

# Carbon Reduction Plan

AEUK/2022/1079 / V3

28 March 2024

**PPN-0621**

Supplier name: ATLAS ELEKTRONIK UK



Cabinet Office

# CONTROL

## RELEASE

ACTION	NAME	ROLE	DATE
Prepared by	Graham Attwood	Head of Production & Infrastructure	30 March 2022
Authorised by	Antoni Mazur	Managing Director	30 March 2022

## CHANGE HISTORY

VERSION	DATE	CHANGE DETAILS
V1	30 March 2022	First Published Issue
V2	31 March 2023	Second Published Issue
V3	28 March 2024	Third Published Issue

# COMMITMENT TO ACHIEVING NET ZERO

**ATLAS ELEKTRONIK UK (AEUK)** remains committed to achieving Net Zero emissions by 2045 exceeding the requirement as defined by Policy Procurement Note 06/21.

# 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: OCTOBER 2020 TO SEPTEMBER 2021 (AEUK FINANCIAL YEAR)

ADDITIONAL DETAILS RELATING TO THE BASELINE EMISSIONS CALCULATIONS

We have chosen to use our financial year of 2020/2021 as our baseline as being the most representative data set against which to measure our reductions going forwards but we may re-assess this in the future. AEUK is a growing business and while we have implemented a wide range of measures to reduce the environmental impact of our operations prior to our baseline year and since, the net effect is a projected increase in our total CO2e emissions since our baseline year and this is expected to continue in the short term which we have built into our forward projections and subsequent decarbonisation reduction plans.

AEUK first published its baseline emissions in March 2022 having evaluated our Scope 1 (direct energy) and Scope 2 (indirect energy) emissions with good data sources for these and having followed Streamlined Energy and Carbon Reporting (SECR) practices. For Scope 2 emissions we did not take account of any reduction in applicable conversion factors because we sourced our electricity from renewables and nuclear as this was not fully certified at that time.

For Scope 3 (indirect upstream and downstream) emissions we have assessed our boundaries and have prioritised Categories 4, 5, 6, 7 and 9 for evaluation and data for these are included in the baseline reported here. We have followed Greenhouse Gas (GHG) Protocols in assessing these and used UK Government sourced emissions factors wherever possible to determine the baseline emissions for these categories. In accordance with GHG protocols, we have used a variety of methods as appropriate to estimate emissions. As shown below, this has enabled us to scope these emissions and assess their significance for reduction and further assessment. As more optimised methods are implemented this may also allow us to revise previous estimates to increase their accuracy where needed. Additionally, since the first publication of our Carbon Reduction Plan (CRP), we have undertaken two independent verification assessments of our calculations for our baseline year. This has confirmed the validity of our calculations and assumptions but also identified some minor adjustments, which are detailed in this document. Furthermore, a survey with our employees relating to their transport usage for commuting to/from the workplace has resulted in a more accurate assessment of our Scope 3 Category 7 emissions for our baseline year. The net effect of our verification activities is an overall increase in our total baseline emissions as detailed below.

Since March 2022, we have also conducted an assessment of our full emissions applicable under Scope 3 and during 2023 we have conducted a further independent verification for both the baseline year and our financial year (2021/22) on these aspects. We now have an overall assessment of our full carbon emissions baseline for the first time, and established and verified methodologies for determining our effective carbon emissions for our financial year 2022/23 and future years.

BASELINE YEAR EMISSIONS:		
EMISSIONS	TOTAL (tCO <sub>2</sub> E)	
Scope 1		268 (was 255)
Scope 2		459 (was 432)
Scope 3 (Included sources)	2,671 (was previously 2,582, increased after more accurate assessment of categories 4 & 7) (Categories 4, 5, 6, 7, & 9 only)	
	Categories 4 & 9 – Upstream Transportation & Distribution	507
	Category 5 – Waste generated in Operations	93
	Category 6 – Business Travel	500
	Category 7 – Employee Commuting	1,571 (was 900)
	Category 9 – Downstream Transportation & Distribution	0
	(Note for AEUK Category 9 is included within Category 4 in accordance with GHG Protocols)	
	Total	2,671 (was 2,000)
Total emissions		3,397 (was 2,687)

Table 1. Carbon emissions for baseline year (previous figures shown in brackets).

## CURRENT EMISSIONS REPORTING

Following the same methodology as for the baseline year, we have calculated our carbon emissions for our financial year October 2021 to September 2022. These are shown in the table below together with any changes from the previous issue of this CRP as a result of independent verification.

