships), ISO 26000 (Guidance on Corporate Social Responsibility) and/or ISO 20400 (Sustainable Procurement) and any others deemed suitable where it is relevant and prudent to do so.

Clean sources of energy

Mitie has the largest pure electric vehicle (EV) fleet in the UK, with over 1,575 currently on the road. This transition to a zero-emissions fleet aligns to our signatory to EV100, The Climate Group's initiative to commit organisations to transitioning to an EV fleet by 2030 and we will complete this by 2025. The Mercedes e-Vito electric van is part of Mitie's fleet, supporting the Plan Zero Urban Landscaping service. This EV has custom-fitted roof solar panels to generate renewable energy, which charges battery-powered landscaping equipment. We have also now launched the UK's first electric gritter, designed to reduce emissions in built up areas. Together with our Mina Platform, we have enabled direct payment for EV charging at home. Our next steps are recommending 100% renewable tariffs for Mitie drivers, increasing the uptake to power not only EVs, but homes too.

Mitie purchases 100% of power backed by Renewable Energy Guarantee of Origin (REGO), for Mitie-controlled offices, achieving RE100, the Climate Group's initiative 25 years early.

Energy efficiency

Mitie's estate has been benchmarked and audited by our in-house team of certified Energy Managers. All energy optimisation measures have been implemented, identifying an annual carbon saving of 200 tonnes, including air-source heat pumps, electric air-conditioning systems, and timing schedules. Transitioning to these low-carbon alternatives will improve Mitie's energy consumption and decarbonise our heating systems. Mitie's estate will then be prepped for the big CAPEX projects, including installing LED lighting systems and boiler replacement programmes.

- Our largest carbon emissions relate to our >7,000 vehicle fleet and Mitie are committed to replacing them by 2025. We have replaced 1,575 so far (August 2021)
- Over 1000 electric vehicle charge points have been installed across both the Mitie estate, employee homes and client sites, supporting transitions to an electric vehicle fleet.
- We have committed to doubling our energy productivity, through The Climate Group's EP100 initiative, whilst also extending Mitie Energy's ISO50001 Energy Management Standard through the Group.

- Over 28 boiler replacement opportunities have been identified and four buildings are undergoing decarbonisation works to replace with heat pumps.
- All new buildings that Mitie occupy will be BREEAM excellent and we are undergoing a consolidation of our built estate to dispose of older inefficient buildings.
- Mitie has increased recycling rates and all other waste is diverted from landfill to produce energy. This includes our 'bin the bag' scheme that removes over 600kg of plastic.

Pace of change in reducing emissions

Our unique position of attaining in-house sustainability experts allows Mitie to become a leader in carbon reduction, accelerating not only our journey to net-zero, but our clients too.

To date, we have saved our customers over 353,000 tonnes of carbon. Over the course of three years, Mitie has helped our telecommunications customer save over 100GWh and £10m in energy costs, equivalent to 25,000 tonnes of CO₂.

More information can be found at <https://www.mitie.com/esg/>

In the future we hope to implement further measures such as:

- Continuing our fleet transition to electric vehicles by 2025
- Replace additional gas fired boilers across our estate to reduce our Scope 1 carbon emissions.
- Work with our Landlords to influence them to procure low carbon energy on our behalf.
- Remove all single use items from our operations and therefore reduce our waste and associated carbon emissions.
- Reduce our water consumption by 5% year on year.
- Improve our measurement, reporting and influence of our supply chain emissions, through our commitment to a Science Based Target.

Declaration and Sign Off

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

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting². Mitie report carbon emissions under the Financial Control approach, from its operations for which it has the ability to directly influence financial and operating policies to gain economic benefit.

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) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors

Signed on behalf of the Supplier:

Peter Dickinson -Chief of Staff and General Counsel for Mitie Group

Date: 22 September 2021

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

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

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