

Journey to Net Zero

Gratte Brothers Roadmap

V02

22/03/2024

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Version History:

04/08/2023- Journey to Net Zero Roadmap V01- Covering 2021-2022 Data
22/03/2024- Journey to Net Zero Roadmap V02- Covering 2021-2023 Data

Introduction- Commitment to Net Zero

As part of Gratte Brothers Group journey to a more sustainable future, we are committed to becoming a Net Zero company before 2050, and aligning ourselves with data-backed, science based targets to reduce emissions. In doing this we align ourselves with the Paris Agreement and the UK Government's own goal to reach net zero emissions by 2050.

For two data years (2021-2023), we have assessed our full footprint of carbon emissions, across all three scopes- including those that are indirect and part of our value chain. To ensure that our footprint, goals, and progress tracking are verifiable and data driven, we are working with a specialist carbon accounting company, Normative.

The companies included in the scope of this net zero roadmap are:

- Gratte Brothers Group Limited - based in London providing group management support for each of the subsidiary companies within the Group:
 - Gratte Brothers Limited - based in London, Chelmsford and Worthing, carrying out mechanical and electrical services (GBL).
 - Gratte Brothers Catering Limited - based in Stevenage, carrying out design, installation and maintenance of commercial kitchens (GBCE).
 - Gratte Brothers Security Management Limited - based in London, Belfast and Warrington, carrying out design, installation and maintenance of security systems (GBSM).
 - Gratte Brothers Building Services Maintenance Limited -based in London and provides Planned Preventative and Reactive Mechanical, Electrical and Public Health Maintenance Services (GBBSM).
 - Gratte Brothers Technical Services Limited - based in London, carrying out design and technical consultation (GBTS).

Normative Partnership- Data Integrity and Validity

Environmental data for the yearly climate calculation has been reported through the carbon accounting software provider Normative and includes data from all Gratte Brothers operations. The method used for calculating our corporate carbon footprint is aligned with the Greenhouse Gas Protocol's Corporate Standard for creating greenhouse gas inventories.

At the heart of the data lie scientifically vetted emission factors to translate our business activities into carbon dioxide equivalents (CO₂e). Sources of these factors include sources such as Exiobase and DEFRA. With this comprehensive approach to carbon accounting, we are able to report a complete, accurate corporate greenhouse gas inventory in line with best practice and international standards.

With our upcoming supplier engagement project (see below), we will continue to improve the quality of our data and initiate target reduction initiatives throughout our supply chain. Normative's calculation methodology is set out in their published whitepaper 'Normative Emissions Calculation Methodology', which is publicly available on their website: [White paper library | Normative](#).

Emissions Reporting

See below table for available emissions data (current extent of available data- this section will be updated on an annual basis as data becomes available).

The baseline year to be used is the 2021-2022 dataset (in line with financial reporting- April '21 to March '22).

The year one dataset is from 2022-2023 (in line with financial reporting- April '22 to March '23).

	Baseline (2021-2022)	Year 1 (2022-2023)
Scope 1	674	601
Scope 2	0	394
Scope 3	19,528	30,254
Total	20,202	31,249

See Appendix A for full breakdown of emissions by operating company and scope, year on year.

Discussion of Emissions Reporting and Targets

Scope 1

- Across both years, emissions are driven by diesel use, for fleet vehicles- driven by engineers for site and maintenance work.
- Consumption of natural gas in a small number of our offices also contributed to scope 1 in both years of data.
- The reduction in emissions between the baseline year and year 1 is consistent with the continual replacement of vehicles with hybrid or electric.
 - o At the close of the baseline year (March 2022), 8% were electric or hybrid.
 - o At the close of year 1 (March 2023), 12% were electric or hybrid.
 - o This is inclusive of engineers' vans, which have been replaced with electric vans or hybrid commercial vehicles, and company cars, which have been encouraged to be replaced with electric through a salary sacrifice scheme.
- There has also been an overall reduction in number of fleet vehicles, by approximately 20%.

