



Carbon Reduction Plan

Overview

The UK Government amended the Climate Change Act 2008 in 2019 by introducing a 'Net Zero' target of at least a 100% reduction in the net UK carbon account by 2050.

Action Note PPN 06/21, "Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts," sets out how to take account of suppliers' Net Zero Carbon Reduction Plans in the procurement of major government contracts.

This plan outlines Novatech Ltd.'s compliance with Action Note PPN 06/21.

Commitment to achieving Net Zero

Novatech Ltd. is committed to reducing our Scope 1 and 2 emissions to zero by 2030.

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: 2019

Additional Details relating to the Baseline Emissions calculations

Our emissions data is reported in line with the GHG Protocol Corporate Accounting and Reporting Standards. Novatech Ltd is out of scope of the SECR requirements to report scope 1 and scope 2 emissions.

Baseline Year

We have chosen 2019 as our base year for reporting. We have reliable data from this year across Scopes 1, 2 and 3. This also represents our typical activities and emissions prior to 2020. 2020 was a year of uncertainty with effects on the organization that are likely to have an impact on our environmental impacts due to increased remote working, increased product demand and disruption throughout our supply chains.

Our reporting period will run from January to December of each reporting year.

Scope 1

We have identified the following activities relevant to our Scope 1 emissions:

- Stationary Combustion - Use of gas for heating water and the building (gas heaters, boiler).
- Mobile Combustion – Purchase and use of fuel for our leased and owned fleet vehicles.
- Fugitive Emissions – Refrigerant emissions from air conditioning and fire suppressions systems.

We have no process emissions.

Scope 2

We have identified the following activities relevant to our Scope 2 emissions:

- Electricity consumption

We do not purchase heat or steam.

We do not have separate data on the use of electricity for electric vehicles at this time, however future initiatives will include increased charging points for EVs including smart monitoring.

Scope 3

We have defined our Scope 3 emissions according to the categories determined in the GHG Protocol Standards.

Our Scope 3 emissions currently include:

- Category 3: Fuel and energy related activities not included in scope 1 or 2
- Category 5: Waste generated in operations
- Category 7: Employee commuting (including remote working)

In 2022, we expanded this further to include Category 6: Business travel

We continue to obtain suitable data within our value chain for Scope 3 emissions calculations in the following categories:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 4: Upstream transportation and distribution
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products

Category 4: Upstream transportation and distribution of products has not been included in our scope 3 emissions reporting to date due to limited availability of primary data. We are collecting data from our product and service providers and aim to include category 4 within our scope 3 emissions for our 2024 reporting year.

These emissions will be published in an interim report once finalized and included in every annual report thereafter.

The following fall out of scope of emissions calculations:

- Category 8: Upstream leased assets
- Category 9: Downstream transportation and distribution
- Category 10: Processing of sold products
- Category 13: Downstream leased assets
- Category 14: Franchises
- Category 15: Investments

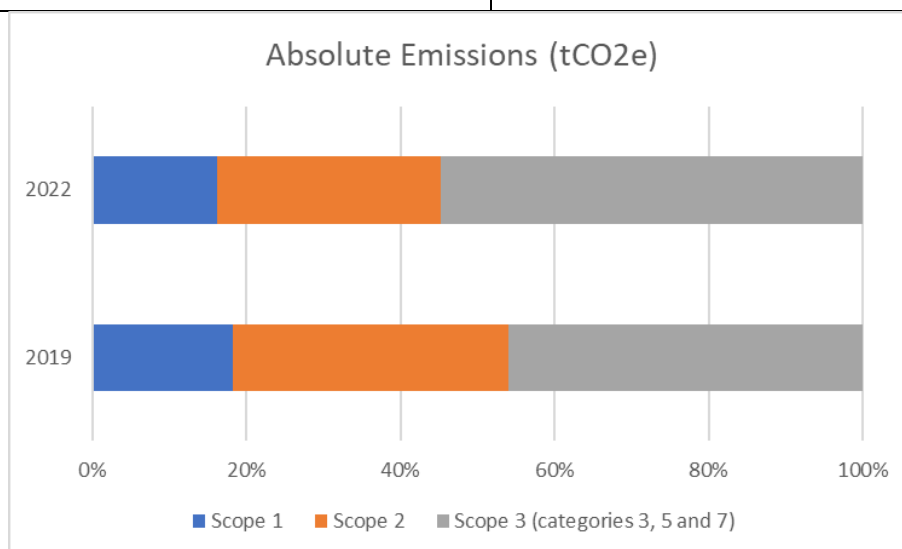
Category 9: Downstream transportation and distribution of products is out of scope due to the transportation and distribution of products being purchased via Novatech's chosen service providers which will be included in Category 4.

