

Net Zero Plan

IPM Facilities



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1 IPM Facilities Net Zero Policy

1.1 Policy Statement

IPM Facilities commits to managing and reducing the GHG emissions from our operations, with the aim of reaching Net Zero emissions by 2050 at the latest.

By 2050, IPM Facilities aims to reduce our carbon emissions for Scope 1 and 2 by 90%, and our Scope 3 emissions by 97% from our 2021/22 base year.

IPM Facilities will do this by:

- Following international standards including the World Resource Institutes Green House Gas Protocol and Defra's GHG reporting guidelines for assessing carbon emissions.
- Putting in place a management plan to reduce emissions.
- Setting near, medium and long term targets and projections in line with the SBTi to reduce emissions (on an absolute tCO₂e basis) year on year.
- Assessing and reporting our carbon footprint on an annual basis.
- Comparing our annual emissions to base year targets and projections, to evaluate emissions reduction performance.
- Once absolute emissions have reduced as much as possible, offsetting our residual emissions through projects verified against the international Verified Carbon Standard (VCS), Gold Standard or Certified Emission Reductions (CERs).
- Helping to develop best practice including lobbying the appropriate government bodies or agencies for change.

2 Introduction to Net Zero

2.1 What is Net Zero?

Put simply, Net Zero is the term used when a company has reduced their greenhouse gas emissions as close to zero as possible, with the remaining (residual) emissions being removed from the atmosphere through carbon offsetting.

2.2 The Science Based Targets Initiative (SBTi)

The Science Based Targets Initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). They define and promote best practice in emissions reductions and Net Zero targets in line with climate science.

Science-based targets (SBTs) provide a clearly defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

3 Net Zero Emissions Scenario and Method

3.1 Net Zero Emissions Scenario

Net Zero journeys following Science Based Targets align with one of two emissions scenarios: the 1.5°C Scenario, or Well below Two Degree (WB2C) scenario. These scenarios relate to the emissions reductions required to keep global warming below 1.5°C or 2°C above pre-industrial levels respectively.

The SBTi strongly encourages companies to commit to the highest level of ambition by setting a 1.5°C aligned target. Naturally, this means stricter targets and projections, but leads to a reductions goal that is more strongly aligned with the Paris Agreement, and provides the best opportunity for tackling climate change.

IPM Facilities Net Zero journey will follow the SBTi's recommendation by using the 1.5°C scenario for calculation of targets and projections for all scopes.

3.2 Greenhouse Gas Coverage

There are seven key Greenhouse Gases (GHGs) that contribute towards climate change, as covered by the Kyoto Protocol: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

IPM Facilities Net Zero emissions targets include all of the above GHGs, expressed as a combination factor, carbon dioxide equivalent (CO₂e), which takes into account the global warming potential (GWP) of the above GHGs, expressed in terms of the GWP of one unit of carbon dioxide.

3.3 Scope 2 Accounting Approach

There are two approaches used to account for Scope 2 emissions, which result from purchased electricity, heat or steam (i.e. district heating).

The location based approach uses emissions conversion factors published by the UK Government. For electricity, the emissions conversion factor reflects the average emissions of the UK electricity grid for the given year. These emissions factors are used for scope 2 under mandatory reporting regulations, such as SECR.

Conversely, the market based approach to Scope 2 calculates emissions based on the fuel mix associated with the supplier. For electricity, suppliers purchase from a range of generating assets, such as renewables, nuclear, coal, oil and natural gas. The emissions factor disclosed by the supplier reflects the sources of energy they purchase electricity from. This allows organisations to account for zero carbon electricity contracts in their footprint. For purchased heat, the emissions factor would relate to the generating facility, i.e. CHP or biomass.

To reflect IPM Facilities' energy procurement, market based electricity factors will be used when reporting on Scope 2 electricity. To ensure a consistent approach, the market based approach will also be used for both Scope 2 target setting, and yearly progress tracking.

3.4 Emissions Inventory

IPM Facilities’ organisational boundary will be used as the basis for their Net Zero journey. This is the same as much other reporting such as SECR or PAS2060.

In the interest of data quality and accurately fulfilling the emissions scenario, by 2030 (medium term), IPM Facilities should aim to fully quantify and include 95% of Scope 1 & 2 emissions, and at least 67% of all Scope 3 emissions. Long term (by 2050), IPM Facilities should aim to also fully quantify 90% of Scope 3 emissions.

