

June 2024

Carbon Reduction Plan



Commitment to achieving Net Zero

Methods Business and Digital Technology Limited is committed to achieving Net Zero emissions from its operations and supply chains by 2050.

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: 2020 | |
| Additional Details relating to the Baseline Emissions calculations. | |
| <p>Baseline year emissions:</p> <p>Our baseline year was chosen as 2020, having moved to larger offices at the end of 2019 to accommodate business and personnel growth.</p> <ul style="list-style-type: none"> • Scope 1 covers direct emissions, including those associated with the direct consumption of natural gas, heating oil, diesel fuel as well as emissions associated with owned and leased vehicles and fugitive emissions. • Scope 2 covers indirect emissions including those associated with the purchase and consumption of local electricity and distinct heating energy. <p>For Scope 1 and 2 calculations we followed the <u>2019 HM Government Environmental Reporting Guidelines</u>. We have also used the <u>GHG Reporting Protocol - Corporate Standard</u> and the UK Government's <u>Greenhouse gas reporting: conversion factors 2021</u>.</p> <ul style="list-style-type: none"> • Scope 3 (Categories 1, 3, 5, 6, 7, 8) covers other indirect emissions such as business travel, hotel stays, waste disposal, upstream emissions from purchased fuels and electricity. Emissions from employees teleworking have also been factored in including estimates from home energy consumption. <p>For Scope 3 calculations we followed the guidance of <u>GHG Reporting Protocol - Corporate Standard</u> and have used the UK Government's <u>Greenhouse gas reporting: conversion factors 2021</u> for reporting. Different advised methods of calculations have been employed to calculate best these emissions including fuel method, distance method, spend method using proxy techniques, industry averages.</p> | |
| EMISSIONS | TOTAL tonnes (t) of carbon dioxide (CO₂) (tCO_{2e}) (restated) |
| Scope 1 | 13.10 |
| Scope 2 | 20.32 |
| Scope 3 (Included Sources) | 556.31 |
| Total Emissions | 589.73 |

Please note that the above calculations for Scope 3 have been re-stated since the June 30th 2023 report, in line with guidance from SBTi, in relation to how we calculate the optional 'Employees Teleworking' declaration to take account of a more detailed analysis of home-working and also correct an error in the calculation formula used in previous years. This has resulted in a significant increase in the tCO_{2e} figure

Reporting Year Emissions

| Reporting Year: 12 months to 31 st December 2023 | |
|---|----------------------------|
| EMISSIONS | TOTAL (tCO _{2e}) |
| Scope 1 | 12.20 |
| Scope 2 | 27.39 |
| | |
| Total Emissions for 2023 | 996.39 |

| Scope 3 category | Category description | Applicability | tCO _{2e} |
|-------------------------|--|--|-------------------|
| 4 | Upstream transportation and distribution | <i>Not applicable given the nature of our business being a professional services company</i> | 0.0 |
| 5 | Waste generated in operations | | 130.22 |
| 6 | Business travel | | 128.65 |
| 7 | Employee commuting <i>(including the optional reporting of incremental energy used in employee teleworking¹)</i> | | 687.60 |
| 9 | Downstream transportation and distribution | <i>Not applicable given the nature of our business being a professional services company</i> | 0.00 |
| Other categories | | | 10.33 |
| | TOTAL SCOPE 3 EMISSIONS FOR 2023 | | 956.80 |

¹ Calculated in accordance with EcoAct's methodology.

Notes

As outlined in last year's report, we have continued to work on improving our on-going monitoring and reporting of emissions and have made software improvements to our internal operating platforms so as to capture more relevant and accurate data in a systemic way. Particular focus has been on a more detailed analysis of home-working, with the majority of our employees being home based. This is the largest contributor to our total emissions. During this continuing focus on improvement, a mathematical error was discovered in the historical calculation under Scope 3 Category 7 of the incremental heating energy use in teleworking by employees, an optional category to report on. This has been corrected for this year and the corresponding historical calculations for this optional element amended, mindful that virtually all our emissions are Scope 3.