Scope 2

- In the baseline year, scope 2 emissions sat at zero due to the use of renewable energy across our premises. Gratte Brothers offices remain on verified renewable energy tariffs. There are two sources of emissions responsible for the increase in scope 2 between the baseline and year 1 data:
 - o An electric van has also been added to the fleet. Currently, when charged at the engineer's home, this is not charged on renewable energy.
 - This contributes just two tonnes CO2e and as such, is still a much lower emissions contributor than the diesel vehicles which have been removed or replaced (see above for description of actions contributing to the 73 tonne scope 1 emission reduction).

- There is also an additional source of scope 2 emissions due to site-based premises utilising different energy tariffs than Gratte Brothers own offices (contributing 392 tonnes).

Scope 3

- Scope 3 emissions continue to be calculated using the spend based approach. Compared to the baseline year, in year 1, a larger project base led to increased spend, and therefore an increase in emissions using this approach. More, higher value products leads to an increase in purchasing across the years. This increase in works is clearly reflected in the group turnover figures, as below:
 - 2021-2022: £125m
 - 2022-2023: £279m
- Further, Gratte Brothers have also improved data collection, considering additional business travel and employee commuting data for the first time in year 1, contributing to a slight increase.
- Discussed further below, this has prompted Gratte Brothers to consider scope 3 emissions using an economic intensity approach, to account for and allow business growth alongside the net zero journey.
- Purchased goods and services account for >90% of scope 3 emissions, highlighting the importance of engaging with the supply chain to understand how these emissions can be reduced- discussed below.

As above, see Appendix A for emissions data on a year-by-year basis, and for breakdown of scope 3 emissions by category.

Emissions Reduction Targets

Gratte Brothers has set targets that align with the science-based targets mandated by SBTi:

- Near Term:
 - For scope 1 and 2, an absolute 50% reduction by 2030/31, compared to a baseline year of 2021/22.
 - For scope 3, an economic intensity 52% reduction by 2030/31, compared to a baseline year of 2021/22- i.e. a reduction of 52% per GBP value added.
- Long Term: Absolute reduction of at least 90% emissions to Net Zero by 2050 across all three scopes (inclusive of a maximum 10% offsetting of those residual emissions). This is in line with the Paris Agreement, 2015.

The baseline year to be used for these targets is the 2021-2022 dataset (in line with financial reporting- April '21 to March '22).

Note: This is a slight update from the targets shared in 2023. The additional data has allowed us to bring Gratte Brothers in line with the SBTi target setting methodology. The SBTi target setting tool, and SBTi Net Zero tool have been used for this calculation.

See Appendix B for the SBTi target setting tools used for this target setting exercise. With regards to scope 1 and 2, the SBTi target setting tool calculates a required absolute reduction

of 42 %. By remaining with our previously set, data driven target of 50%, we are exceeding requirements.

While Gratte Brothers has aligned targets with the SBTi, these targets have not been externally validated- we plan to revisit this in the future and deem if it is necessary to seek external assurance.

Carbon Reduction Projects

Completed Projects

Throughout 2023, the following projects were implemented and are summarised below:

