Aker Systems Limited - Carbon Footprint Statement and Carbon Reduction Plan

About Us

Aker Systems is a technology company specialising in developing and providing advanced data security and encryption solutions. Our primary focus lies in creating robust security infrastructure for data storage and transmission, particularly catering to organisations that handle sensitive information.

At Aker Systems, we emphasise leveraging cutting-edge technology and innovation to ensure the highest levels of data protection, addressing the evolving challenges in cybersecurity.

Our solutions are typically employed in industries where data confidentiality and integrity are paramount, such as finance, healthcare, and government sectors. By offering a range of products and services, including secure cloud storage, encrypted communication tools, and cybersecurity consultancy, we play a crucial role in safeguarding digital information in an increasingly connected world.

Commitment to Achieving Net Zero

Aker Systems Limited is committed to achieving Net Zero emissions by 2050. Furthermore, through our Carbon Reduction Plan we are targeted to achieve Net Zero emissions by 2042.

Scope 1 emissions (direct emissions at site or from company owned or operated assets) represent 51% of our total in-scope emissions. Therefore, achieving the 2050 target will mostly require us to upgrade the gas boilers to boilers that use renewable energy sources. Further improvements across the three emission scopes will come about as a matter of course (via UK Government targets and requirements, evolution of industries, new regulations etc.) and will require active engagement by us with our suppliers and staff as well as development of supply chain and operational policy.

Since the baseline year 2020-21, we have made strides towards the implementation and development of various carbon reduction activities, and we are confident that we can achieve business growth without the same subsequent increase in our emissions.

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.

<table>
<tr><td colspan="2">Baseline Year: 1st June 2020- 31st May 2021</td></tr>
<tr><td colspan="2">Additional Details relating to the Baseline Emissions calculations.</td></tr>
<tr><td colspan="2">We have made a comprehensive audit of the included scope emissions from this baseline year in order to get a full impression of business as usual. Our projections are based on growth of the business which are reflected in our Business-As-Usual CO_2 emissions. We have made these calculations based on our Operational Control over our emissions.</td></tr>
<tr><td colspan="2">Baseline year emissions: 1st June 2020- 31st May 2021</td></tr>
<tr><td>EMISSIONS</td><td>TOTAL (tCO_2e)</td></tr>
<tr><td>Scope 1</td><td>2.99 (Includes emissions from homeworking due to a low office presence)</td></tr>
<tr><td>Scope 2</td><td>1.61</td></tr>
<tr><td>Scope 3
(Included Sources)</td><td>8.27
This includes the following sources which are within the inclusion categories for Scope 3:
Waste Generated in Operations
Business Travel
Employee Commuting
Note: Upstream Transportation and Distribution, and Downstream Transportation and Distribution were deemed inapplicable to Aker Systems' Operations.</td></tr>
<tr><td>Total Emissions</td><td>12.87 (tCO_2e)</td></tr>
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Current Emissions Reporting

Reporting Year: 1st June 2022- 31st May 2023	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	**106.37 (Includes emissions from homeworking due to a low office presence)**
Scope 2	**14.53 (Includes emissions from homeworking due to a low office presence)**
Scope 3 **(Included Sources)**	**88.57** **This includes the following sources which are within the inclusion categories for Scope 3:** • **Waste Generated in Operations** • **Business Travel** • **Employee Commuting** • **Upstream transportation and Distribution** • **Downstream Transportation and Distribution**
Total Emissions	**209.47 (tCO_2e)**

