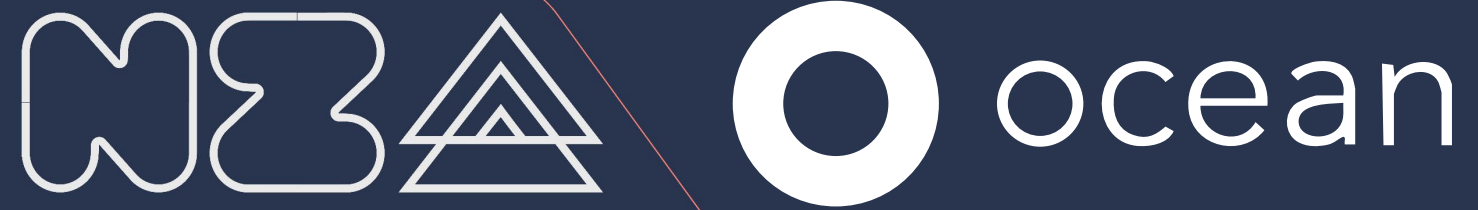**NET ZERO** ADVISORY

Title: Ocean FY 23/24 Carbon Inventory

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P01	For review	01/08/2025	Initial issue

Executive Summary

Ocean Property Services' total GHG emissions for 2023/24 are estimated at **612.4 tCO₂e**, up from 546.8 tCO₂e in 2023/24 – a **12% increase** year-on-year. This change reflects both real shifts in activity and improved data quality in certain areas.

This update follows the same **Greenhouse Gas (GHG) Protocol** methodology used in the 2022/23 baseline report (23011-NZA-XX-XX-RP-X-0001). The table to the right summarises the key emission categories, changes from the previous year, and percentage variance:

Key Changes

- **Employee Commuting** – The largest absolute increase, rising by 121%. This is driven by a significant rise in reported commuting distances and changes in commuting patterns, combined with improved data collection methods.

- **Purchased Goods and Services** – Emissions decreased by 11.4%, despite similar total spend, suggesting more spend in lower-carbon-intensive sectors.

- **Company Fleet** – While relatively small in absolute terms, Scope 1 fleet emissions rose by 35.9% and Scope 2 (location-based) by 46.8%, linked to increased petrol-based pool car use despite a shift to battery EVs.

- **Building Energy Use** – Minimal change in gas (-6.0%) and electricity (-0.2%) consumption, reflecting relatively stable operational patterns.

While data gaps remain in some areas, NZA has applied reasonable assumptions to ensure a consistent comparison with previous years. Improvements in data quality mean some of the changes reflect better reporting rather than purely operational shifts. Looking ahead, Ocean can use these insights to target reductions in the highest-impact areas, such as employee commuting and fleet emissions, while continuing to improve procurement data and building energy efficiency.

The following pages provide a breakdown of Ocean's emissions categroised in the three key themes – **Estate**, **Travel & Transport**, and **Supply Chain** - with recommendations to guide action in the coming year.

| Emissions Category	Scope	2023-24 (tCO2e)	2024-25 (tCO2e)	Variance (tCO2e)	Variance
Building gas consumption	Scope 1	35.5	33.3	-2.1	**-6.0%**
Company fleet	Scope 1	12.3	16.7	4.4	**+35.9%**
Fugitive emissions (refrigerants)	Scope 1	0.0	0.0	0.0	-
Building electricity consumption (location-based)	Scope 2	34.0	34.1	0.1	**-0.2%**
Company fleet (location-based)	Scope 2	1.8	2.6	0.8	**+46.8%**
Purchased goods and services	Scope 3	355.8	315.2	-40.6	**-11.4%**
Fuel- and Energy-Related Activities (FERA) not included in Scope 1 or 2	Scope 3	22.2	22.1	-0.1	**-0.5%**
Waste generated in operations	Scope 3	0.0	0.0	0.0	**+0.3%**
Employee commuting	Scope 3	85.2	188.4	103.2	**+121.1%**
Total Emissions		**546.8**	**612.4**	**65.7**	**12.0%**

Estate Emissions

Ocean's estate is one of three key themes in Ocean's emissions profile. For FY 2023/24, estate emissions were 89.6 tCO_2e, down from 91.8 tCO_2e in the previous year. This represents 14.6% of total emissions and includes:

- **Building energy use** – Gas and electricity consumption, including Scope 3 emissions associated with Fuel- and Energy-Related Activities (FERA).

