

TKMS

CARBON REDUCTION PLAN

AEUK/2022/1079 / V4

21 MARCH 2025

PPN-0621

SUPPLIER NAME: TKMS ATLAS UK



Cabinet Office

ATLAS UK

CONTROL

RELEASE

ACTION	NAME	ROLE	DATE
Prepared by	Graham Attwood	Head of Production & Infrastructure	30 March 2022
Authorised by	Antoni Mazur	Managing Director	30 March 2022

CHANGE HISTORY

VERSION	DATE	CHANGE DETAILS
V1	30 March 2022	First Published Issue
V2	31 March 2023	Second Published Issue
V3	28 March 2024	Third Published Issue
V4	21 March 2025	Fourth Published Issue

COMMITMENT TO ACHIEVING NET ZERO

TKMS ATLAS UK remains committed to achieving Net Zero¹ emissions by 2045 exceeding the requirement as defined by Procurement Policy Note 06/21.

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: OCTOBER 2020 TO SEPTEMBER 2021 (TKMS ATLAS UK FINANCIAL YEAR)

ADDITIONAL DETAILS RELATING TO THE BASELINE EMISSIONS CALCULATIONS

We have chosen to use our financial year of 2020/2021 as our baseline as being the most representative data set against which to measure our reductions going forward but we may re-assess this in the future. TKMS ATLAS UK is a growing business which resulted in an increase to our actual emissions in 2022 and 2023, however due to the wide range of initiatives we have implemented in the previous years we have seen a reduction in actual emissions for 2024. This is also reflective in the intensity ratios (table 4) where we have reduced our emissions by headcount and turnover year on year since the baseline data. The previous and planned measures continue to have a positive impact in our journey to Net Zero and shows our commitment to achieving these targets. Compass House came online at the end of 2024, and emissions data will be collected during the next FY. This may result in a re-baseline of the emissions footprint to take into account the increased square footage of our premises. The intensity ratios will also be updated in the 24/25 report to reflect this.

TKMS ATLAS UK first published its baseline emissions in March 2022 having evaluated our Scope 1 (direct energy) and Scope 2 (indirect energy) emissions with good data sources for these and having followed Streamlined Energy and Carbon Reporting (SECR) practices.

For Scope 3 (indirect upstream and downstream) emissions we have assessed our boundaries and have prioritised Categories 4, 5, 6, 7 and 9 for evaluation and data for these are included in the baseline reported here. We have followed Greenhouse Gas (GHG) Protocols in assessing these and used UK Government sourced emissions factors wherever possible to determine the baseline emissions for these categories. In accordance with GHG protocols, we have used a variety of methods as appropriate to estimate emissions. As shown below, this has enabled us to scope these emissions and assess their significance for reduction and further assessment. As more optimised methods are implemented this may also allow us to revise previous estimates to increase their accuracy where needed.

Additionally, since the first publication of our Carbon Reduction Plan (CRP), we have undertaken annual independent verification assessments of our emissions for each financial year. This has confirmed the validity of our calculations and assumptions..

¹. Net zero is defined as offsetting the amount of greenhouse gas generated as a business by reduction of avoidable emissions and offsetting of unavoidable emissions to the equivalent figure.

BASELINE YEAR EMISSIONS (2020-2021 FY):

EMISSIONS	TOTAL (tCO₂E)
Scope 1	268 (was 255)
Scope 2	459 (was 432)
Scope 3 (Included sources)	2,671 (was previously 2,582, increased after more accurate assessment of categories 4 & 7) (Categories 4, 5, 6, 7, & 9 only)
Categories 4 & 9 – Upstream Transportation & Distribution	507
Category 5 – Waste generated in Operations	93
Category 6 – Business Travel	500
Category 7 – Employee Commuting	1,571 (was 900)
Category 9 – Downstream Transportation & Distribution	0
(Note for TKMS ATLAS UK Category 9 is included within Category 4 in accordance with GHG Protocols)	
Total	2,671 (was 2,000)
Total emissions	3,397 (was 2,687)

Table 1. Carbon emissions for baseline year (previous figures shown in brackets).