The scope of the Net Zero plan is as follows:

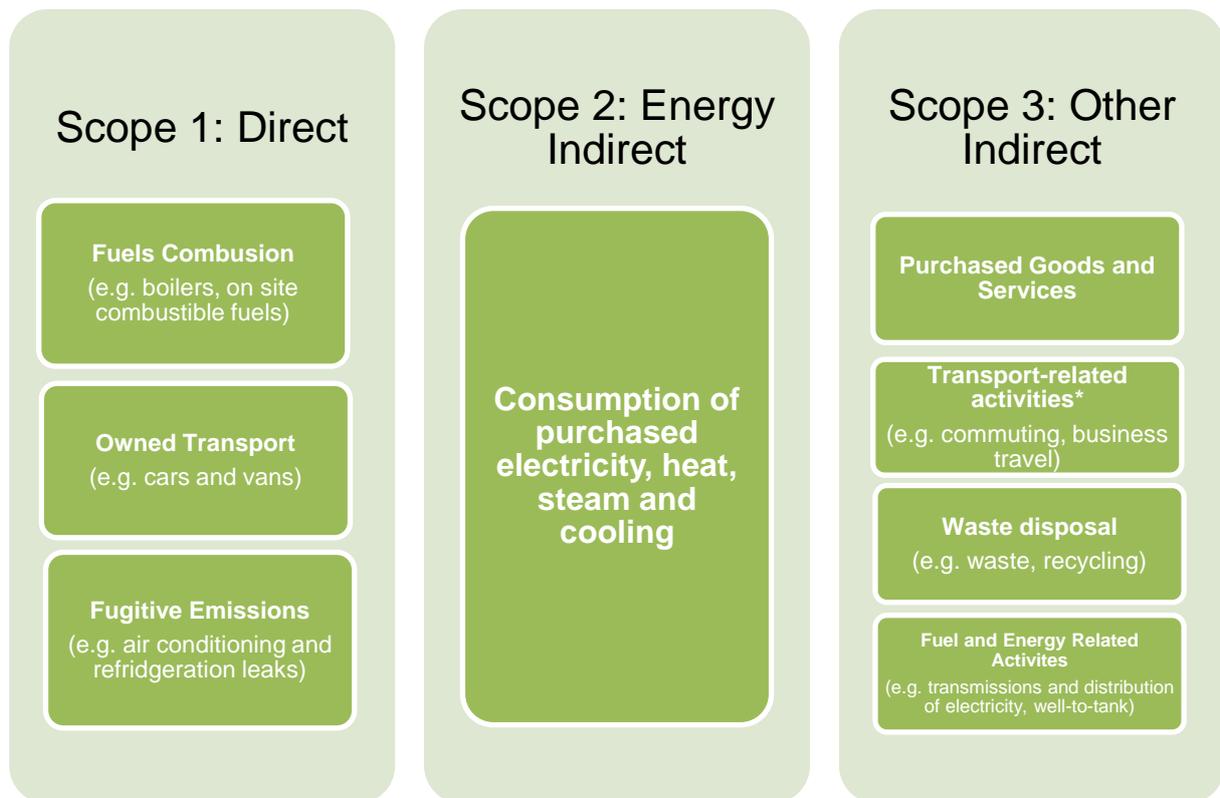


Figure 1

The relevant scope 1, 2 and 3 emissions have been included within this assessment. The areas not within the scope of the carbon management plan have not been covered for the following reasons:

- The downstream emissions associated with IPM Facilities sold goods and services have not been included in the footprint as this was not possible to quantify or not applicable.

3.5 Near, Medium and Long Term Targets in Line With SBTi

Following guidelines on combined targets from the SBTi, Scopes 1 and 2 have been grouped together for the purpose of target setting. As Scope 3 uses a different emissions reduction approach, this has been calculated separately.

Short Term (by 2025), IPM Facilities should aim to procure 100% renewable electricity contracts across all sites. This should aid the later Scope 1 and 2 targets by reducing Scope 2 purchased electricity to 0 tCO₂e. IPM Facilities' Medium and Long Term Scope 1 and 2 targets were calculated using the Absolute Contraction Approach, which sets a linear reduction goal of 4.2% per annum by 2030, and 90% overall reduction by 2050, in line with the 1.5C scenario.

IPM Facilities' Scope 3 Medium and Long Term targets were calculated using the Physical Intensity Contraction Approach, which requires a 7% annual reduction of emissions by 2030, and a 97% reduction of Scope 3 emissions from the base year amount.

A summary of Near, Medium and Long Term targets for all three scopes is detailed below.

	Near Term	Medium Term	Long Term
Scope 1 & 2	2025 – Procure 100% renewable electricity.	2030 – Absolute Contraction Approach: Reduce emissions by 4.2% per annum.	2050 – Absolute Contraction Approach: 90% overall reduction from base year level.
Scope 3	N/A	2030 – Physical Intensity Contraction Approach: Reduce emissions by 7% per annum.	2050 - Physical Intensity Contraction Approach: 97% overall reduction from base year level.

Table 1

3.6 Neutralisation of Residual Emissions

Net Zero journeys in line with the SBTi require residual emissions (the emissions remaining after a company has reduced as much as practically possible) to be neutralised (or offset) using verified carbon credits. More detail on offset credits can be found in Section 7.