- **Refrigerant leakage** – Zero reported for both years. Ocean should continue to monitor this, as refrigerant systems can be a significant source of GHG emissions if leaks occur.

- **Waste** – Rubbish and recycling, accounting for less than 0.1% of total emissions.

Key Observations for 2023/24:

- **Overall change**: A 3% reduction in estate emissions, with slightly lower gas use and comparable electricity use compared to 2022/23.

- **Gas use**: Significant variations across offices – reductions at Knowle (~50%) and Bishopston (~50%), but increases at Filton (+69%).

- **Major changes**:
    - Clifton – Zero gas reported.
    - Portishead – 97% reduction.
    - Westbury – 464% increase.Knowle – 96% reduction.

- **Electricity use**: Relatively stable across offices.

- **Waste data**: Ocean's new waste provider now offers data on waste collection frequency and types at each office. However, as they do not yet provide weight data, the same benchmark method as last year has been used. Ocean should explore opportunities to work with the provider to improve data accuracy, potentially through periodic waste audits.


89.6 tCO2e
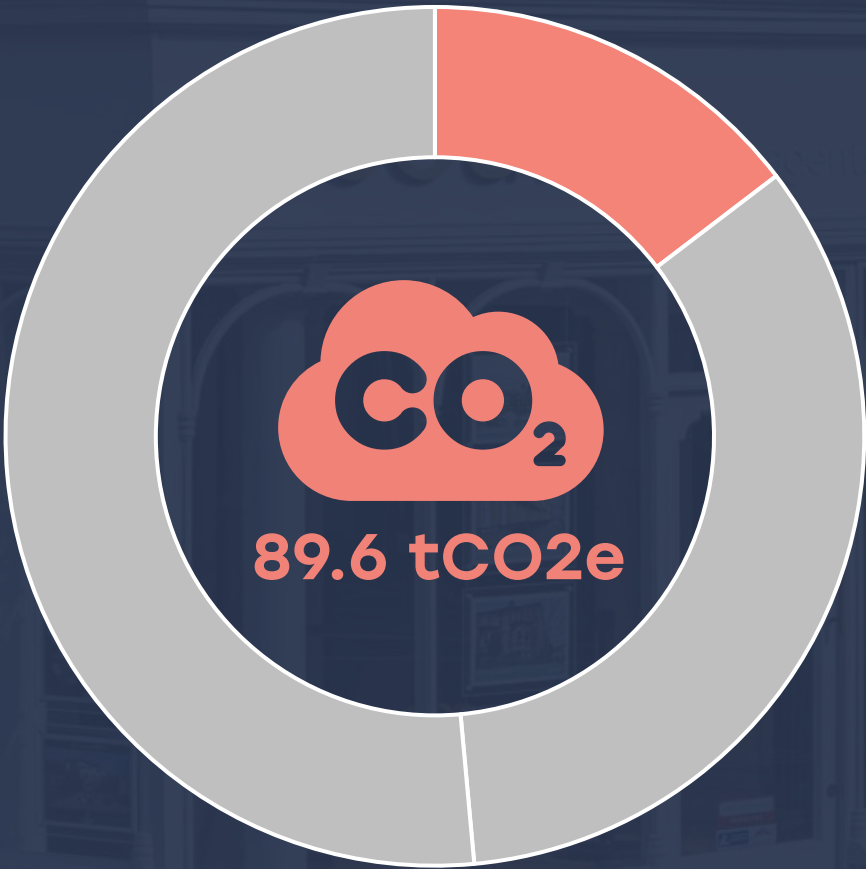
Travel & Transport Emissions

Travel and transport are integral to Ocean's operations, with most staff working in offices and agents frequently travelling across Bristol to attend property meetings. In FY 2023/24, transport-related emissions were estimated at 207.7 tCO_2e, accounting for roughly one-third of Ocean's total emission

- **Fleet use** – Scope 1, 2, and 3 emissions from Ocean's fleet of small petrol cars, plug-in hybrids (PHEVs), and now five fully battery electric vehicles (BEVs).

