Greenhouse Gas (GHG) Reporting Methodology Statement – FY22/23

Reporting Period

Emissions are reported for the year ended 31 March 2023 (FY23).

Reporting Boundary

Financial Control Approach – Mitie reports any emissions from its operations for which it has the ability to directly influence financial and operating policies to gain economic benefit. This is restricted to the UK, Ireland, Spain and overseas Defence estates, where we have full financial control over our operations.

Greenhouse Gases Reported

All greenhouse gas emissions are reported in tonnes of carbon dioxide equivalent (tCO2e) to account for all six of the Kyoto Protocol GHG's.

Emissions Factors

Mitie has applied the UK Government's greenhouse gas reporting conversion factors for 2022.

Science Based Target Validation

Mitie has a validated science-based target for its near-term, long-term, and net zero targets against the SBTi net-zero criteria and criteria (version 5).

Baseline Year

Mitie's baseline year was set at FY20 when the Plan Zero strategy was launched. However, in FY23 we are reporting our full Scope 3 inventory including our supply chain for the first time. Therefore, FY22 has been introduced as a new baseline in line with our Energy Review Methodology procedure which will be 1st April 2021 to 31st March 2022. Our new carbon targets are listed below.

	New baseline	Actual			
Carbon Targets tCO2e	FY22	FY23	FY24	FY25	FY26
Scope 1 & 2	20,596	22,439	16,900	12,775	8,400
Scope 3	332,035	300,114	296,507	275,752	253,692
Total	**352,631**	**322,553**	**313,407**	**288,527**	**262,092**

Intensity ratio

Mitie uses tCO2e/£m revenue as its intensity ratio to compare its emissions over time as it normalises for changes in the scale of Mitie's business activities.

Inclusions

In FY23 Mitie has recorded Supply Chain emissions for the first time and increased our commuting emissions to cover the entire company, adding 292,516 tonnes of carbon to our total.

Exclusions

Mitie does not report fugitive emissions (refrigerant leakage) from refrigeration and air conditioning systems in leased properties or fleet. This is due to the difficulty in obtaining centralised data on refrigerant top-ups and the fact a majority of our buildings are now out of scope as landlords manage the HVAC systems. Given the size and types of emission sources listed by Mitie, fugitive emissions are expected to be a very small proportion of total emissions and are therefore considered immaterial.

Scope of Reported Emissions

Scope 1 – Direct Emissions	Scope 2 – Indirect Emissions
On-site fuel combustion Gas directly purchased for heating or generation across leased property managed by Mitie. **Company vehicles** Fuel purchased for fleet vehicles. **Fugitive emissions**[1] Refrigerant leaks from air-conditioning (RAC) equipment in leased assets and fleet vehicles.	**Purchased electricity** Electricity directly purchased across leased property and EVs managed by Mitie.

Scope 3 – Other Indirect Emissions
Purchased goods and services Purchased goods and services from supply chain. **Fuel and energy related activities** Electricity transmission and distribution(T&D) losses Upstream emissions associated with the extraction of purchased fuels and gas. Gas and electricity recharges across leased property managed by the Landlord. **Upstream transportation & distribution** Transportation of goods **Waste** Waste generation across leased property. **Water** Water usage across leased property. **Business travel** Expensed air, road, and rail travel (inc. hotel stays). **Employee commuting** Commuting (all forms of transport) Working from home

[1] Fugitive emissions are not reported as outlined in the exclusions statement

Process

Mitie follows the reporting approach set out in the UK Government's Environmental Reporting Guidance (2019 version) to ensure that reporting standards are robust and transparent.

For most of its major emissions sources Mitie uses primary data from AMR meter readings, utility bills, service charge data and expensed claims. Emissions data is collated centrally by Mitie Energy on a quarterly basis and then restated at the end of the year to reflect any changes or to replace any estimated data with actual data (where available). Emissions figures are verified by the ESG team who have overall responsibility for ensuring the calculations and methodology are correct.

Mitie obtained independent verification on the accuracy of selected information included in Mitie's FY23 GHG emissions and water consumption datasets, in accordance with (1) ISO 14064-1 Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, and (2) Global Reporting Initiative's (GRI), G4 Sustainability Reporting Guidelines.