Prior to this time, while IPM Facilities' Net Zero journey is ongoing, there is no requirement to offset annual emissions. However, IPM Facilities have expressed interest in carbon neutrality.

The use of carbon credits **cannot** be counted as emission reductions toward the progress of companies' SBTi targets. Carbon credits may only be considered to be an option for neutralising residual emissions or to finance additional climate mitigation beyond science-based emission reduction targets.

4 Carbon Footprint Tracking

4.1 Baseline Carbon Footprint

The baseline year for IPM Facilities Net Zero journey is 01/02/2021 to 31/01/2022. This baseline carbon footprint will be used to set targets, forecast and compare future years in IPM Facilities Net Zero journey.

IPM Facilities carbon footprint for the baseline year was 640 tCO₂e. The table and charts below shows the breakdown of the emissions during the baseline year:

Scope	Activity	Tonnes CO ₂ e	
Scope 1	Natural Gas	4.0	
	Petrol – Owned Transport	30.1	
	Diesel – Owned Transport	180.5	
	Red Diesel	3.0	
	Scope 1 Sub Total	217.6	
Scope 2	Market Based Electricity – Scottish Power	6.1	
	Scope 2 Sub Total	6.1	
Scope 3	Employee Commuting – Petrol Vehicles	15.5	
	Employee Commuting – Diesel Vehicles	3.1	
	Employee Commuting – Bus Travel	2.1	
	Waste - Composting	1.1	
	Waste - Recycling	0.8	
	Waste - Landfill	1.4	
	Transmission and Distribution of Electricity	0.5	
	Well-to-Tank	60.7	
	Total Purchased Goods and Services *	331.1	
		Scope 3 Sub Total	416.2
		Total tonnes of CO₂e	639.9
		Turnover (£M)	7.5
		Tonnes of CO₂e per £M	85.32

Table 2

*A full breakdown of the scope 3 emissions associated with purchased goods and services can be found in annex item 6.2.