- Fleet update – by January 2024, 27% of all fleet vehicles, inclusive of engineers vehicles and company cars, were either hybrid, PHEV or electric vehicles. This has been achieved through regular review of fleet, and early identification of those vehicles which can be replaced. This is an ongoing project, as highlighted below.
- Vehicle Policy was updated to reduce CO2 allowance for each new company vehicle choice and encourage more electric / hybrid car choices.
- Commuting survey – A survey was sent to all commuting employees to understand the distance, and method of transport used, for their regular commute. This also considered the number of working from home days, and a breakdown of those using multiple transport methods. This data is now captured in our scope 3 data. This also gave staff the opportunity to comment on other potential environmental initiatives across the business.
- Supplier engagement – A supplier engagement strategy was formed and implemented throughout 2023. This has included:
 - o Identification of those suppliers and sub-contractors accounting for the majority of Gratte Brothers scope 3 emissions.
 - o Engagement of those 109 suppliers and sub-contractors, using a survey sent out via the Normative platform, and specific meetings and calls where relevant to gather further information.
 - o By January 2024, there has been a 47% response rate. This data has allowed an initial assessment of where our supply chain sits with regards to net zero, including how many have already gathered emissions data, and set targets, along with the opportunity to highlight other sustainability initiatives or low carbon product or service offerings.
 - o As below, this initiative will continue into the coming years.
 - o By working in partnership, we can ensure that our supply chain decarbonises at the same rate as Gratte Brothers.
- Waste management data improvement – for the scope 3 category ‘waste generated in operations’, data was based on spend for FY21-22, and this was replaced by activity data for FY22-23- i.e. weights of waste types, and destination such as recycled.
 - o This data improvement has resulted in a reduced number of associated emissions and allows a focus on those waste streams which require the most attention.

Planned Projects

Time Period	Scope	Project
2023-2030	1	Fleet replacement and reduction, continued movement towards hybrid vehicles, particularly for service and maintenance engineers. Introduction of electric vans for those engineers with appropriate mileage and charging facilities.
2024-2030	1	CO2 bandings within <u>vehicle choice policy</u> for company cars to reduce year on year to promote hybrid and electric vehicles as the best option.
Ongoing	2	Continued <u>renewable energy tariffs</u> for all Gratte Brothers premises.
2024-2025	2	Introduction of <u>renewable energy tariffs</u> for site premises and consideration of options to ensure electric vehicles also charged on renewable tariffs.
Ongoing	3	<u>Employee commuting</u> survey rolled out annually and implementation of opportunities to reduce emissions from commuting. <i>For example, promoting cycling schemes.</i> This has the added benefit of engaging and involving the workforce with the net zero journey.
2023-2025	3	<u>A review of waste</u> generated in operations, utilising tonnage data from waste management providers identify areas for reduction, both in offices and on sites. With a focus on wood waste.
2023-2030	3	<u>Continued implementation of supplier engagement strategy</u> , to gather more granular data on the emissions produced. Working with these suppliers to identify those areas in which emissions can be reduced and assisting with the implementation of these changes. We will provide educational opportunities to our suppliers.
2024 – 2025	3	In line with the supplier engagement strategy, a review of <u>sustainable procurement</u> initiatives group wide.
Ongoing	3	Generally refining scope 3 data and <u>upgrading to activity data</u> from transactional data to get a better oversight of scope 3 emissions. Initial focus to sit with gaining weight data and CO2 data for larger equipment (i.e. those largest suppliers).
2040 Onwards	All	Identification of verified carbon capture / sequestration investment opportunities.

On an annual basis, this table will be updated.

Declaration and Sign Off

Emissions within this roadmap have been reported and recorded in accordance with the GHG reporting protocol corporate standard, using the appropriate government emission conversion factors for greenhouse gas company reporting.

This roadmap to net zero has been reviewed and signed off by the Board of Directors.

This roadmap to net zero will be reviewed and updated with the latest data on an annual basis, in line with the data analysis cycle.

Signed on behalf of Gratte Brothers Group Limited



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David Gratte, Group Managing Director

Appendix A: Net Zero Data- Scopes 1, 2 and 3.