We have also calculated our carbon emissions for our financial year October 2023 to September 2024. These are shown in the table below.

REPORTING YEAR: SEPTEMBER 2023 TO OCTOBER 2024	
DATA ARE PROVIDED BELOW FOR THE REPORTING PERIOD	
EMISSIONS	TOTAL (tCO₂E)
Scope 1	108
Scope 2	506
Scope 3 (Included sources)	2541 (Categories 4, 5, 6, 7, & 9 only)
	Categories 4 & 9 – Upstream Transportation & Distribution 108
	Category 5 – Waste generated in Operations 21
	Category 6 – Business Travel 1163
	Category 7 – Employee Commuting 939
	Category 9 – Downstream Transportation & Distribution 311
	(Note for TKMS ATLAS UK Category 9 is included within Category 4 in accordance with GHG Protocols)
Total	2541
Total emissions	3156

Table 3. Carbon emissions for financial year 2023/24.

Table 4 below shows our emissions expressed as intensity ratios based on turnover and headcount for the baseline year and each FY since.

YEAR	2020/21	2021/22	2022/23
Turnover £M	87.6	103.9	118.0
Headcount	466.0	499.0	556
CRP related emissions tonne CO ₂ e	3,397.9	3,278.5	3336
CRP emissions/headcount	7.3	6.6	6
CRP emissions/turnover	38.8	31.6	28.3

Table 4. Intensity Ratios based on carbon emissions.

This shows a consistent trend in emissions reduction per unit of measure. While this analysis is not a replacement for quantified carbon emission reductions, it is useful in putting TKMS ATLAS UK's operational circumstances into context. It is also acknowledged that TKMS ATLAS UK footprint has increased significantly since the baseline emissions were calculated and intensity ratios developed. For future carbon reduction plans, an additional intensity ratio of CRP/Square Meterage will be shown. This is considered a consistent measure based on a now fixed footprint. This data is unavailable in this report as insufficient data has been collected on Compass House energy usage to date.

Data on headcount and turnover for 23/24 will not be available until May 25, due to the financial auditing process, hence being excluded from this report.

EMISSIONS REDUCTION TARGETS

In order to continue our progress to achieving Net Zero as defined under PPN 06/21, we have adopted the following carbon reduction targets:

- ◆ TKMS ATLAS UK is committed to achieve net zero emissions in Scopes 1 & 2
- ◆ by 2040 TKMS ATLAS UK is committed to achieving net zero in Scope 3 emissions by 2045 latest