- **Business travel** – Private or public transport for business purposes. All business travel is local and falls within the fleet category.

- **Employee commuting** – Staff travel between home and Ocean's offices.

Key Observations for 2023/24:

- **Overall change**: Emissions increased from 99.2 tCO_2e to 207.7 tCO_2e, more than doubling compared to last year, with the rise driven by both fleet activity and commuting patterns.

- **Fleet change**: Five fully battery electric vehicles were added to the fleet, but there was a higher proportion of petrol vehicle use overall. Moving from estimated (contracted) mileage to actual mileage data increased recorded fleet emissions by around 30%, while greater use of PHEVs over petrol cars could reduce emissions in future years.

- **Commuting**: Staff commuting emissions rose significantly, with survey results showing a 58% increase in average commuting distance. With 93% of staff travelling by private car, commuting remains a major contributor to Scope 3 emissions and a key area for targeted reduction measures.

CO₂

207.7 tCO2e
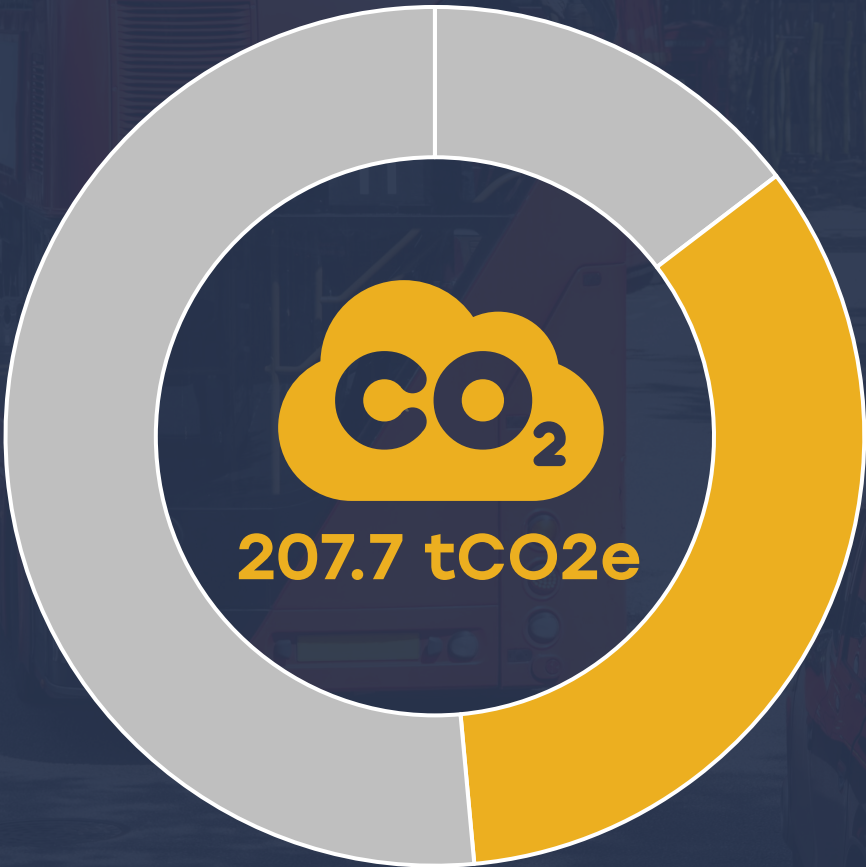
Supply Chain Emissions

Supply chain emissions represent the full lifecycle of goods and services purchased by Ocean. For Oceam, these Scope 3 emissions are indirect and arise from the procurement of IT infrastructure, food and catering, office supplies, construction materials, and professional services.

Given the complexity of tracking supply chain emissions for an SME, Ocean's spending was grouped into 15 Standard Industrial Classification (SIC) categories, with DEFRA emissions factors applied to estimate the carbon impact of each category. This is a standard first-step approach widely used in the absence of detailed supplier data. While it is not ideal in terms of data quality – as it relies on industry averages rather than supplier-specific performance – it provides a solid starting point for understanding the scale and distribution of supply chain emissions. There is clear scope to improve accuracy over time by refining procurement coding and engaging directly with suppliers for more specific emissions data.

