

# Carbon Reduction Plan

Supplier Name: SSE Heat Networks Limited

Publication Date: October 2025

## Commitment to achieving Net Zero

SSE Heat Networks Limited is committed to achieving net zero across all scopes of carbon emissions by 2050 at the latest. As a limited company under the SSE plc umbrella, SSE Heat Networks Limited aligns with SSE plc's vision of being a leading energy company in a net zero world. To achieve this, our strategy is to create value for shareholders and society in a sustainable way by developing, building, operating, and investing in the electricity infrastructure and businesses that are critical for a clean power system. Sustainability is a long-standing core value at SSE, defined as “We do the right thing for people and the planet”.

SSE plc aims to achieve net zero greenhouse gas emissions across scopes 1 and 2 by 2040 (subject to security of supply requirements) and for the remaining scope 3 emissions by 2050. SSE plc's long-term net zero ambitions are supported by a series of interim targets approved by the Science Based Targets Initiative (SBTi). SSE plc's Net Zero Transition Plan<sup>1</sup> outlines SSE's interim and overarching net zero targets and describes 18 actions to reduce material GHG emissions across scopes 1, 2 and 3.

SSE plc publishes a Sustainability Report<sup>2</sup> and a Net Zero Transition Report<sup>3</sup> on an annual basis, which provides an overview of SSE's policies, practice and performance against its key sustainability impacts and goals. SSE Heat Networks Limited is included within the scope of this report.

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<sup>1</sup> Net Zero Transition Plan: <https://www.sse.com/media/4bzijbrj/sse-net-zero-transition-plan-2025.pdf>

<sup>2</sup> SSE plc Sustainability Report 2025: <https://www.sse.com/media/lifo554i/sse-sustainability-report-2025.pdf>

<sup>3</sup> SSE plc Net Zero Transition Report 2025: <https://www.sse.com/media/iwoduslk/net-zero-transition-report-2025.pdf>

## 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 reductions can be measured.

**Baseline Year: 2018<sup>4</sup>**

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

Annually SSE plc GHG data is subject to external independent limited assurance which partially includes SSE Heat Networks Limited data. There are some exclusions as stated in the Sustainability Reporting Criteria, for example where emissions sources fall below the materiality threshold.<sup>5</sup> In 2025, SSE Heat Networks Limited re-baselined its data due to a reallocation of assets within SSE plc and amendments to historical data. The numbers presented here show the re-baselined data. The carbon footprint is calculated on an operational control basis. As more reliable methods for data calculation become available, SSE Heat Networks Limited will continue to improve the scope and data quality of its emissions reporting.

### **Baseline year emissions: 2018**

<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1<sup>6</sup></b>	<b>25,720</b>
<b>Scope 2<sup>7</sup></b>	<b>1,335</b>
<b>Scope 3<sup>8</sup></b>	<b>2,262</b>
<b>Total Emissions</b>	<b>29,318</b>

<sup>4</sup> Baseline calculated on a calendar year basis.

<sup>5</sup> Sustainability Reporting Criteria: <https://www.sse.com/media/b5pfqbf0/sse-sustainability-reporting-criteria-2025.pdf>

<sup>6</sup> Scope 1 includes stationary and mobile combustion equipment as well as fugitive emissions.

<sup>7</sup> Scope 2 includes purchased electricity calculated using the location-based method.

<sup>8</sup> Scope 3 includes business travel, grey fleet, employee commuting & homeworking, and upstream leased assets. We are working to capture the remaining Scope 3 categories where in alignment with SSE plc GHG reporting guidelines.

Current Emissions Reporting

Reporting Year: 2024/25 <sup>9</sup>	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	25,742
Scope 2	655
Scope 3	3,115
Total Emissions	29,512

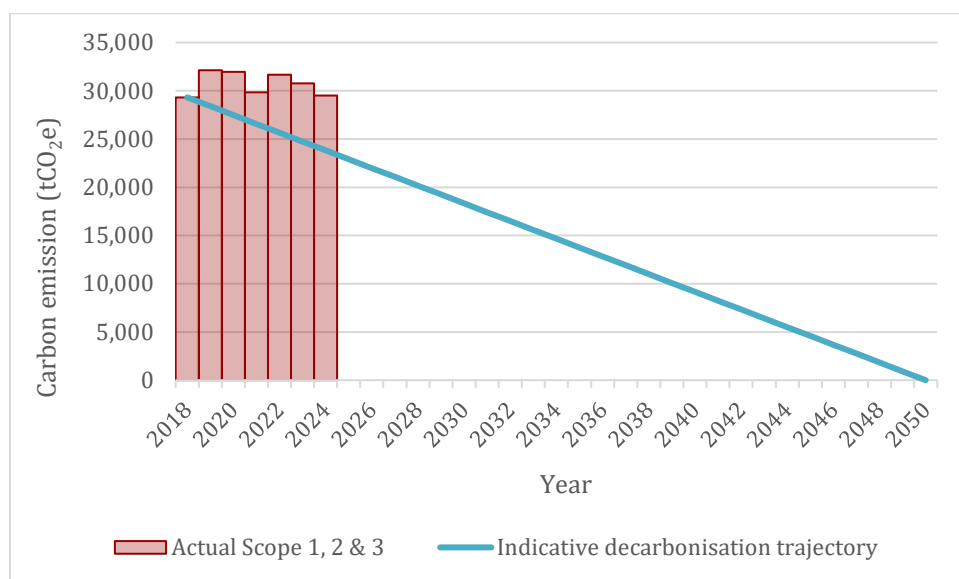
<sup>9</sup> To align with SSE plc carbon reporting, SSE Heat Networks Limited now reports on a financial year basis.