REPORTING YEAR: SEPTEMBER 2021 TO OCTOBER 2022   DATA ARE PROVIDED BELOW FOR THE REPORTING PERIOD		
EMISSIONS	TOTAL (tCO <sub>2</sub> E)	
Scope 1		211 (was 207)
Scope 2		431 (was 398)
Scope 3 (Included sources)	2,637 (Categories 4, 5, 6, 7, & 9 only)	
	Categories 4 & 9 – Upstream Transportation & Distribution	654
	Category 5 – Waste generated in Operations	96
	Category 6 – Business Travel	999
	Category 7 – Employee Commuting	887
	Category 9 – Downstream Transportation & Distribution	0
	(Note for AEUK Category 9 is included within Category 4 in accordance with GHG Protocols)	
	Total	2,637
Total emissions		3,279 (was 3,242)

Table 2. Carbon emissions for financial year 2021/22 (previous figures shown in brackets).

We have also calculated our carbon emissions for our financial year October 2022 to September 2023. These are shown in the table below.

REPORTING YEAR: SEPTEMBER 2022 TO OCTOBER 2023   DATA ARE PROVIDED BELOW FOR THE REPORTING PERIOD		
EMISSIONS	TOTAL (tCO <sub>2</sub> E)	
Scope 1		154
Scope 2		452
Scope 3 (Included sources)	2,723 (Categories 4, 5, 6, 7, & 9 only)	
	Categories 4 & 9 – Upstream Transportation & Distribution	605
	Category 5 – Waste generated in Operations	116
	Category 6 – Business Travel	1,064
	Category 7 – Employee Commuting	945
	Category 9 – Downstream Transportation & Distribution	0
	(Note for AEUK Category 9 is included within Category 4 in accordance with GHG Protocols)	
	Total	2,730
Total emissions		3,336

Table 3. Carbon emissions for financial year 2022/23.

Table 4 below shows our emissions expressed as intensity ratios based on turnover and headcount for the baseline year and FY 2021/22.

YEAR	2020/21	2021/22
Turnover £M	87.6	103.9
Headcount	466.0	499.0
CRP related emissions tonne CO2e	3,397.9	3,278.5
CRP emissions/headcount	7.3	6.6
CRP emissions/turnover	38.8	31.6

Table 4. Intensity Ratios based on carbon emissions.

This shows a consistent trend in emissions reduction per unit of measure. Data for FY 2022/23 are not available for release yet as these require verification but initial assessment supports this trend continuing with Intensity Ratios reducing. While this analysis is not a replacement for quantified carbon emission reductions, it is useful in putting AEUK’s operational circumstances into context.

EMISSIONS REDUCTION TARGETS

In order to continue our progress to achieving Net Zero as defined under PPN 06/21, we have adopted the following carbon reduction targets:

- AEUK is committed to achieve net zero emissions in Scopes 1 & 2 by 2040
- AEUK is committed to achieving net zero in Scope 3 emissions by 2045 latest