Data sources

Scope 1 and 2	
Gas & Electricity Consumption	Information is populated from AMR readings, invoiced data, service charge data and estimates. AMR data has priority, followed by the supplier or service charge data. If none of this is available, then an estimate will be generated based on all data for other sites. This is used to calculate an average kWh/m^2 for the Mitie estate, and the estimate is this average multiplied by the floor area for the site in question. For sites where, in addition to a direct supply, there is also a service charge for energy use within the communal areas, the figures are added together. For sites where invoiced data is only available for a partial period, the data has been apportioned based on the average kWh/day for each site, based on the billing data that is held. Unless advised otherwise by property, sites are assumed to have all supplies in place. This information is taken from the Mitie Property Master Site List, which is updated in real time. Data is obtained from the data collector for HH/AMR data, the SR180 export from Optima for invoiced data, and directly from the landlords for service charge data.
Company Vehicles	Data is provided by Mitie's fuel card provider, and users then submit their monthly business and personal mileage via our Fleet Data Platform. As personal mileage must not be included within the report, we have undertaken a check of the data, comparing total business miles and total personal miles, and agreeing that the percentage split is 77% of consumption is for business purposes. Within the raw datasets is the 100% figure, and this split is then calculated within the Consumption and Environmental tabs. This ensures that the raw data within the report matches the files received from the Fleet team.
Scope 3	
Purchased Goods & Services	These emissions are calculated from 60% of our supply chain category spend which comprises around 370 suppliers. The remaining 40% is extrapolated. Mitie engages directly with our supply chain to obtain carbon emissions or consumption data to apply to their carbon inventory. This is the first year Mitie has reporting against this category.
Business Travel	Business travel (Air, Rail and Hotel Stays) is provided by our Corporate Travel Provider in a report from their dashboard.

Upstream Transportation & Distribution	Emissions calculated from the delivery and transportation of goods to Mitie run facilities including our own estate and customer contract premises.
Fuel and Energy Related Activities	Scope 1 and 2 data is used and DEFRA emissions factors for Scope 3 are then applied. Landlord recharge data is calculated from service charge bills or estimated from an anticipated energy use per square meter. This is calculated using actual billing data received.
Waste	Waste data is collated by our waste management provider This data is obtained from a detailed set of scenarios to ensure that we capture not only the material that MWE collects but also more detailed information on the landlord sites. The data we have is therefore split into four scenarios – 1. Sites where Mitie Waste provide all the services (general waste, dry mixed recycling, confidential paper, food) – so we have a complete picture of the waste types / volumes and headcount. This data is used as the basis for the other scenarios as it shows all waste streams, and we can then apportion the waste stream by type by headcount. This can then be used for the landlord sites. 2. Sites where Mitie waste provide some of the services and some are provided by the landlord. For example, we provide confidential paper, but the landlord provides general waste, dry mixed recycling, and food. For these sites we use the actual data from the services we provide and then we do an apportionment for the services we do not cover based upon the kg / person we have for the sites in scenario 1. 3. Sites which have all the services provided by the landlord, but we know which waste streams they collect. The data for these sites is based upon the headcount for those buildings and the data from scenario 1 so we make an apportionment based upon this (similar to scenario 2). 4. Sites which have all the services provided by the landlord, but we do not know which waste streams they collect currently. For this set of sites, we use a general waste figure only and report this as landfill. There has been communication with all for these new sites (ex Interserve buildings) to ascertain what services are provided and if the waste is landfill or EfW. After this has been provided, we will then be able to move these sites into scenario 3.
Water	Utility bills are verified through our internal bureau service. Any billing data is cross referenced against meter read data where available. Service charge bills are used for buildings where the landlord recharges utilities.
Employee Commuting	A commuting survey is undertaken annually to establish commuting patterns and also incorporating working from home emissions. Commuting emissions have been expanded to the whole company as part of our science-based target submission and will significantly increase in this year.

Estimations

Where leased building utility data is unavailable, estimations are made using an anticipated energy use per square meter. This is calculated using a combination of half hourly meters and actual billing data received across the estate. For sites where invoice data is only available for a partial period, the available data is apportioned using an average kWh/day figure based on known utility data from other sites. Waste data is estimated using an average waste per desk figure based on actual data we receive.