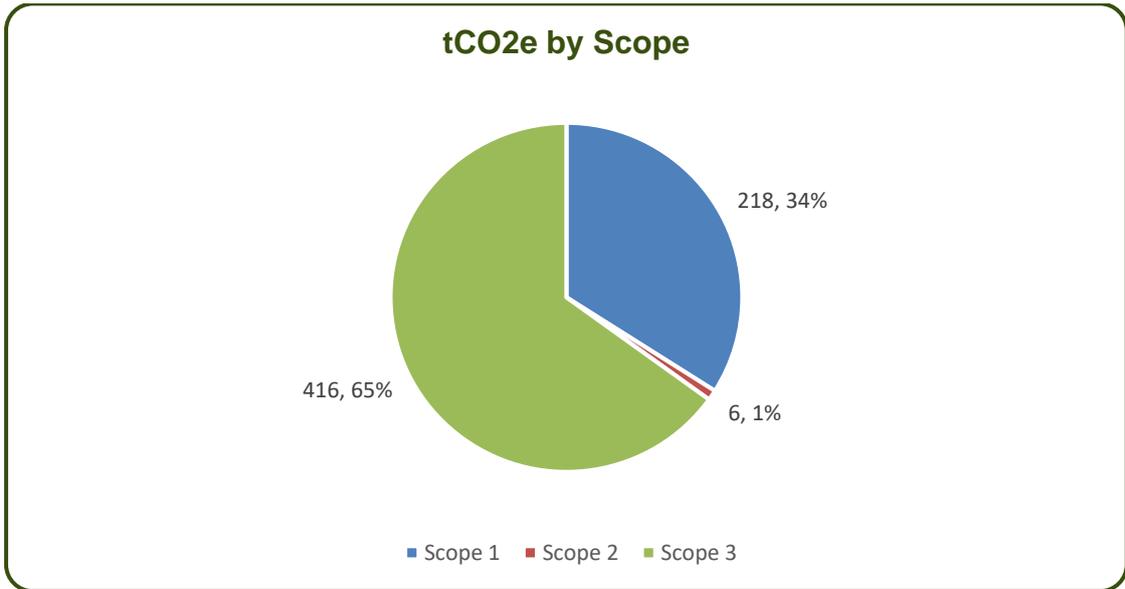


Figure 2

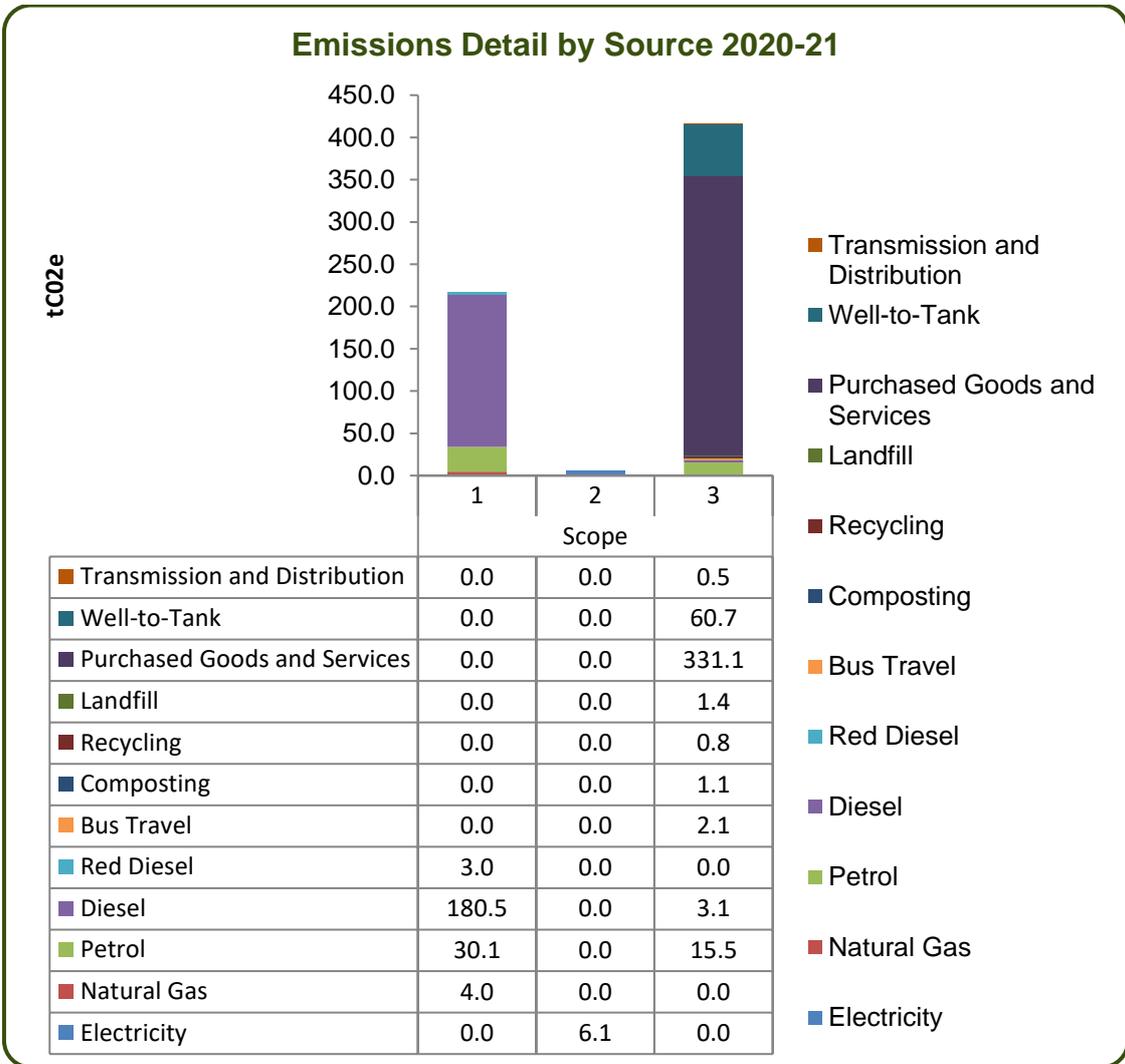


Figure 3

5 Net Zero Targets and Projections

5.1 Scope 1 and 2 Projections

IPM Facilities' projected Scope 1 and 2 reductions using the Absolute Contraction Approach are shown below. This graph can be updated throughout IPM Facilities' Net Zero journey with yearly emissions progress, to show whether targets are on track to be achieved.