AEUK PROJECTED CARBON EMISSIONS

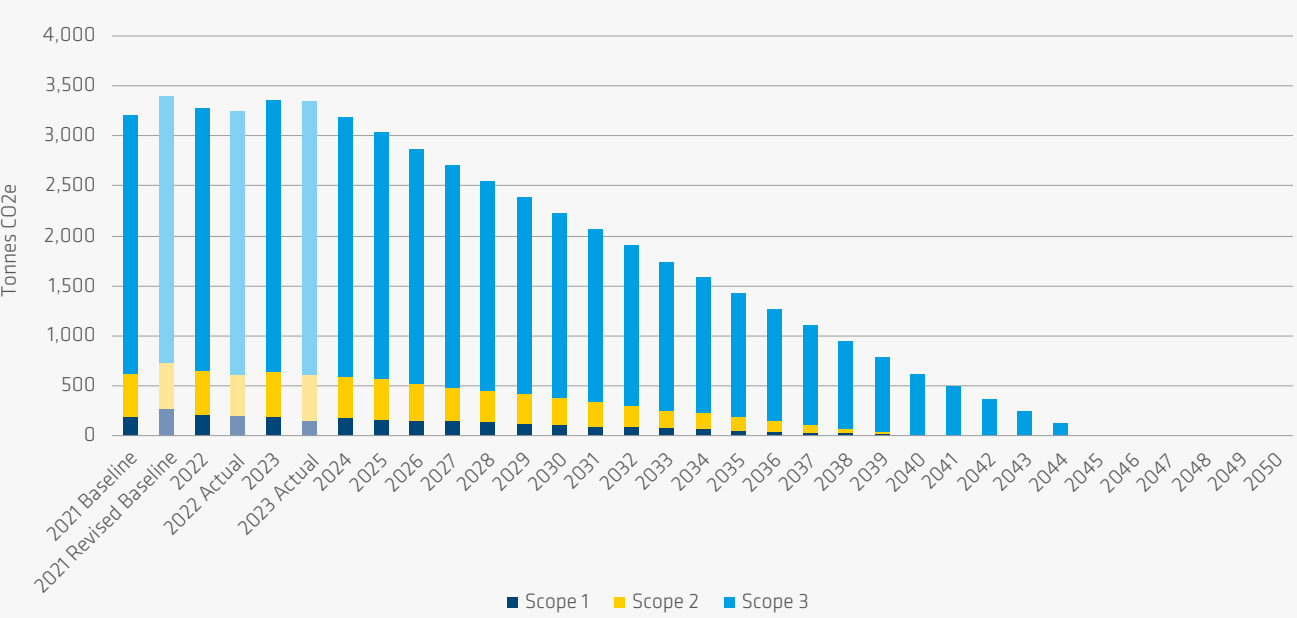


Figure 1. Projected and Actual AEUK Carbon Emissions.

As we are a growing business, we project that our total carbon emissions will increase in the next few years relative to our baseline year before starting to decrease as specific measures start to take effect. This is reflected in our actual emissions for financial year 2022/23 as shown in Figure 1 above with the actuals shown as the light blue bars and predicted emissions shown as the plain coloured bars.

We do not expect to revise our forecast emissions significantly now that we have determined our applicable Scope 3 emissions in full as these are by far the most dominant area of our overall CO2e emissions.

Please refer to the following section for further details on our strategy to deliver net zero operation.

We will update the above plan with actual progress in due course with a re-issue at least annually.

# CARBON REDUCTION PROJECTS

## OPERATIONAL CONTEXT

ATLAS ELEKTRONIKUK (AEUK) is a progressive and successful business which strives to be at the leading edge of business operation as well as technology solutions. As such we have forward thinking strategies on supporting and developing our people, working with our supply chain, and improving our stewardship of the environment. First steps on the latter were taken in 2007 when we gained ISO 14001 Environmental Management accreditation followed by the establishment of our Energy Management Team (EMT) and accreditation to ISO 50001 Energy Management in 2015. Our accreditation against ISO standards is subject to regular and ongoing independent audit.

As a business which has consistently grown since 2009, the EMT has helped AEUK use its energy more effectively and reduce the energy consumption per employee that would otherwise have occurred by around 40%. Now, we must and are going further to make radical changes in our operations and supply chain activities to drive down and eliminate wherever possible our carbon emissions in Scopes 1 and 2 and to quantify and then reduce or eliminate our emissions in Scope 3.

The following sections outline our progress prior to the introduction of PPN 06/21, initiatives implemented since, and our overall strategy to deliver net zero operation for AEUK ahead of the UK target of 2050.

## COMPLETED CARBON REDUCTION INITIATIVES

The following environmental management measures and projects have been completed since 2014 but before the 2020/21 baseline and so these do not contribute to our forward carbon reduction measures:

- Replacement of all lighting in our main building with LED fittings;
- Installation of sensors to reduce water usage in kitchens and bathrooms;
- Electricity sourced via 100% renewables or nuclear (but not fully certifiable);
- Awareness campaigns to employees and visitors on our strategy and CO2 emission reductions coupled with mandatory training modules for all staff on energy and environment;
- Improvements in insulation on large areas of our building structures;
- Improvements in our Building Management System for controlling energy and heating;
- Installation of four charging points for electric/hybrid vehicles;
- Replacement of plastics wherever possible with sustainable alternatives, e.g. our in house Café uses only vegware packaging and cups/stirrers/etc which are fully compostable;
- Minimisation of waste to landfill and maximisation of waste to recycling waste streams;
- Our main production facility (Horizon Building) was designed and delivered in compliance with ISO 50001 Energy Management requirements;
- Replacement of a high proportion of our aging and inefficient air conditioning systems and boilers with modern more efficient systems.

During the baseline year we also implemented the following initiatives:

- Installation of a further 28 charging points for electric/hybrid vehicles putting us well ahead of national targets
- We have continued to replace aged and inefficient air conditioning systems and boilers with modern more efficient systems.

## NET ZERO STRATEGY

Building on the progress achieved through the EMT, we are fully committed to achieving net zero by 2045 and have established a team with support from the AEUK Board to deliver this. This strategy is by necessity embryonic but will grow and evolve through the following:

- PHASE 1 – Discovery, exploration, and initial implementation (five years or less, currently in year 3). This is predominantly focussed at infrastructure and operational changes;
- PHASE 2 – Transformation (less than 20 years). This is predominantly focussed at technology led changes and has started in parallel with Phase 1.