TKMS ATLAS UK PROJECTED CARBON EMISSIONS

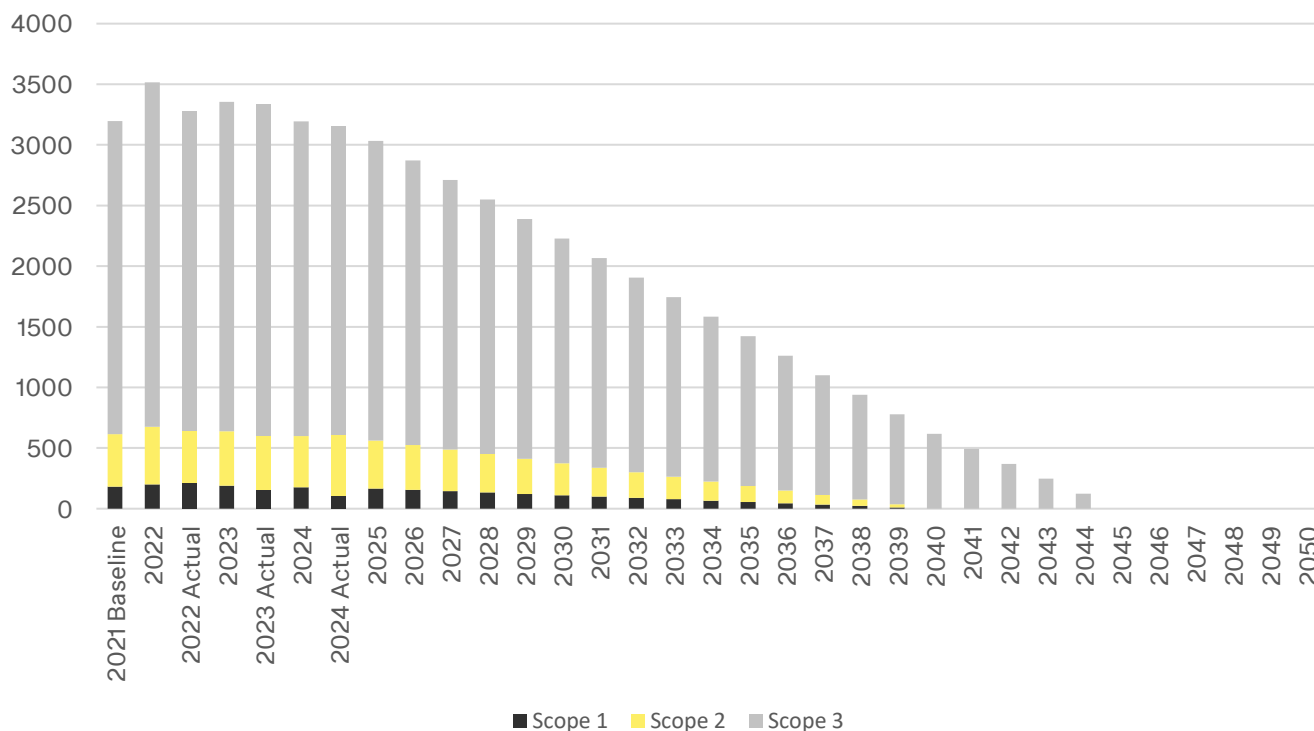


Figure 1. Projected and Actual TKMS ATLAS UK Carbon Emissions.

As we are a growing business, we project that our total carbon emissions may increase in the next few years relative to our baseline year before starting to decrease as specific measures start to take effect. We have seen a reduction in emissions for 23/24 as shown in the figure above, but we expect 24/25 to increase due to Compass House coming online.

We do not expect to revise our forecast emissions significantly now that we have determined our applicable Scope 3 emissions in full as these are by far the most dominant area of our overall CO₂e emissions.

Please refer to the following section for further details on our strategy to deliver net zero operation. We will update the above plan with actual progress in due course with a re-issue at least annually.

CARBON REDUCTION PROJECTS

OPERATIONAL CONTEXT

ATLAS ELEKTRONIKUK (TKMS ATLAS UK) is a progressive and successful business which strives to be at the leading edge of business operation as well as technology solutions. As such we have forward thinking strategies on supporting and developing our people, working with our supply chain, and improving our stewardship of the environment. First steps on the latter were taken in 2007 when we gained ISO 14001 Environmental Management accreditation (cert reference EMS 510591) followed by the establishment of our Energy Management Team (EMT) and accreditation to ISO 50001 Energy Management (cert reference ENMS 783887) in 2015. Our accreditation against ISO standards is subject to regular and ongoing independent audit and we have maintained certification against both standards continually. We are also compliant with the Energy Savings Opportunities Scheme (ESOS), mandated by the UK government, and carry out ESOS audits as part of this scheme annually.

As a business which has consistently grown since 2009, the EMT has helped TKMS ATLAS UK use its energy more effectively and reduce the energy consumption per employee that would otherwise have occurred by around 40%.

The following sections outline our progress prior to the introduction of PPN 06/21, initiatives implemented since, and our overall strategy to deliver net zero operation for TKMS ATLAS UK ahead of the UK target of 2050.