Baseline Emissions

Reporting Year: 2019	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	38
Scope 2	75
Scope 3 (categories 3, 5 and 7)	97
Total Emissions	210

Current Emissions

Reporting Year: 2022	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	23
Scope 2	42
Scope 3 (categories 3, 5, 6 and 7)	79
Total Emissions	144



Emissions Reduction Targets

This is Novatech's second carbon footprint calculation.

Our climate strategy applies the principles of the 1.5C Business Playbook. Our first target is focused on reducing our own emissions (Scopes 1 and 2). We aim to reduce our Scope 1 and 2 emissions to zero by 2030.

Carbon Reduction Projects

Novatech Ltd have implemented and maintain an environmental management system certified to ISO 14001 Standards and are committed to continual improvement and seeking opportunities to reduce our environmental impact and carbon footprint.

Current Year Summary

Our head count has reduced from 97 year ending 2019 to 89 year-ending 2022. Our site size has not changed.

Our Scope 1 emissions have fallen due to lower gas use. This is due to improvements made to our building, including additional insulation allowing our building to heat and retain heat more efficiently. The year 2022 was also a year with higher average temperatures and mild winter decreasing our reliance on our gas heaters.

Our Scope 2 emissions have fallen due to the installation of our solar panel array, reducing our reliance on purchased electricity.

Our Scope 3 emissions have fallen due to reduced scope 1 and 2 emissions decreasing emissions from fuel and energy related activities, improved waste performance and decreased head count contributing to emissions from commuting and / or home working.

There are also some effects from the decrease in UK Government GHG Conversion Factors associated with categories in scope.

Previous Carbon Reduction Initiatives

The following projects have been completed or implemented by Novatech Ltd. since the 2019 baseline.

Stationary Combustion

In 2020 we made improvements to our existing roof structure, including additional vapour barrier and 100mm insulation to prevent heat loss. We expect to see continued reductions in emissions from stationary combustion.

Mobile Combustion

Since 2019, we have invested in electric vehicles. Our current fleet consists of 75% electric vehicles.

Purchased Electricity

Replaced all lighting with energy efficient LED bulbs, installed motion sensors for lighting in infrequently occupied areas and replaced older, inefficient equipment with energy saving options to reduce energy requirements.

We have installed a 400kw solar panel array for our Harbour House location. This will deliver approximately 50% of our electricity needs and have the added benefit of reducing building heat and the requirement for air conditioning.

We aimed to have this fully operational by the end of 2022. This was completed in August 2022, and we expect our 2023 Scope 2 emissions to decrease further.

We feed back electricity to the grid that we have not used and aim to be a net exporter to the National Grid.

We do not have data to support the amount of renewable electricity fed back to the grid in 2022 and so this has not been reported within the emissions reduction. The total amount of electricity generated in 2022 equated to 21 tCO₂e.

We have installed an electric vehicle charging point which has the function to measure the provision of electricity for charging, this will provide us with further data on our use of electricity.

Employee Commuting

We continue to provide a cycle to work scheme for all employees.

We have invested in bike storage and changing / showering facilities to encourage employees to use sustainable transport methods.

We undertake a staff travel survey annually to identify emissions from commuting and understand factors affecting employee's choice in their commuting methods.

Waste Generated in Operations

We divert all operational waste from landfill and maximise reuse opportunities.

In 2019 we recycled 87% of our waste and sent 13% for energy recovery.

Between 2019 and 2021 increased recycling rates to 88% and sent 12% for energy recovery.

In 2022 we recycled 91% of waste generated and sent the remainder for energy recovery.

Future Opportunities

To assist in our reduction of scope 1 and 2 emissions we will pursue further carbon reduction projects.

Stationary Combustion

Replace gas heaters with electric air sourced heat pumps by the end of 2023.

Replace hot water gas boiler with an electric heat storage system by the end of 2023.

These investments will mean that Novatech will no longer use gas in our operations.

Mobile Combustion

Continue to purchase / lease electric vehicles for our fleet rather than diesel. We are aiming for a 100% renewable fleet.

Purchased Electricity

Introduce a Building Management System (BMS) to monitor and regulate our heating and cooling systems by 2023. Replace existing heating and cooling systems to maintain compatibility with our BMS.

Consider installation of further motion sensors in low occupancy areas.

Employee commuting

Continue to look for ways to promote and incentivize sustainable transport to work.

Provide electric vehicle charging points usable by employees.

Waste generated in operations

We will continue to take efforts to reduce our waste for energy recovery and maximize reuse and recycling opportunities.

Carbon Reporting

We will continue to engage with our value chain to improve on the data reported within our carbon reporting for scope 3 emissions. We aim to extend our scope 3 emissions to encompass more of the value chain.

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 supplier: David Furby
David Furby (May 16, 2023 16:34 GMT+1)

Date: May 16, 2023