Key Observations for 2023/24:

- **Overall change**: Emissions decreased from 355.8 tCO$_2$e to 315.2 tCO$_2$e (a 12% reduction), despite only a small drop in total spend (~£1.8m in 2022/23 vs ~£1.7m in 2023/24). This suggests a shift in spend towards less carbon-intensive goods and services.

- **Concentration of impact**: A small number of categories account for the majority of supply chain emissions. The top SIC categories – including stationary, marketing services, and office supplies – represent over 80% of total supply chain emissions

- **Shift in spend profile**: The reduction appears to be driven by changes in purchasing patterns rather than large-scale efficiency gains. For example, less spend was allocated to high-carbon categories such as IT hardware, and more towards lower-intensity services.

- **Data quality opportunity** – Current estimates are based on broad spend categories. Refining procurement coding and collecting supplier-specific emissions data would improve accuracy and help Ocean target reductions in the highest-impact areas.

315.2 tCO2e
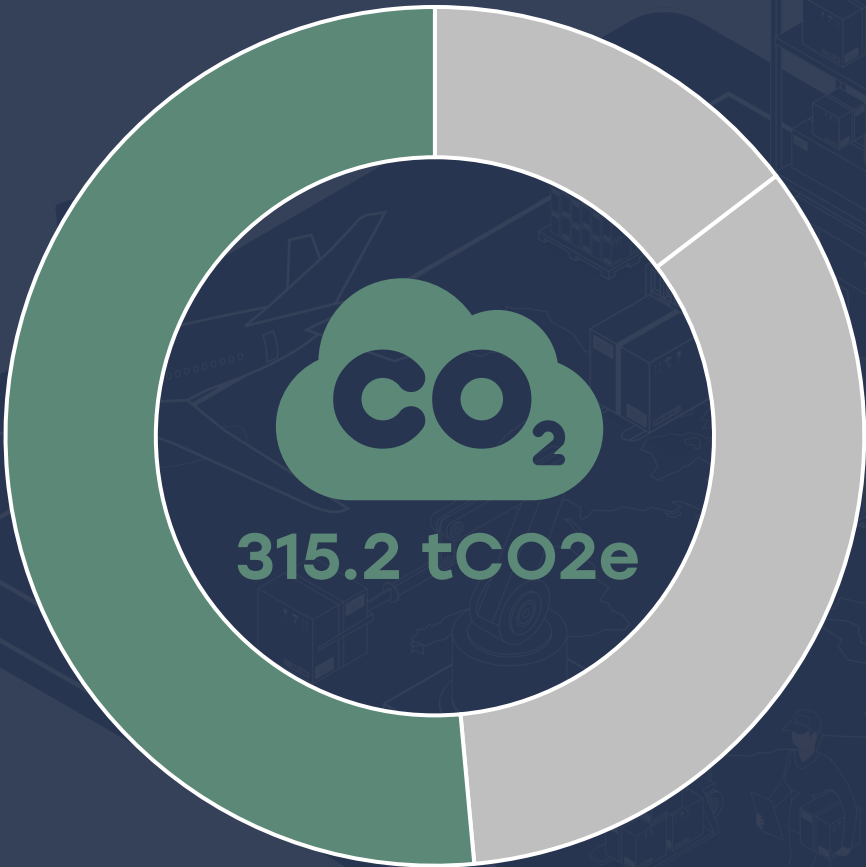
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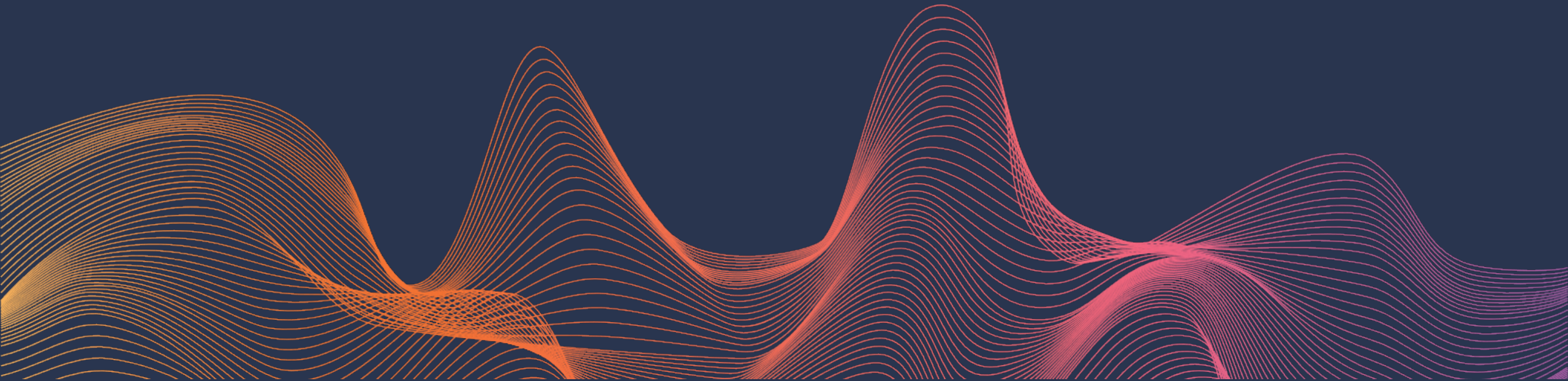
GHG Protocol