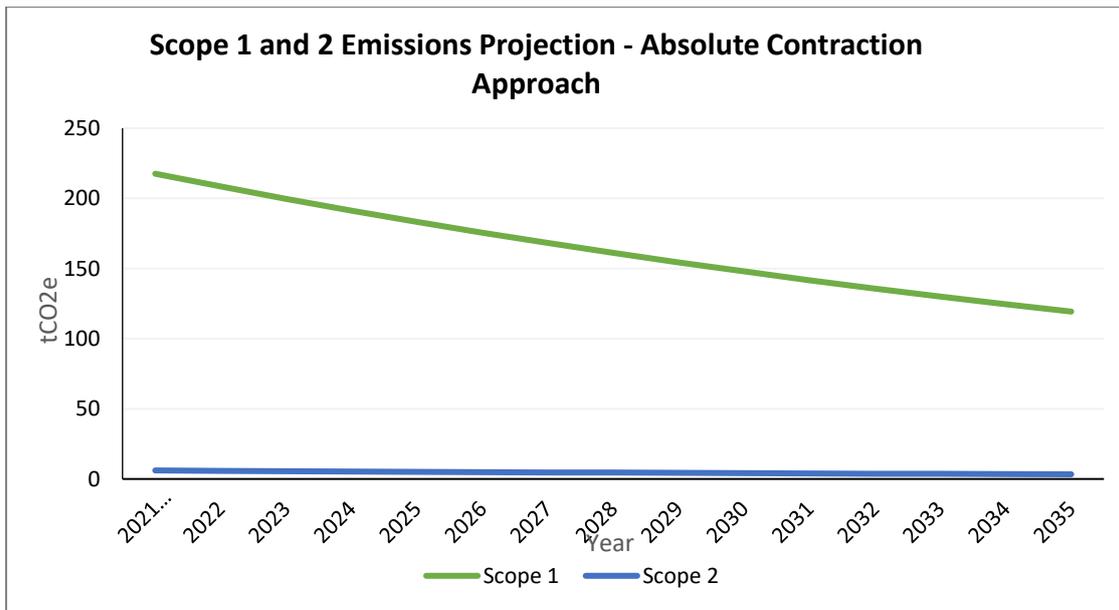


Figure 4

5.2 Scope 1 and 2 Targets

Calculated from the 2021/22 base year, IPM Facilities starting Scope 1 and 2 emissions total 224 tCO2e. Using the reduction approach detailed in Section 3.6, IPM Facilities' near, medium and long term emissions targets for Scope 1 and 2 are shown below.

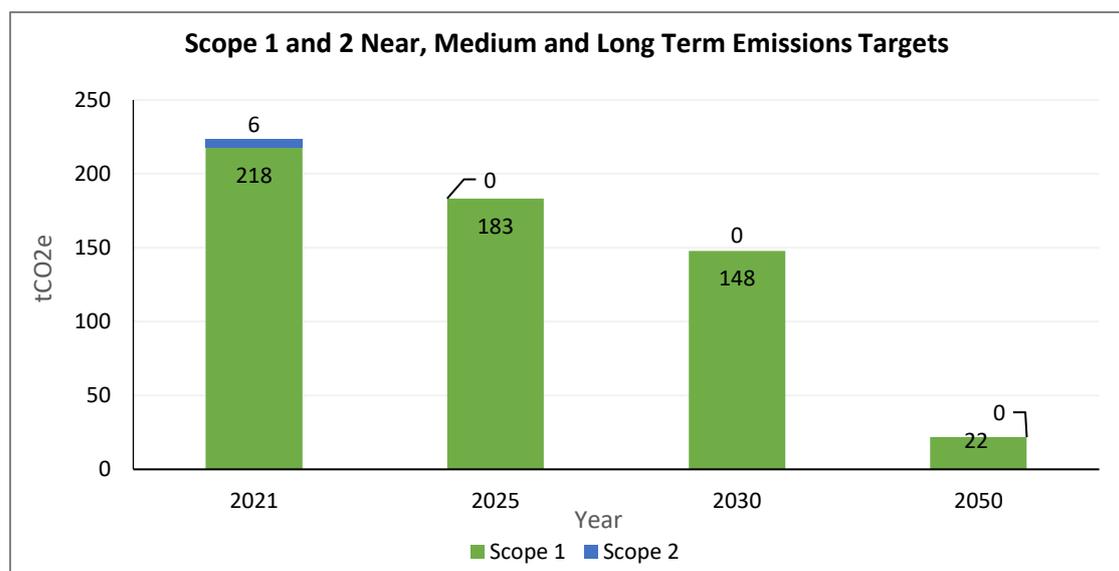


Figure 5

In order to reach Net Zero by 2050, IPM Facilities should aim to reduce their combined Scope 1 and 2 emissions to a maximum of 22 tCO₂e.

5.1 Scope 3 Projections

Calculated using the Physical Intensity Contraction Approach, IPM Facilities' Scope 3 emissions projections are shown below. This graph can also be updated throughout IPM Facilities' Net Zero journey to track progress towards near, medium and long term targets.