COMPLETED CARBON REDUCTION INITIATIVES

The following environmental management measures and projects have been completed since 2014 but before the 2020/21 baseline and so these do not contribute to our forward carbon reduction measures:

- ◆ Replacement of all lighting in our main building with LED fittings;
- ◆ Installation of sensors to reduce water usage in kitchens and bathrooms;
- ◆ Electricity sourced via 100% renewables or nuclear;
- ◆ Awareness campaigns to employees and visitors on our strategy and CO2 emission reductions coupled with mandatory training modules for all staff on energy and environment;
- ◆ Improvements in insulation on large areas of our building structures;
- ◆ Improvements in our Building Management System for controlling energy and heating;
- ◆ Installation of four charging points for electric/hybrid vehicles;
- ◆ Replacement of plastics wherever possible with sustainable alternatives, e.g. our in-house restaurant uses minimal disposable containers, and those used are either 100% recyclable or compostable;
- ◆ Minimisation of waste to landfill and maximisation of waste to recycling waste streams;
- ◆ Our main production facility (Horizon Building) was designed and delivered in compliance with ISO 50001 Energy Management requirements;
- ◆ Continued replacement of a high proportion of our aging and inefficient air conditioning systems and boilers with modern more efficient systems.

NET ZERO STRATEGY

Building on the progress achieved through the EMT, we are fully committed to achieving net zero by 2045 and have established a team with support from the TKMS ATLAS UK Board to deliver this. This strategy is by necessity embryonic but will grow and evolve through the following:

- ◆ PHASE 1 – Discovery, exploration, and initial implementation (five years or less, currently in year 4). This is predominantly focussed on infrastructure and operational changes;
- ◆ PHASE 2 – Transformation (less than 20 years). This is predominantly focussed on technology led changes and has started in parallel with Phase 1.

PHASE 1

Phase 1 is targeting identification and implementation of viable initial carbon reduction and potential offset actions that can be achieved by the end of the current decade. Progress achieved in the last year comprises the following:

Understanding TKMS ATLAS UK's carbon emissions:

- ◆ Full independent verification of our GHG inventory under Scopes 1, 2, and all applicable Scope 3 categories has been verified according to ISO 14064-3 by an independent assessor.
- ◆ Further engagement with the top 60 suppliers from our supply chain to support them on their decarbonisation journey and ensure continuing alignment with our objectives;
- ◆ Further engagement with suppliers that we have identified as being critical to our forward plans and establishment of quarterly business reviews with these parties to share and monitor progress;
- ◆ Engagement with wider stakeholders and industry forums for collaborative working.

Carbon Reduction initiatives:

- ◆ Progress on detailed decarbonisation action plans targeting our priority areas of Supply Chain and Products and aligned with our current Sustainability Charter;
- ◆ Our energy supply contracts were switched to fully non-fossil fuel-based supplies in July 2023, certifiable from November 2023. No reduction has been made on emissions for FY 2022/23 in connection with this, however, reductions will be applied in subsequent financial years;
- ◆ We have assessed the viability of solar power at our main site as following completion of previous infrastructure initiatives the roof of our main building is now a suitable location for a significant solar array. A feasibility study has been commissioned to confirm projected emissions and cost savings before developing the final business case. Additionally, we are evaluating the suitability of other areas of our site for solar power installations including the potential use of solar carports in our car parks. This task has been brought forward from Phase 2;
- ◆ We have conducted thermal surveys of the buildings on our sites assessing energy loss, effectiveness of insulation, and potential water ingress. This has confirmed no major deficiencies with our real estate and effective energy loss measures via insulation;
- ◆ We have introduced fully electric vehicles to around a third of our company pool of cars, this is planned to increase further in the future;
- ◆ Installation of 28 further electric vehicle charging points;
- ◆ All Senior Management Team company cars have been switched to fully electric vehicles;
- ◆ We have updated our company scheme supporting staff with leasing electric vehicles on a long-term basis for personal use and rolled out a scheme in conjunction with Octopus Electric Vehicles. We already have 27 vehicles on the road with further orders in place;