Emissions Reduction Targets

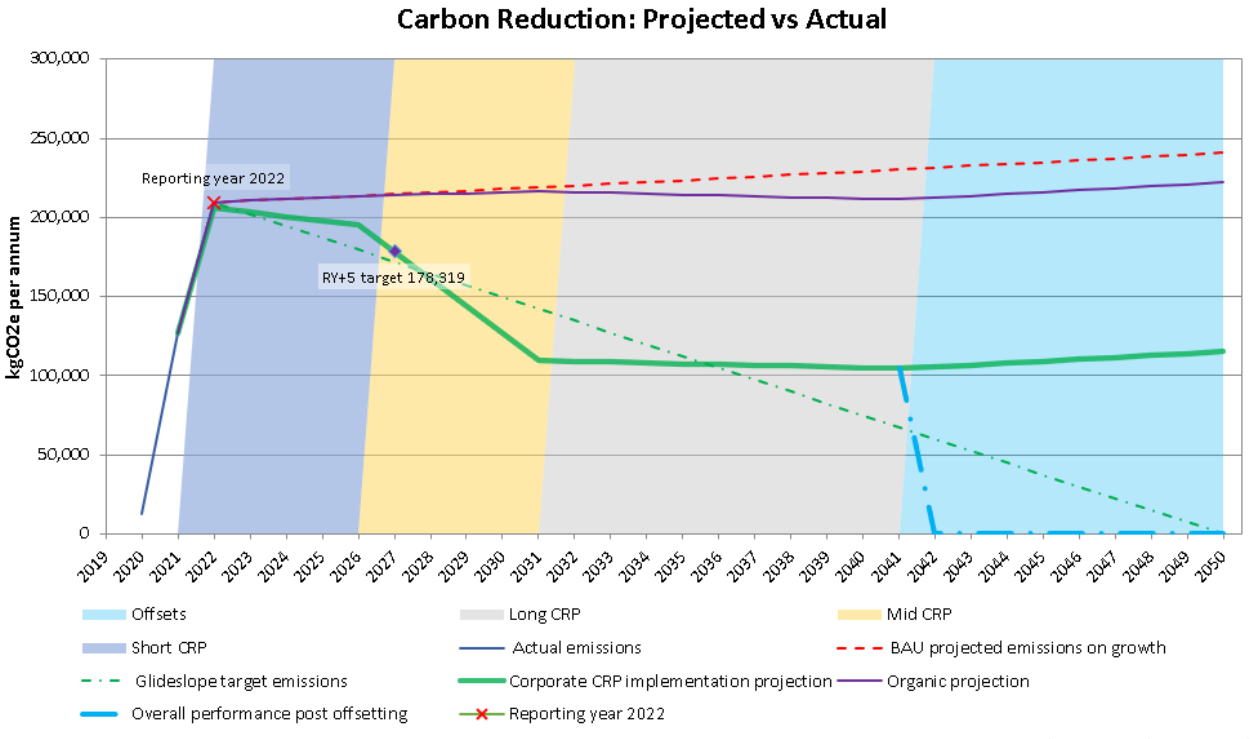
In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that our Business As Usual (BAU) carbon emissions will increase over the next five years to 214.76 tCO_2e by FY 2027-28. This is a 2.5% increase in our BAU emissions due to the growth of our business.

Our current strategy is to make emissions reductions via a 3-stage CRP and concluding with zero emissions by 2050 at the latest. It is our current intention to practicably minimise all emissions by 2042. From that point we aim to offset all residual emissions such that our carbon footprint defined by this PPN is zero from 2042 through to 2050.

Therefore, with taking our reduction actions into consideration, we project that carbon emissions will decrease over the next 5 years to 178.32 tCO_2e in 2027-28. This is a reduction of 17% against BAU.

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

The following environmental management measures and projects have been completed or implemented since the 2020-2021 baseline:

- We have reduced our office space by exiting Bedfont Lakes and consolidating office space within Lunar House and Regus Office.
- We have implemented a travel policy, in which any travel spend over £75 must be approved by a senior manager. This is because we are a remote company with employees across the UK, and doing this ensures that our annual employee kick-off does not have a considerable impact on our carbon reduction actions.

In addition, by conducting this PPN 06/21 annually, we are able to understand where our emissions hotspots are and how to counteract these.

In the future we plan to implement further measures such as:

- **Carry out site audit and implement all viable energy saving opportunities, corporate, short-term**

Implementing energy-saving measures following a thorough site audit significantly reduces emissions, contributing to environmental sustainability. This approach will also lead to substantial cost savings and enhance our reputation for our commitment to green practices.

- **Carry out delivery consolidation actions on all items delivered to site, corporate, short-term**

Consolidating deliveries into fewer, larger shipments can significantly reduce emissions by minimising the number of trips required, thereby contributing to more efficient and environmentally friendly logistics operations.