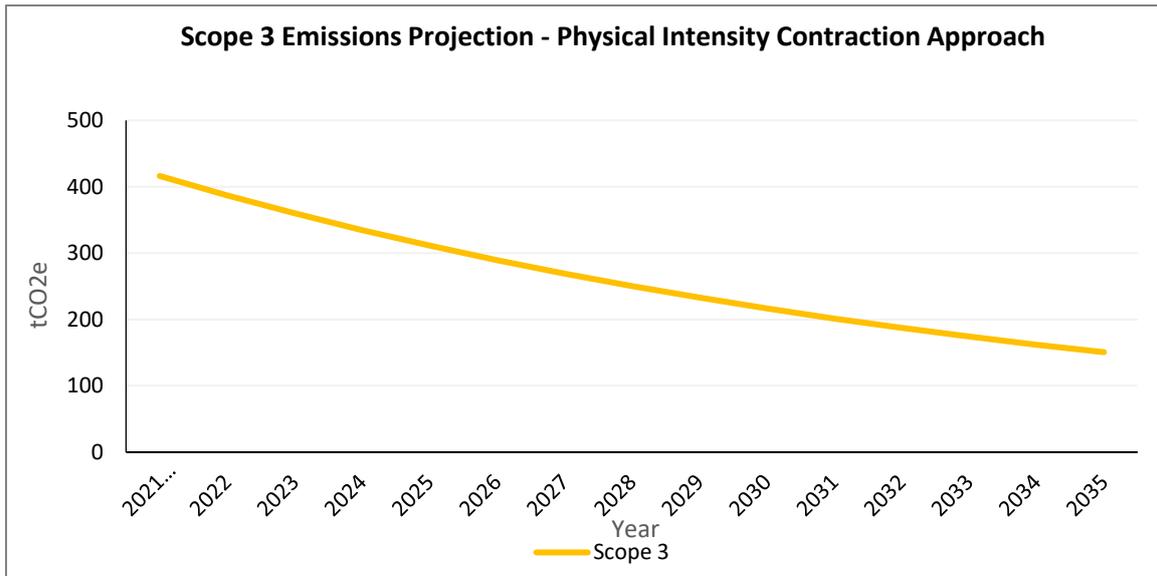


Figure 6

5.2 Scope 3 Targets

IPM Facilities' baseline Scope 3 emissions total 416 tCO₂e for 2021/22. IPM Facilities' near, medium and long term emissions targets for Scope 3 are shown below.

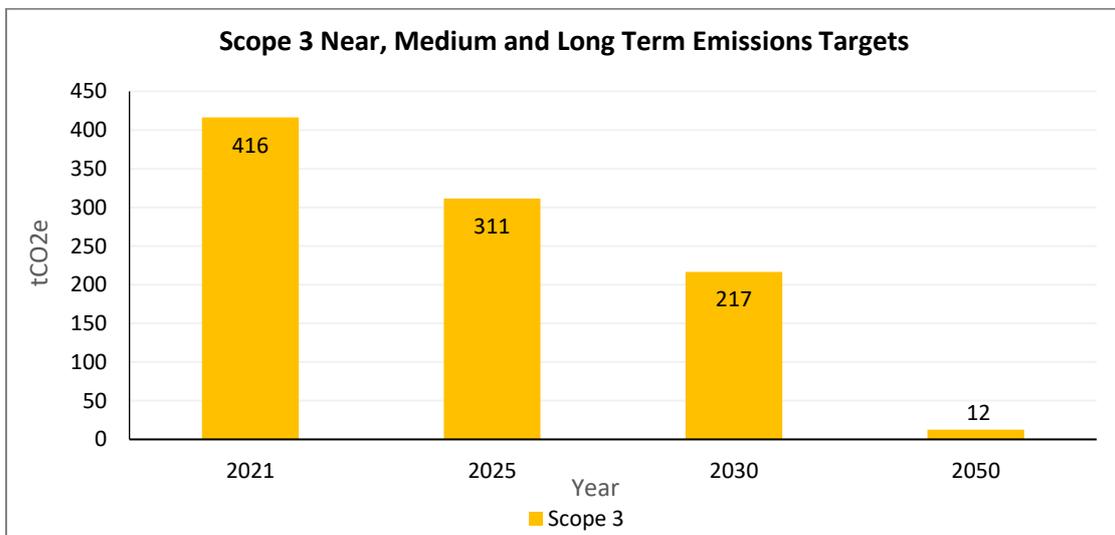


Figure 7

6 Net Zero Carbon Reduction Plan

Carbon reduction actions are designed to help our company reduce our carbon emissions and meet our target.

Six months after the end of the appraisal period, all carbon reduction actions will be assessed against performance. Should an action not be in place or being completed, a corrective action should be enacted to ensure the reduction target is met.

6.1 Site Infrastructure

As IPM Facilities' site is landlord owned, they are limited to small internal infrastructure changes.

Action Number	SI - 01
Action description	Replace all halogen lightbulbs with suitable LED lights.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

Action Number	SI - 02
Action description	Install PIR motion sensors to improve lighting efficiency.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

6.2 Travel (TL)

Action Number	TL - 01
Action description	Review company car policy in line with the advances in electric & plug in hybrid vehicles. Long term, IPM Facilities should review electric vans when the technology improves.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

Action Number	TL - 02
Action description	Increase number of electric vehicle charging points when demand increases (energy source to be 100% renewable energy). IPM Facilities currently have a twin 22kW charging point installed.
Allocated to	ECA Business Energy & IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

Action Number		TL - 03
Action description	Place drivers on an Eco Driving Course to improve employees' environmental awareness, skills and fuel efficiency.	
Allocated to	ECA Business Energy & IPM Facilities	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

Action Number		TL - 04
Action description	Ensure vehicles continue to be well maintained and that tyre pressures are regularly checked.	
Allocated to	IPM Facilities	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