## PHASE 1

Phase 1 is targeting identification and implementation of viable initial carbon reduction and potential offset actions that can be achieved by the end of the current decade. Progress achieved in the last year comprises the following:

### Understanding AEUK’s carbon emissions:

- Full independent verification of our GHG inventory under Scopes 1, 2, and all applicable Scope 3 categories has been verified according to ISO 14064-3 by Achilles, who are accredited by JAZ-ANZ. This provided independent verification of our baseline year (FY 2020/21) and following financial year (FY 2021/22) and a confirmed basis for determining our emissions for our financial year (FY 2022/23) which ended in September 2023;
- Further engagement with the top 60 suppliers from our supply chain to support them on their de-carbonisation journey and ensure continuing alignment with our objectives;
- Further engagement with suppliers that we have identified as being critical to our forward plans and establishment of quarterly business reviews with these parties to share and monitor progress;
- Engagement with wider stakeholders and industry forums for collaborative working.

### Carbon Reduction initiatives:

- Progress on detailed decarbonisation action plans targeting our priority areas of Supply Chain and Products and aligned with our Sustainability Charter (see Annex 1);
- Definition of our Sustainability Charter (see overview in Annex 1) and briefings to employees on this and our overall net zero strategy;
- Our energy supply contracts were switched to fully certifiable non-fossil fuel based supplies in July 2023. No reduction has been made on emissions for FY 2022/23 in connection with this, however, reductions will be applied in subsequent financial years;
- We are assessing the viability of solar power at our main site as following completion of previous infrastructure initiatives the roof of our main building is now a suitable location for a significant solar array. Additionally, we are evaluating the suitability of other areas of our site for solar power installations including the potential use of solar carports in our car parks. This task has been brought forward from Phase 2;
- We have conducted thermal surveys of the buildings on our sites assessing energy loss, effectiveness of insulation, and potential water ingress. This has confirmed no major deficiencies with our real estate and effective energy loss measures via insulation;
- We have introduced fully electric vehicles to around a third of our company pool of cars, this is planned to increase further in the future;
- We have updated our company scheme supporting staff with leasing vehicles on a long term basis for personal use and rolled out a scheme in conjunction with Octopus Energy promoting options for electric vehicles;



- Personnel are attending industry conferences to continue to improve our own understanding of net zero and how the industry is adapting;
- Engagement with our customers to develop meaningful conversations regarding how we can collaborate to meet our individual net zero targets;
- Implementation of ISO 50001 principles to our new Compass House building complex including restaurant, warehouse, offices and meeting rooms which is currently nearing completion. Measures incorporated include heating solutions with reduced environmental impact (e.g. Air Source Heat Pump) with zero usage of natural gas, increased insulation options, and inclusion of solar power generation from panels on the roof;
- Creation of a company-wide Technology Repository for the capture of potential technologies as future carbon reduction solutions and facilitating easy access for information sharing;
- Ongoing endorsement by AEUK's Board of our overarching net zero strategy and sustainability strategy and communicated to our employees via briefings by our Managing Director.

The above list is not exhaustive and there are other ongoing activities in Phase 1 which will be covered in subsequent issues of this Carbon Reduction Plan.

## PHASE 2

Phase 2 will cover substantive programmes and changes to reduce our carbon emissions down to the required target levels.

In the future we will evaluate for implementation further measures such as:

- Replacement of natural gas fuelled systems in our buildings with suitable alternatives;
- Full replacement of fossil fuelled company vehicles with fully electric vehicles;
- Extended working with our supply chain to help them understand and reduce the emissions that feed into our products and services;
- Evolve our product development and support strategies to integrate new neutral energy sources and carbon saving measures;
- Reducing business travel as much as practical or undertaking via environmentally neutral energy solutions coupled with adapting our business travel guidelines;
- We will explore options to compensate for unavoidable emissions;
- Engagement with our parent organisations to build on their established commitment to, and evaluation by, the Science Based Targets Initiative;
- Disclosing our emissions via the Carbon Disclosure Project and gaining independent support to help structure our forward strategy;
- Maintaining and improving our environmental management systems such as ISO 14001 Environmental Management and ISO 50001 Energy Management, increasing our focus on Sustainability and maintaining compliance of our emissions calculations with ISO 14064-3;
- Continuously reviewing our processes for improvement and opportunities for reduction of carbon emissions.

The above measures demonstrate our commitment to achieving our net zero targets and providing transparency of our activities and progress.