- **Recycle electronic waste, corporate, mid-term**

Recycling electronic waste, by incentivising staff to do so, will reduce emissions from waste. It is possible to implement this by establishing a comprehensive e-waste recycling program that offers rewards or recognition to employees who actively participate in recycling their electronic devices.

- **Reduce the use of paper across entire business, corporate, short-term**

Transitioning to digital solutions and minimising paper usage across the business can lead to a substantial reduction in emissions, stemming from decreased demand for paper production, transportation, and waste processing.

- **Reduce purchases with plastic wrapping, corporate, short-term**

Purchasing products with less plastic wrapping reduces environmental pollution and waste, contributing to a healthier ecosystem and promoting sustainable consumption practices.

- **A reduction in business travel emissions by not using own car but cycling/walking/carpooling, corporate, short-term**

To reduce commuting emissions, we can encourage employees to cycle, walk, or carpool instead of using their own cars, possibly through incentives or organised carpooling systems.

- **Reduction of business flights through e-meetings and other collaborative solutions**

Encouraging the use of electronic meetings and collaborative online tools can significantly decrease the necessity for business travel, particularly air travel, thereby effectively reducing the carbon footprint associated with employee flights.

- **Reduction of business train travel, corporate, short-term**

By leveraging online meeting platforms, a business can significantly reduce travel-related emissions, as virtual meetings eliminate the need for physical transportation.

- **A reduction in business travel emissions by use of public transport instead of taxis / cars or by switching to electric, corporate, short-term**

To reduce business travel emissions, employees could be encouraged to use public transport or electric vehicles for business travel. This could be done by educating staff about the environmental benefits and available infrastructure for these choices.

- **Green commuting policies including car share programmes, working from home, awareness training etc, corporate, short-term**

This can be done by introducing car-sharing programmes and encourage working from home, effectively reducing the carbon footprint associated with employee travel. Additionally, offering awareness training on sustainable commuting options can foster a culture of environmental responsibility in the short term. Doing this will reduce emissions associated with commuting.

- **Decarbonise all heating assets with heat pumps, solar heating, IR heating etc, corporate, mid-term.**

In the mid-term, it is possible to decarbonise heating assets by investing in technologies like heat pumps, solar heating, and infrared heating systems, which offer cleaner, more sustainable alternatives to traditional heating methods. This transition not only aligns with corporate environmental goals but also reduces long-term energy costs and contributes to a greener corporate footprint.

- **Purchase all electricity from renewable sources, corporate, mid-term**

We will aim to switch all electricity tariffs to green tariffs with 100% REGO backed renewable electricity, to reduce emissions from purchased electricity.

- **Domestic energy efficiency behavioural change, corporate, mid-term**

Introducing domestic energy efficiency behaviour change can lead to significant reductions in utility costs for employees and a lower carbon footprint. This can be achieved by educating staff members about energy-saving practices, incentivising efficient behaviours, etc.

- **Haulage/Delivery Companies move towards zero-emissions vehicles, external, mid-term**

The shift of haulage and delivery companies towards zero-emissions vehicles is poised to significantly reduce environmental pollution and contribute to a more sustainable transportation sector, consequently reducing emissions without internal changes to a company.

- **Reduction in carbon emissions of public transport (business travel), external, long-term**

It is expected that the public transport systems will become greener (e.g. more electric buses) and therefore utilising this for business travel will consequently reduce Aker Systems' emissions over time.

- **Reduction in carbon emissions of public transport (commuting), external, long-term**

Encouraging employees to use public transport for commuting will increasingly reduce the company's carbon footprint over time, as public transport systems become more environmentally friendly.

- **Reduction in carbon content of national grid electricity, external, long-term**

As the power grid becomes greener over time, with a higher incorporation of renewable energy sources, businesses will automatically experience a reduction in their carbon emissions simply by drawing power from this cleaner grid. This shift means that without additional efforts, companies will contribute less to environmental pollution, aligning them more closely with sustainable energy practices.

We also anticipate some changes in UK industry which will help us to reduce our carbon footprint:

- Improvements in municipal waste management systems

Furthermore, in future we aim to improve our carbon emissions monitoring and to undertake a full carbon footprint assessment.

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[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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[3].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed……  ……..

Name……Darren Thomas……

Position……CEO……

Date: ……6th January 2024…….

[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard