



Ethical Power Group 2023/2024 Carbon Reduction Plan



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Signed 

Title Group Legal Director

Date 13 December 2024

1. Introduction

Ethical Power is one of Britain's most innovative and ambitious renewable energy companies.

Initially Ethical Power was solely a rooftop solar panel supplier and installer. It has since evolved to become UK market leaders in the development, construction and maintenance of renewable energy projects.

Ethical Power's mission is to deliver high quality, sustainable and innovative energy solutions to encourage and shape a brighter future. The company's vision is to continue raising standards and pioneer the efficient development, construction and maintenance of renewable energy generation technology.

This is the first Carbon Reduction plan for the Ethical Power Group, utilising data disclosed in the 2023/2024 financial report. The purpose of this plan is to outline baseline emissions and reporting standards within the organisation, highlight areas required for future reporting, set carbon reduction goals and summarise actions in place to meet them.

2. Methodology

Ethical Power reports on its carbon emissions annually, in line with the UK's Streamlined Energy and Carbon Reporting (SECR) and Green House Gas (GHG) reporting protocol.

As per requirements, scopes 1 and 2 emissions have been reported on since the Financial Year ending 2023. Emissions factors were extracted from the UK Government GHG Conversion factors 2024.

Scope 1 emissions are classified as any direct emissions produced from sources owned or controlled by an organisation.

Scope 2 emissions are classified as any indirect emissions associated with purchased electricity, steam, heating or cooling.

The below table details the different aspects of operations that relate to these emissions:

Scope:	Description:	Calculation:
1	Employee travel (away from usual place of work)	Overall distances travelled via Ethical Power owned car or plane multiplied by appropriate GHG conversion factor.
1	Fuel consumption (construction sites)	Overall diesel/fuel consumed at all construction sites in operation for that

year, multiplied by appropriate GHG conversion factor.

Scope	Description:	Calculation:
2	Electricity (offices)	Units of electricity consumption for offices, surmised from meter readings, multiplied by appropriate GHG conversion factor.
2	Natural Gas (Offices)	Units of natural gas consumption for offices, surmised from meter readings, multiplied by appropriate GHG conversion factor.

Ethical Power is yet to disclose and report on scope 3 emissions. Please see section 4 of this document for further information on scope 3 emissions.

3. Reported emissions

As disclosed in the annual report and financial statements, Ethical Power Group produced **1,847 tonnes** of CO2 emissions through scope 1 and scope 2 reportable data in the year end March 2024. This was an increase from **674.3 tonnes** disclosed for the previous year.

This increase in CO2 emissions can, in large, be linked to the rapid upscale of the business and its operations, alongside an improvement in data recording and accuracy.

Emissions disclosed are currently only related to the UK operations.

4. Scope 3 reporting

Scope 3 emissions arise as a consequence of an organisation's actions, occurring at sources which the organisation does not own or control and which are not classed as Scope 2. These are upstream and downstream value chain emissions, as well as business travel by means not owned or controlled by an organisation.

4.1. Scope 3 categorisation

Scope 3 emissions most relevant to Ethical Power's operations can be categorised as follows:

1. Purchased goods and services
2. Business travel
3. Waste
4. Capital goods for owned assets
5. Upstream transportation and distribution

The majority of these scope 3 emissions can be linked to supply chain, waste and transportation.

4.2. Current scope 3 reporting

While Ethical Power do not currently report on scope 3 emissions, there are measures already in place to facilitate the recording and tracking of emissions resulting from waste disposal and water consumption on a construction site level. These records are provided to clients, upon request, at the end of a project and factored into their reporting as necessary.

4.3. Future reporting

In line with the SECR standard, Ethical Power will be required to report Scope 3 emissions by 2027. It is the hope that emissions related to waste disposal and water consumption will be publicly reported as of the FY 25/26. Aside from this, measures will have to be reviewed and implemented to ensure supply chain emissions are being recorded accurately and appropriately ahead of the 2027 deadline.

International emissions will be calculated and reported on within the coming years.

5. Actions & future targets

The Ethical Power Group commits to a **Net Zero target of 2050** - this is subject to annual review where progress will be evaluated, and the target date brought forward as applicable.

5.1. Previous achievements

The sole purpose of Ethical Power's operations - being the development, construction and maintenance of renewable energy projects - contributes significantly to the UK's overarching 2050 Net zero goal.

Over the past year, the organisation has taken several steps in order to produce these renewable energy projects as sustainably as possible- these include:

- Pioneering the use of precast concrete on a BESS site developed by the company - this saved 25.1t of CO2 emissions.
- Implementation of standardised hybrid/solar welfare on operational construction sites - resulting in monthly CO2 savings on every project being developed.
- Implementation and reinforcement of waste segregation across operational construction sites - this will reduce scope 3 emissions associated with end of life/landfill.
- Aligned SECR reporting to ensure accuracy and validity of data.

- Green company schemes including cycle to work, hybrid working, encouraging carpooling and EV charging stations at each office location.
- Offices are either run on green electricity, or more ethical energy sources (such as wood chippings).

5.2. Future measures

It is recognised that significant action will need to be taken in order to reach the 2050 Net zero target. The following measures will be reviewed and implemented in line with recommended dates.

- Review of procurement process to incorporate scope 3 emissions with a look to reporting on them by 2027 and reducing them by 2030.
- Replacement of existing owned vehicles with a green fleet by 2050.
- Utilisation of Hydrotreated Vegetable Oil (HVO) as a replacement fuel source on construction sites by 2026- it is hoped that this will result in a 90% reduction in scope 1 emissions from construction sites.
- Owning of renewable energy assets- these assets have the potential to offset the entirety of Ethical Powers emissions throughout their lifespan.

Progress on the above measures and overall target will be assessed and discussed in the next annual Carbon Reduction Plan, alongside potential new initiatives and emissions figures. It is the hope that future year on year comparisons will showcase the organisations progression towards Net Zero.



Telephone

01726 218 618

Website

www.ethical-power.com

Address

Ethical Power
Unit 9, Dunchideock Barton
Dunchideock, Exeter
United Kingdom
EX2 9UA