## 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 standard<sup>1</sup> and uses 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 ATLAS ELEKTRONIK UK:



Antoni Mazur  
Managing Director

Date: 28th March 2024

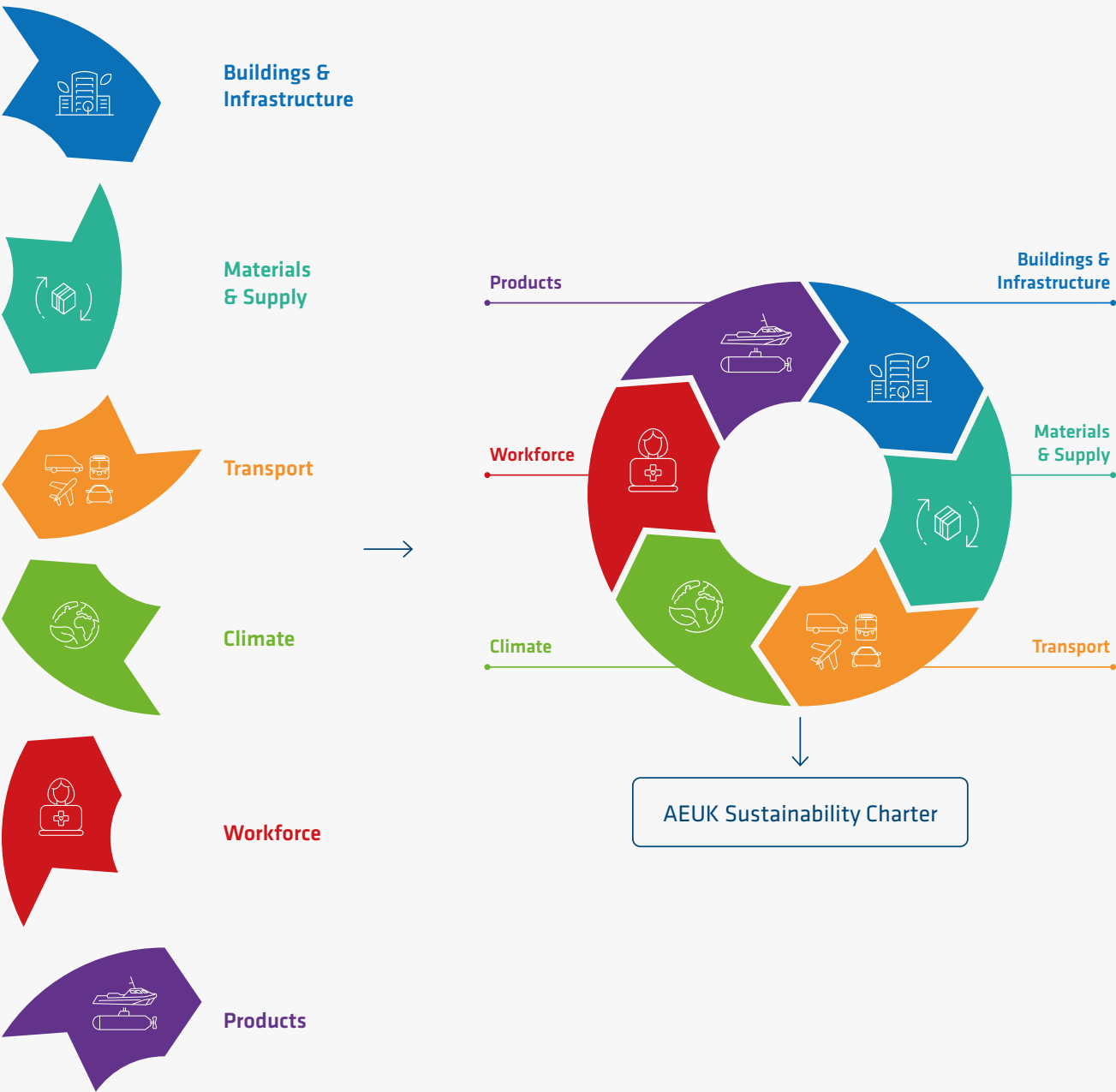
<sup>1</sup> [ghgprotocol.org/corporate-standard](https://ghgprotocol.org/corporate-standard)

<sup>2</sup> [gov.uk/government/collections/government-conversion-factors-for-company-reporting](https://gov.uk/government/collections/government-conversion-factors-for-company-reporting)

<sup>3</sup> [ghgprotocol.org/standards/scope-3-standard](https://ghgprotocol.org/standards/scope-3-standard)

# ANNEX 1

## ATLAS ELEKTRONIK UK – SUSTAINABILITY CHARTER



## ATLAS ELEKTRONIK UK – SUSTAINABILITY CHARTER – PILLARS



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