Action Number		TL - 05
Action description	Install distance trackers to monitor mileage against fuel consumption.	
Allocated to	IPM Facilities	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

6.3 Site energy management

Action Number		EM - 01
Action description	Energy Reporting – usage compared to previous period to identify increase or decreases in consumption patterns.	
Allocated to	ECA Business Energy	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

Action Number		EM - 02
Action description	Energy Purchasing (electricity) - explore REGO backed 100% renewable energy based on full market & price review. To be applied across the estate, including any new sites when contract renewals are due.	
Allocated to	ECA Business Energy	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

Action Number		EM - 03
Action description	Energy Purchasing (Gas) to investigate Green Gas or carbon offset gas generation with UK suppliers in line with next supply contracts. IPM Facilities' gas contract ends in 2028.	
Allocated to	ECA Business Energy	
Performance assessment (to be completed 6 months after the end of the appraisal period)		

Action Number	EM - 04
Action description	Review/investigate the installation of SMART (AMR) Meters on all appropriate electricity meters.
Allocated to	ECA Business Energy
Performance assessment (to be completed 6 months after the end of the appraisal period)	

6.4 Staff engagement in reductions

Action Number	SE - 01
Action description	Review & implement companywide energy policy and energy reduction campaign across all sites. Including staff awareness to impact of energy waste.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

Action Number	SE - 02
Action description	Check list for opening and closing the site efficiently, including during lunchtime.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

6.5 Waste

Action Number	WS - 01
Action description	Continue recording waste & recycling across the portfolio to identify further opportunity to lower environmental & carbon impact.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

6.6 Supply Chain

Action Number	SC – 01
Action description	Review current suppliers to the group to identify Carbon Neutral suppliers.
Allocated to	IPM Facilities
Performance assessment (to be completed 6 months after the end of the appraisal period)	

Action Number	SC – 02
Action description	<p>Engage with suppliers to improve the quality of the scope 3 emissions calculation. The supplier specific method and scope 3 accounting method for purchased goods and services is explained in <i>Figure 8</i> and the section below.</p> <p>Annex item 8.1 breaks down IPM Facilities' scope 3 purchased goods and services emissions by supplier category.</p> <p>For example, IPM should engage with their window suppliers to obtain the weight of glass purchased. Industry average emissions for glass can then be applied to improve the calculation.</p> <p>ECA and IPM will identify other carbon intensive products in IPM's supply chain.</p>
Allocated to	IPM Facilities & ECA Business Energy
Performance assessment (to be completed 6 months after the end of the appraisal period)	