Summary	Baseline (2021-2022)	Year 1 (2022-2023)
Scope 1	674	601
Scope 2	0	394
Scope 3	19,528	30,254
Total	20,202	31,249

Scope 1 By Source		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Source	Diesel	356	288
	Petrol	227	223
	Natural Gas	71	69
	Hybrid	20	16
	PHEV	0	5
	Electric Vehicle	0	0
	Total	674	601

Scope 1 By Company		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Company	Group	136	116
	GBL	116	85
	GBSM	252	237
	GBCE	155	135
	GBBSM	15	26
	GBTS	0	2

Scope 2 By Source		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Source	Electric Vehicle	0	2
	Site-Office Energy	0	392
	Total	0	394

Scope 2 By Company		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Company	Group	0	0
	GBL	0	392
	GBSM	0	0
	GBCE	0	2
	GBBSM	0	0
	GBTS	0	0

Scope 3 By Source		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Source	Purchased Goods and Services	17,757	28602
	Employee Commuting	Not Measured	1,114
	Capital Goods	882	31
	Fuel and Energy Related Activities	378	267
	Waste Generated in Operations	490	12
	Business Travel	9	217
	Upstream Transportation and Distribution	12	10
	Total	19,528	30,254

Scope 3 By Company		FY21-22 (tCO2e)	FY22-23 (tCO2e)
Company	Group	837	1827
	GBL	15187	24924
	GBSM	1543	1685
	GBCE	1578	1487
	GBBSM	326	263
	GBTS	57	68

Science-Based Target Setting Tool

Version: Version 2.2
Support: info@sciencebasedtargets.org

Section 1. Input data

Target setting method	Absolute Contraction Approach	<i>This approach is not applicable to power generation emissions</i>
SDA scenario		<i>Not applicable</i>
SDA sector		<i>Not applicable</i>
Base year	2022	<i>Select a base year</i>
Base year Activity output		
Base year Scope 1 emissions	554	tCO2e
Base year Scope 2 emissions	0	tCO2e
Target year	2030	<i>Select a target year</i>
Target year Type of activity projection		
Target year Activity output		
Most recent year (MRY)	2023	<i>Select most recent year of available emissions&activity data</i>
MRY Scope 1 emissions		tCO2e
MRY Scope 2 emissions		tCO2e

124,635,966

IMPORTANT NOTICE:

This Tool is intended to support companies in their modeling of science-based emissions reductions targets, as well as to assist companies and interested third parties in assessing and evaluating companies' targets. However, to be approved by the Science Based Targets initiative, companies need to make sure their target(s) fulfill the SBTi criteria. Please review the SBTi Step by Step guide to access the latest criteria and resources: <https://sciencebasedtargets.org/step-by-step-guide/>

Also please note that the SBTi assesses "forward-looking" ambition of target(s) by using the year the target is submitted to the initiative (or the most recent GHG inventory). For further information, consult the SBTi Target Validation Protocol: <https://sciencebasedtargets.org/resources/files/Target-Validation-Protocol.pdf>

Please help us improve this tool by reporting issues related to functionalities and formatting.

Update notification:

Please note that as of July 15th 2022, SBT Tool versions 1.2.2 and earlier are no longer supported. For clarifications on tool version eligibility please contact info@sciencebasedtargets.org.

Please see results in Section 3 below

Section 3. Absolute Contraction Approach

1.5 degree scenario (1.5C)

[Review all target modelling data](#)

	Base year (2022)	Most recent year (2023)	Target year (2030)	% Reduction to date	% FLA Adjustment	% SBT reduction
Scope 1 emissions (tCO2e)	554	----	321	----	Not required	42.0%
Scope 2 emissions (tCO2e)	0	----	0	----	Not required	0.0%
Scope 1+2 emissions (tCO2e)	554	----	321	----	----	42.0%

Science-Based Target Setting Tool

Version: Version 2.2
 Support: info@sciencebasedtargets.org

Section 1. Input data

Target setting method	Economic intensity	<i>Please review the latest version of the SBTi Guidance and Criteria</i>
Base year	2022	<i>Dropdown</i>
Target year	2030	<i>Dropdown</i>
Base year output		<i>\$ value added</i>
Target year output	33	
Scope 3 emissions (total or specific categories)	19,527 0.0	<i>tCO2e</i>

Section 3. Economic intensity targets

	Base year (2022)	Target year (2030)	% SBT reduction
Economic intensity (tCO2/unit value added)	587.0	284.1	51.6%