The Kyoto Protocol defines seven GHGs which contribute towards an organisation's emissions, and these are measured in carbon dioxide equivalent (CO2e), as shown in Figure 5. The GHG Protocol categorises sources of these emissions into three scopes, as follows:

Scope 1

Directly controlled emissions

Emissions that occur from sources that are controlled or owned by an organization.

Scope 2

Purchased electricity, steam, heat or cooling

Although scope 2 emissions physically occur at the facility where they are generated (e.g., power station), they are accounted for in an organisation's GHG inventory because they are a result of the organisations energy use.

Scope 3

Value chain emissions

Result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain.
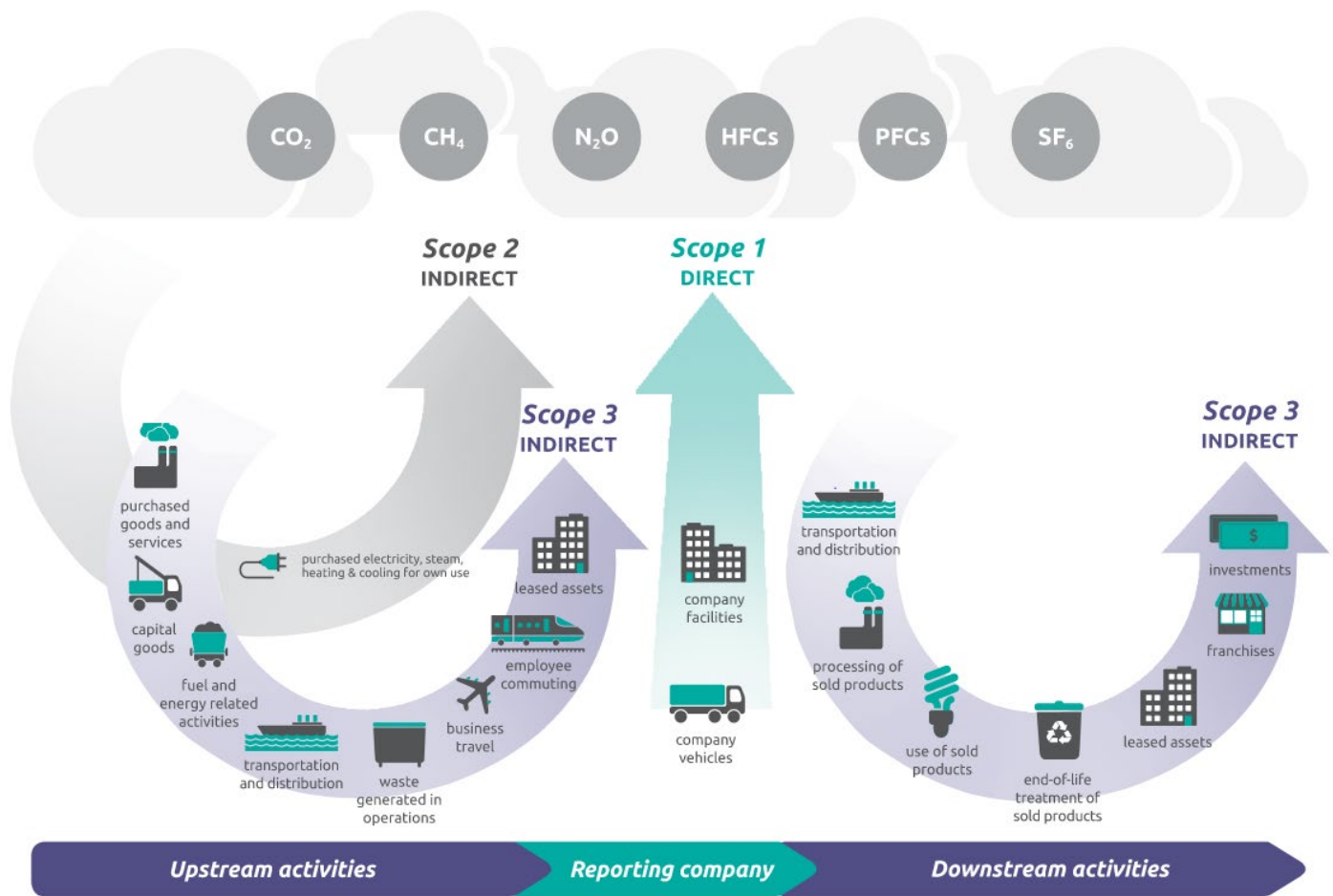
Glossary