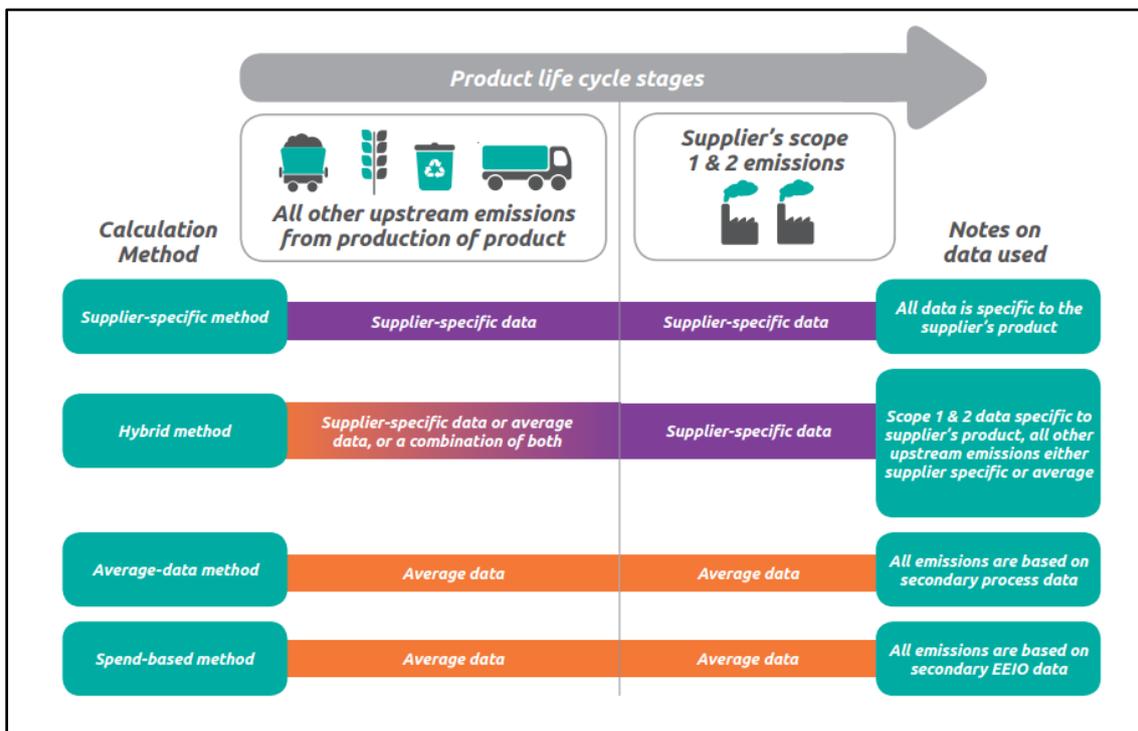


Figure 8 GHG Protocol Scope 3 Calculation Guidance

According to the GHG Protocol for Carbon Accounting, companies may use the methods listed in Figure 8 to calculate scope 3 emissions from purchased goods and services.

The first two methods, supplier-specific and hybrid, require the reporting company to collect data from their suppliers. As shown in *Figure 8* this would include the suppliers' scope 1 and 2 data, as well as their upstream emissions – this is called cradle-to-gate.

Alternatively, the second two methods, average-data and spend-based, use secondary data (i.e. industry average data on CO₂e per tonne of product, or CO₂e per monetary value of goods).

These methods are listed in order of how accurate the calculation is to the individual supplier of a good or service.

- 1) Supplier-specific method – collects product-level cradle-to-gate GHG inventory data from goods or services suppliers;
- 2) Hybrid method – uses a combination of supplier-specific activity data (where available) and secondary data to fill the gaps.

This method involves:

- Collecting allocated scope 1 and scope 2 emission data directly from suppliers;
 - Calculating upstream emissions of goods and services from suppliers' activity data on the amount of materials, fuel, electricity, used, distance transported, and waste generated from the production of goods and services and applying appropriate emission factors;
 - Using secondary data to calculate upstream emissions wherever supplier-specific data is not available.
- 3) Average-data method – estimates emissions for goods and services by collecting data on the weight (e.g., kilograms or pounds), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of good or service).
 - 4) Spend-based method – estimates emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).

IPM Facilities have used the spend-based method to calculate their base year for their net zero targets. Improving the accuracy of the scope 3 calculations is a long term objective for IPM Facilities and ECA Business Energy. This will allow IPM to make decisions based on the carbon intensity of their suppliers in future years.

ECA are making progress to obtain more industry average cradle to gate data so the hybrid method can be applied.

7 Carbon Offsetting Policy

Our main aim is to reach Net Zero by 2050. In order to achieve this status, we commit to achieving carbon reductions within our organisation, and to offset all residual emissions once Net Zero has been reached. Offsetting before this point is voluntary.

Our offset projects and methodology for offsetting meet the following principles:

- The offsets we purchase or the allowance credits we surrender represent genuine, additional GHG emission reductions elsewhere.
- The projects involved in delivering our offsets meet the criteria of additionally, permanence, leakage and double counting.
- Our carbon offsets are verified by an independent third party verifier.
- Our credits from carbon offset projects are only issued after the emission reduction associated to the offset project has taken place.
- Our credits from carbon offset projects are retired within 12 months from the date of the declaration of achievement of carbon neutral status.
- Our credits from carbon offset projects are supported by publically available project documentation on a registry which provides information about the offset project, quantification methodology and validation and verification procedures.
- Our credits from carbon offset projects are stored and retired in an independent and credible registry.

8 Annex

8.1 Breakdown of Purchased Goods and Services

Category	tCO2e
Drainage	84.6
Gardening and Landscaping	67.1
Cleaning Services	57.6
Groundworks	29.2
Welding	18.7
Roofing	11.1
General Property Maintenance	9.2
Access Control	7.1
Electrical Services	7.1
Motor Vehicles	6.9
Construction	6.5
Window Servicing	6.0
Handyman	5.2
Plumbing & Heating	3.4
Pest Control	2.9
Stone Mason	2.8
Fire	1.5
Signage	1.4
Computers and Electronics	1.3
Working at height	0.4
Tool Hire	0.4
Lift Maintenance	0.3
Air Conditioning	0.3
Hedge Trimmers and Batteries	0.2
Security	0.1
Metal Works	0.0

8.2 Scope 1, 2 & 3 Yearly Reduction Values

Scope	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Scope 1	217.58	208.44	199.69	191.30	183.26	175.57	168.19	161.13	154.36	147.88	141.67	135.72	130.02	124.56	119.33
Scope 2	6.08	5.82	5.58	5.35	5.12	4.91	4.70	4.50	4.31	4.13	3.96	3.79	3.63	3.48	3.33
Scope 3	416.22	387.08	359.98	334.79	311.35	289.56	269.29	250.44	232.91	216.60	201.44	187.34	174.23	162.03	150.69
SBTi S1 & 2	223.66	214.26	205.27	196.64	188.39	180.47	172.89	165.63	158.67	152.01	145.63	139.51	133.65	128.04	122.66