



Mears Group Plc

Corporate Greenhouse Gas Report 2018

1 Introduction

This Corporate Greenhouse Gas (GHG) Report covers the greenhouse gas emissions of Mears Group Plc for the period 01 January 2018 to 31 December 2018. It was prepared by Carbon Trust based on activity data supplied by Mears. The objective of this exercise is to report annual carbon emissions and measure against 2017 emissions.

The GHG accounting follows the methodology set out by the WRI/WBCSD Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and Mears GHG emissions are reported in terms of kilograms or kilotons of carbon dioxide equivalent (tCO₂e/ktCO₂e).

The results are presented at group level and not broken down by subsidiary or operating division, as the data granularity to complete this level of analysis is not currently available.

2 Organisational Carbon Footprint - Summary

2.1 Gross Carbon Emissions

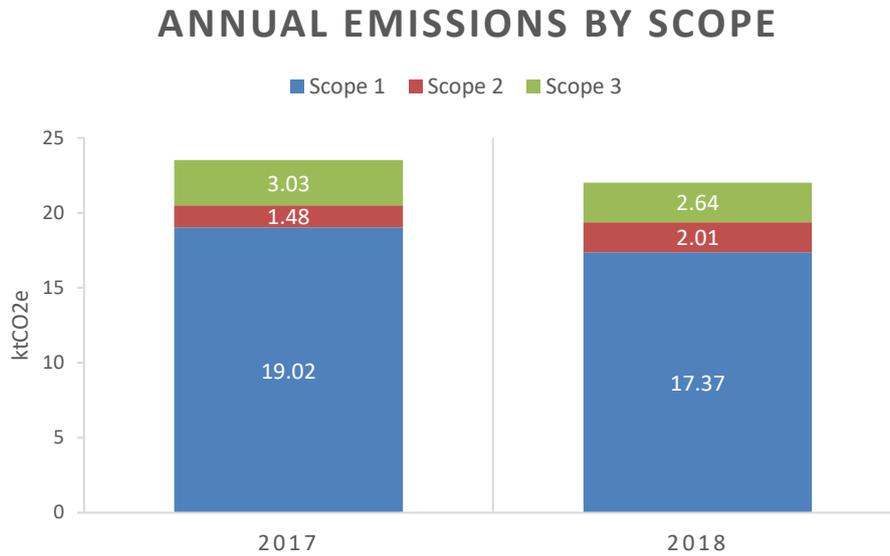
Table 1: Total Emissions by Scope (tCO₂e)

Mears	2017	2018
Scope 1	19,024	17,371
Scope 2	1,482	2,008
Scope 3 ¹	3,028 ²	2,635
Total	23,533	22,015

¹ See section 3.3 for Scope 3 activities included in the report.

² 2017 emissions for scope 3 were marginally under reported, this has been amended and updated in this report.

Chart 1: Annual Emissions by Scope (ktCO₂e)



2.2 Carbon Emissions Intensity

Total Scope 1 and 2 emissions are presented against a corporate turnover metric to present an intensity ratio for benchmarking purposes:

Table 2: Scope 1 and 2 Carbon Intensity against Turnover

Category	2017	2018
Total Scope 1 & Scope 2	23,533	22,015
Turnover	£900.2m	£869.8
Carbon Intensity	22.78 tCO ₂ e/£m	22.28 tCO ₂ e/£m
Percentage change against previous year		-2.19%

2.3 Trends

The total measured carbon footprint for 2018 has decreased by 6.45% compared to the previous year. Scope 1 emissions have decreased by around 9%, Scope 2 emissions are up 35% and Scope 3 emissions are down by 13%.

The Scope 1 decrease is driven by a lower quantity of fuel use for owned vehicles, despite an increased amount of gas usage. Scope 2 emissions have increased due to an increased kWh of electricity consumption. The Scope 3 emission reduction is due to fewer reported miles for car business travel.

2.4 Biogenic Emissions

It is assumed that the diesel and petrol used in vehicles is the standard biofuel blend for forecourt fuel.



3 Organisational and Operational Boundary

3.1 Approach to Boundary Definition

The boundary was defined on the basis of operational control.

3.2 Organisational Boundaries

The organisational boundaries include all activities by both the housing and care divisions.

3.3 Operational Boundaries and Scopes

The operational assets included in Scopes 1 and 2, include Mear's fixed facilities (offices, depots, and care homes), company vehicles and temporary facilities at construction sites whilst they are under Mear's responsibility. Business travel by car, train and plane are also included in Scope 3.

- › Scope 1:
 - Natural gas used at Mears sites
 - Fuel used in company vehicles
- › Scope 2:
 - Electricity used at Mears facilities and construction sites
- › Scope 3
 - Business travel in private cars
 - Business travel by train
 - Business travel by plane

3.4 Exclusions

A small number of Mears' sites did not have recorded electricity data for the assessment period. Some of these facilities were either closed or sold partway through the year. We have not been able to make any assessment as to the completeness of the list of facilities provided, although a number of sites only had gas supplies recorded. Also, no assessment was made as to what extent construction site activities should be included within the scope.