Baseline: greenhouse gas emissions baseline that represents the reference point against which future greenhouse gas emissions performance will be measured.

Carbon: generic term used traditionally in carbon foot printing parlance to describe the combination of Kyoto Protocol greenhouse carbon dioxide equivalent (CO2e). gas emissions reported as

Carbon dioxide: both naturally occurring and one of the most abundant greenhouse gases in the atmosphere, and a by-product of industrial processes, combustion of fossil fuels and land-use changes.

Carbon footprint (also known as a 'GHG emissions' inventory'): the total set of greenhouse gas emissions caused by an organisation (event or product) over a defined timeframe.

Climate change: a pattern of change affecting global or regional climate, measured by criteria such as average temperature and precipitation, and/or changes in the frequency and intensity of extreme weather conditions and events. The variation is caused by both natural processes (e.g., volcanic activity) and human activity. Global warming is one aspect of climate change.

Greenhouse gas emissions (GHG): defined by the IPCC as 'those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and emit [infrared] radiation'.

Kyoto Protocol: an international agreement that extended the 1992 United Nations Framework Convention on Climate Change (UNFCCC) to require industrialised country signatories to meet greenhouse gas emission reduction targets relative to their 1990 levels. Effective from 2005.

Location-based: reflects grid averaged carbon factors for scope 2 emissions reporting.

Market-based: under a dual reporting approach for scope 2 emissions, this approach reflects renewable energy procurement choices, for example through provision of Renewable Energy Guarantee of Origin (REGO) certificates by energy suppliers.

Net Zero: defined as achieving a balance between the carbon emissions emitted to the atmosphere and those removed from it through neutralisation measures, such as afforestation or carbon capture and storage.

Operational boundary: refers to the scope of direct and indirect greenhouse gas emissions that fall within a company's organisational boundary. The operational boundary should be defined once the organisational boundary has been set.

Organisational boundary: a company is considered to have operational control if it or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation. Under the operational control approach, a company should account for 100% of emissions from operations over

which it or one of its subsidiaries has operational control.

Scope 1: all direct greenhouse gas emissions such as petrol and diesel used in plant, equipment and machinery, for industrial processes, transport and combustion for electricity generation, e.g., generators.

Scope 2: indirect greenhouse gas emissions from the consumption of purchased electricity, heating, cooling or steam.

Scope 3: any process or activity that releases greenhouse gases neither owned nor directly controlled by the reporting company and that occur within its value chain.

Source: any process or activity that releases a greenhouse gas, an aerosol or a precursor of a greenhouse gas into the atmosphere.