- ◆ Personnel are attending industry conferences and collaborative working groups to continue to improve our own understanding of net zero and how the industry is adapting;
- ◆ Engagement with our customers and suppliers to develop meaningful conversations regarding how we can collaborate to meet our individual net zero targets. Hellios launched their JOSCAR ESG analysis tool this year which has allowed us to have more objective and productive supplier engagement on ESG maturity and action plans;
- ◆ We have joined the JOSCAR Zero buyer community as a founder member to accelerate the capture of supplier derived emissions data and to progress from spend-based estimated calculations.
- ◆ Implementation of ISO 50001 principles to our new Compass House building complex including restaurant, warehouse, offices and meeting rooms which completed August 2024. Measures incorporated include heating solutions with reduced environmental impact (e.g. Air Source Heat Pump) with zero usage of natural gas, increased insulation options, and inclusion of solar power generation from panels on the roof;
- ◆ Creation of a company-wide Technology Repository for the capture of potential technologies as future carbon reduction solutions and facilitating easy access for information sharing;
- ◆ Ongoing endorsement by TKMS ATLAS UK's Board of our overarching net zero strategy and ESG strategy and communicated to our employees via briefings by our Managing Director.
- ◆ Creation of an ESG steering committee, lead by our Business Development Director. Under this steering committee leads have been identified for each of the pillars, and the environmental pillar now encompasses all aspects of energy saving, emissions targets and reporting, net zero targets and sustainability. This ensures alignment of all environmental objectives and efficiencies realised in the management of each team. The generation of this committee further cements the boards commitment to meeting the net zero targets.
- ◆ High level overview of ESG steering group to employees at the annual briefing;
- ◆ Engineering and project lifecycle reviews have been updated to incorporate specific environmental related questions to ensure commitment and consideration of emissions from early stages of a project.
- ◆ Upgraded video conference facilities to promote digital collaboration and less physical travel;
- ◆ Supported energy saving initiatives as part of social value responses to future bids;
- ◆ Management of our new restaurant by a contractor committed to netzero targets; including use of recyclable and compostable containers, monitoring of carbon footprint associated with their menus, minimising food waste and working with sustainable supply chain;

The above list is not exhaustive and there are other ongoing activities in Phase 1 which will be covered in subsequent issues of this Carbon Reduction Plan.

PHASE 2

Phase 2 will cover substantive programmes and changes to reduce our carbon emissions down to the required target levels.

In the future we will evaluate for implementation further measures such as:

- ◆ Replacement of natural gas fuelled systems in our buildings with suitable alternatives;
- ◆ Full replacement of fossil fuelled company vehicles with fully electric vehicles;
- ◆ Extended working with our supply chain to help them understand and reduce the emissions that feed into our products and services;
- ◆ Evolve our product development and support strategies to integrate new neutral energy sources and carbon saving measures;
- ◆ Reducing business travel as much as practical or undertaking via environmentally neutral energy solutions coupled with adapting our business travel guidelines;
- ◆ We will explore options to compensate for unavoidable emissions;

- ◆ Engagement with our parent organisations to build on their established commitment to, and evaluation by, the Science Based Targets Initiative;
- ◆ Maintaining and improving our environmental management systems such as ISO 14001 Environmental Management and ISO 50001 Energy Management, increasing our focus on Sustainability and maintaining compliance of our emissions calculations with ISO 14064-3;
- ◆ Continuously reviewing our processes for improvement and opportunities for reduction of carbon emissions.

The above measures demonstrate our commitment to achieving our net zero targets and providing transparency of our activities and progress.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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

SIGNED ON BEHALF OF ATLAS ELEKTRONIK UK:



Antoni Mazur
Managing Director

Date: 21st March 2025

¹ ghgprotocol.org/corporate-standard

² gov.uk/government/collections/government-conversion-factors-for-company-reporting

³ ghgprotocol.org/standards/scope-3-standard

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