3.5 Electricity Emissions

The emissions impact of electricity consumption follows the location-based methodology, using the grid-average emissions factor. A majority of sites are supplied by green electricity.

4 Data Sources & Calculations – Gap Analysis

The activity data supplied by Mears was compiled from the following sources:

- › Internal reporting systems for vehicle fuel and mileage
- › Gratton Consulting for gas and electricity
- › Train travel data from trainline
- › Flight data from Business Travel Direct

There are some gaps in the data presented by Mears, some electricity and gas bills are based on estimated bills, although this has improved compared to last year. No fugitive refrigerant emissions were included and business travel by car data required cost to distance extrapolation.

The Carbon Trust has not fully audited the data sources, their quality and reliability. The following table provides a summary of our assessment of the completeness and accuracy of the provided data. The red/amber/green classification for completeness and accuracy represent a qualitative classification of the adequacy of the data in relation to the expectations for verification against the GHG Protocol corporate emissions standard, based on our understanding of the data sources. These classifications still make certain assumptions that need to be further tested. All emission factors for the 2018 assessment come from the UK Government's Conversion Factors for Company Reporting 2018.

Table 3: Data Quality Gap Analysis

Data	Completeness	Accuracy	Source	Comments
Owned vehicles			Company fuel cards	Data recorded total fuel quantity and type.
Gas use for operations			Energy Bills	Data was provided in kWh and sourced from bills. However, apportionment was needed for sites, unless the site was exited. So, a majority of sites included some estimated data.
Electricity consumption			Energy Bills	Data was provided in kWh. Apportionment was needed for some sites, So, a number of sites included estimated data. The UK grid was selected for emission factors.
Business travel: Road			Mileage data and cost data	Mileage and cost were reported for a portion of caring units with only cost recorded for the other. The mileage was calculated using the average £/mile. With an average car/fuel unknown emission factor
Business travel: Air			Mileage data and transport category	Data was provided for all travel detailing flight type (i.e. domestic) and total mileage.
Business travel: Rail			Mileage data	Data was provided for all travel detailing total mileage.

5 Carbon Footprint Trend Analysis

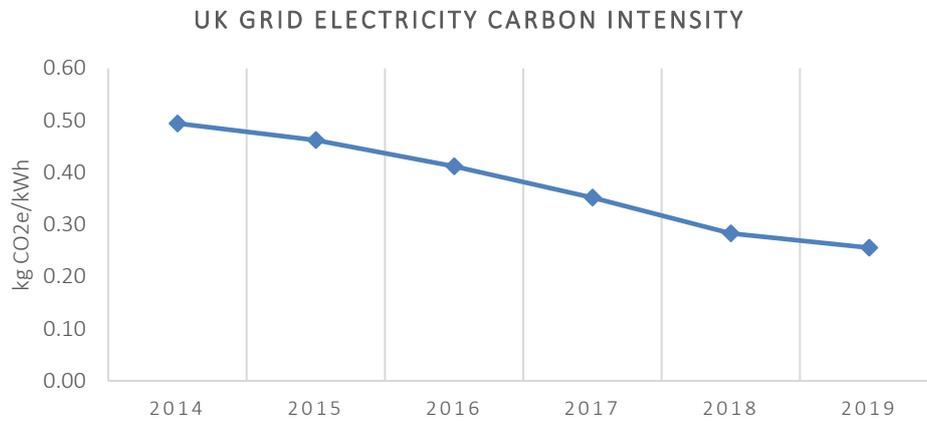
The following table shows that electricity and gas emissions have increased but emissions from owned transport as well as business travel (car, train, plane) have decreased when compared to 2017 levels.

Table 4: Carbon emissions by Source (kgCO₂e)

Mears	2017	2018
Location-based Electricity	1,482,399	2,008,386
Gas	491,382	594,490
Owned Vehicles	18,531,557	16,776,806
Private Vehicles	2,818,480	2,401,581
Travel	209,187	233,791
Total	23,533,006	22,015,054

The trend for UK grid electricity decarbonization has continued with the latest emission factors published in 2019 with a 10% drop compared to 2018 and 49% since 2014. As electricity accounts for 9% of Scope 1, 2 and 3 emissions, this external factor has a considerable impact on the overall carbon footprint.

Chart 2: UK Grid Electricity Carbon Emissions Intensity



6 Recommendations

The greenhouse gas emissions presented in this report were calculated on the basis of available data and a number of deficiencies with regards to accuracy and completeness have been identified. A particular focus for improvement should be the facilities energy data, which should be based on direct meter readings, rather than relying on estimated billing data. Similarly, for scope 3 travel emissions, accurately recording all mileage for private cars would reduce the level of uncertainty in this area.

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Supporting data: See Mears - CT Org Footprinting Tool v3.1 - 2

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