## Emissions reduction targets

To continue our progress to achieving net zero, as part of SSE plc SSE Heat Networks Limited is aligned with the following carbon reduction targets:

- **Scope 1:** Reduce the carbon intensity of scope 1 GHG emissions by 80% by 2030, from the 2018 baseline.
- **Scope 1 & 2:** Reduce absolute scope 1 and 2 carbon emissions by 72.5% by 2030 from the 2018 base year;
- **Scope 3:** Reduce absolute GHG emissions from the use of products sold by 50% by 2034 from the 2018 base year.

Progress against our 2050 net zero target can be seen in the graph below. The blue line indicates a linear reduction to zero carbon emissions.<sup>10</sup> In reality, due to market and technological factors it is unlikely our decarbonisation trajectory will remain constant. We achieved a Scope 1 reduction of 1,913 tCO<sub>2</sub>e compared to the previous reporting year which can be attributed primarily to a reduction in gas consumption at operated sites due to reduced demand and a change in the number of operational assets.



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2018 baseline:

- The creation of a Sustainability team with dedicated Climate and Carbon resource within the business to drive continuous improvement.
- The business ISO 14001 certificate was renewed in 2024, following a successful recertification audit by 3<sup>rd</sup> party verifiers, NQA.

<sup>10</sup> SSE plc defines net zero as the point where emissions are as close to zero as reasonably practical using abatement solutions. SSE will neutralise any remaining emissions using removal solutions that counterbalance emissions that remain unabated.

- Encouraging low carbon practices within our supply chain through the application of the SSE Sustainable Procurement Code.
- Reducing unnecessary business travel where possible.
- Transitioning SSE Heat Networks Limited's fleet vehicles to electric vehicles. Currently 70% of fleet cars are electric.
- Optimisation of the operation of the Combined Heat and Power pumps (CHP) at the Heat and Energy centres, which has resulted in more efficient operation and subsequently a reduction in carbon intensity.
- Implementation of emissions tools to monitor performance, run profiles, and carbon emissions at the Heat and Energy centres.
- Installation of digital phone lines and hardware at the Heat and Energy sites, to enable remote access to the CHPs. This has resulted in less travel to site for the heat team and the CHP contractors.
- Consulting with our Heat and Energy Centre Customers so that lower carbon solutions are proposed and plans are developed for low carbon retrofits at the appropriate time. Example initiatives that have been implemented include:
  - Electrification of energy centres
  - Decarbonisation feasibility studies
  - Installation of heat pumps
- We are developing new, low carbon energy networks that will serve local businesses and assist in the decarbonisation of the local area such as a new low carbon district heating and electricity scheme in Aire Valley, Leeds.

In the future, we plan to continually improve our environmental performance through implementation of the following measures:

- Expand and improve our carbon emissions data collection processes to enable broader understanding and reporting of our carbon footprint and address recommendations from our Scope 3 materiality assessment.
- Improve the quality and accuracy of more underlying activity data in preparedness for inclusion within the scope of the SSE plc's external independent limited assurance.
- Increased supplier engagement focused on environment, sustainability and climate action, to help identify how we can support suppliers in their decarbonisation journey.
- Establish carbon and sustainability KPIs to drive continuous emissions reductions across the business.
- Further installation of alternative generation technologies (e.g., heat pumps) where appropriate.
- Develop a targeted emissions reduction plan with specific actions aligned to SSE plc's carbon reduction targets.

## 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>11</sup>

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<sup>11</sup> <https://ghgprotocol.org/corporate-standard>

and uses the appropriate UK Government emission conversion factors for greenhouse gas company reporting<sup>12</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>13</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:**

  
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Nathan Sanders (Oct 6, 2025 16:28:23 GMT+1) .....

Date: 06/10/2025 .....

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<sup>12</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>13</sup> <https://ghgprotocol.org/standards/scope-3-standard>