

OUR CARBON REDUCTION PLAN

September 2021



For a better
world of energy

SSE HEAT NETWORKS LIMITED

SEPTEMBER 21

COMMITMENT TO ACHIEVING NET ZERO

By 2050

SSE Heat Networks Limited is committed to achieving net zero emissions by 2050. 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 by developing, building, operating, and investing in the electricity infrastructure and businesses needed in the transition to net zero. Sustainability is one of SSE's core values, defined as 'we do things responsibly to add long-term value'.

SSE plc has committed to achieving net zero greenhouse gas emissions across scopes 1,2 and 3 by 2050 at the latest. This commitment is supported by verified science-based targets on the 1.5-degree aligned pathway. This commitment is supported by a £12.5bn capital expenditure plan, investing in low carbon infrastructure over the five years to 2026.

EMISSIONS REDUCTION TARGETS



Our
transition to
NET ZERO



- **Scope 1:** Reduce carbon emissions of owned generating assets by 80% between 2018 and 2030; from 402 to 80 tCO₂e.



- **Scope 1 & 2:** Reduce carbon emissions by 70% between 2018 and 2030; from 41,971 to 12,591 tCO₂e.



- **Scope 3:** All new company provided vehicles and all hired vehicles up to 3.5t from April 2025 will be electric.



- **Scope 3:** Engage with 50% of suppliers, by spend, to ensure they have set a net-zero plan by 2024.

|| OUR EMISSIONS

Baseline Emissions Footprint

Baseline Year: 2018

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	402
Scope 2	41,568
Scope 3 (Business Travel)	112
Total Emissions	42,083

Current Emissions Reporting

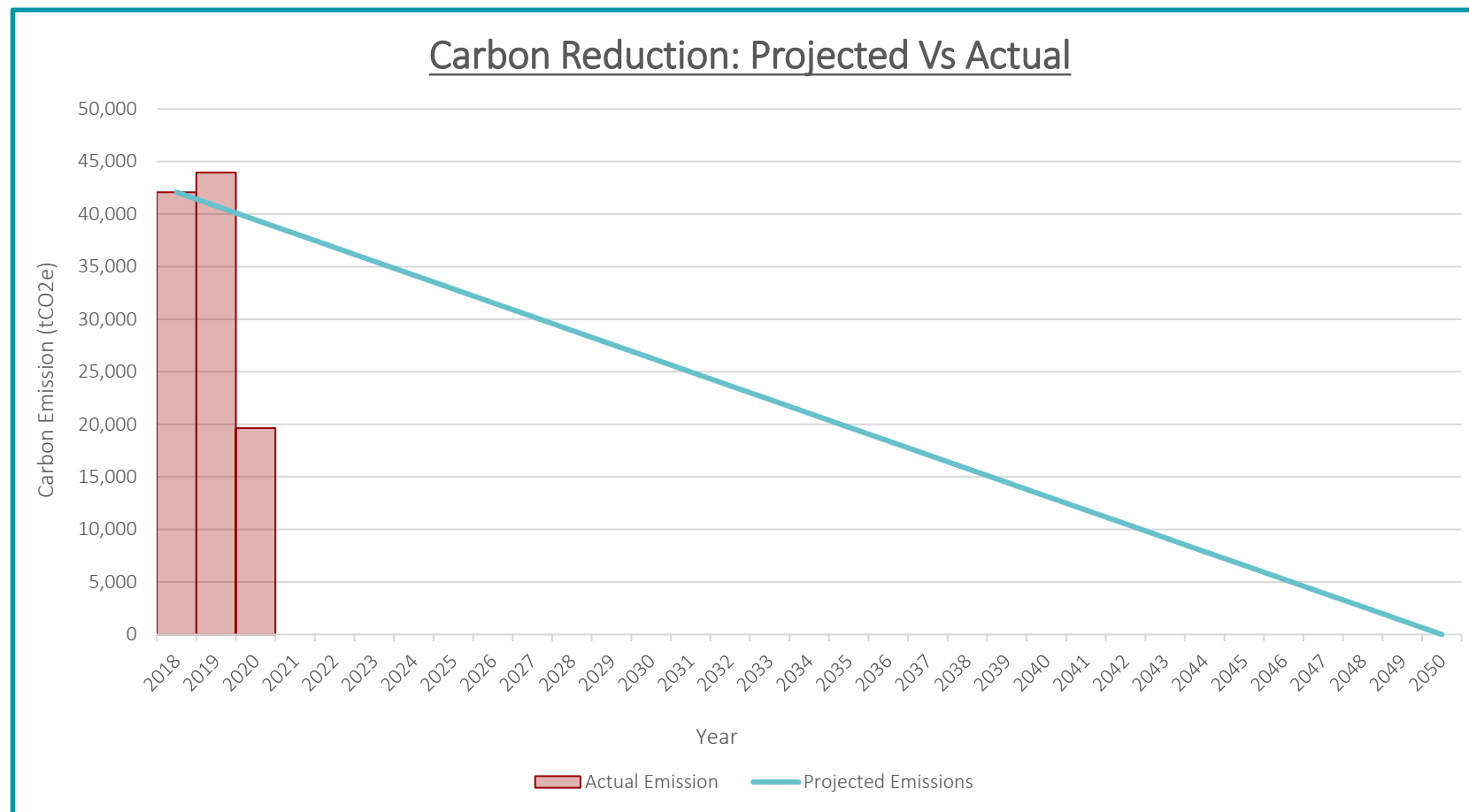
Reporting Year: 2020

EMMISONS	TOTAL (tCO ₂ e)
Scope 1	936
Scope 2	18,662
Scope 3 (Business Travel)	41
Total Emissions	19,639

Details relating to baseline calculations

Annually SSE Plc GHG data is assured by PwC, which includes Utility Solutions Limited data. There are some exclusions as stated in the GHG reporting criteria. We constantly review standards, data points for materiality and relevance with the view to improve data quantity and quality annually.

PROCESS AGAINST TARGETS



CARBON REDUCTION PROJECTS

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

- Embedding ISO 14001 management system that was audited and certified in 2021.
- Optimisation of the running of our assets.
- Trialling of electric vans and increased use of company electric vehicles.
- Raising climate change awareness and the need for carbon reduction by leveraging the wider SSE's plc COP26 partnership and Climate Academy (in partnership with Supply Chain Sustainability School). Employees made carbon reduction pledges to lower emissions outside work.
- Promoting flexible and remote working which reduced business travel.

Scope 1, 2 & 3 carbon emission reduction achieved by these schemes equate to 22,444 tCO₂e, a 53% reduction against the 2018 baseline and the measures will be in effect when performing the contract.

CARBON REDUCTION PROJECTS

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

- Transition operational sites from fossil sourced energy to lower carbon-emitting alternatives (e.g., biomass, battery, solar etc.).
- Improve our scope 3 carbon emissions understanding and data collection processes.
- Work with the company vehicle provider to phase out combustion vehicles options as part of the EV100 initiative.
- Support our suppliers to develop their net-zero plan, allowing them access to learning material through our sustainability supply chain school partnership.
- Invest up to £97m across battery storage, district heating and rapid electric vehicle charging hubs.

We project that scope 1 and 2 carbon emissions of our current asset base will decrease over the next five years to 16,094 tCO₂e by 2025. This is an overall reduction of 62% against the 2018 baseline.

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 and uses the appropriate [Government emission conversion factors for greenhouse gas company reporting](#).

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.

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:  _____

Date: 14/12/2021