Total emissions during 2023 were impacted by two main factors across the year as a whole:

1. A 42% increase in the number of employees in the business, the majority of whom have contracts based at home. This means that over the last 4 years of this report employee numbers have risen by 122% in total.
2. 2023 was the first full year where working practices reverted to more closely represent those seen pre-Covid, resulting in materially higher levels of business travel and time spent in offices.

In relation to each Scope reported above:

Scope 1 emissions saw a 37% increase over 2022. As foreshadowed in last year's report, in part this was due to 2022 having seen somewhat artificially lower emissions due to the issues with the main PPM system. Of greater direct effect was the return to more normal ways of working, which saw the main office in London open for 5 rather than 3 days a week and more employees using it.

Scope 2 output increased by 52% due, as with Scope 1, to extended office hours and use by higher employee numbers.

Two factors already mentioned contributed to a significant rise in the year's **Scope 3** outputs. First, the 42% increase in employee numbers and, secondly, a continuing trend for working practices to be more like those pre-Covid than immediately post Covid.

For Category 5 this meant more people in the office, which opened for far more days, significantly increasing the amount of waste, raising category emissions by 80%.

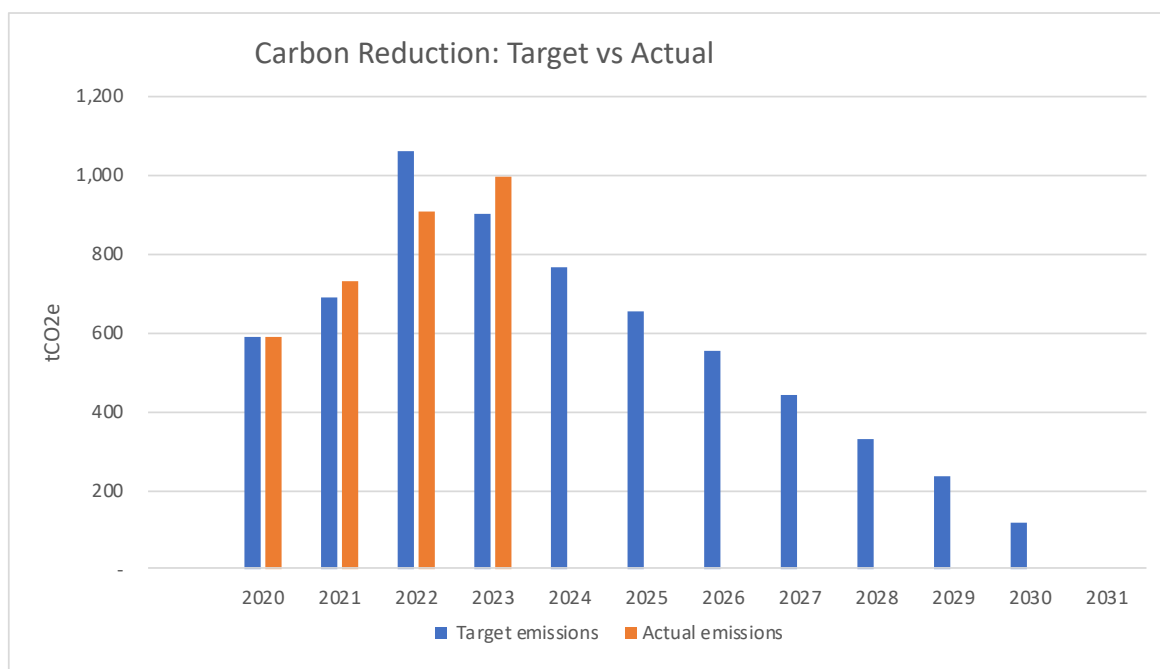
Increased numbers of employees, and both theirs and our customers' openness to travel, meant that Category 6 business travel emissions increased by more than double, arising largely from rail travel.

This increase in mobility, though, did reduce Category 7 emission, commuting, with emissions from teleworking (an optional declaration) falling with employees travelling and working elsewhere.

Emissions' reduction targets

In order to continue our progress to achieving Net Zero, we adopted a carbon reduction target of decreasing carbon emissions to **116 tCO₂e by 2030**. Clearly, though, the business expansion and accompanying increase in emissions we saw in year, due to material employee growth numbers, make this a more substantial challenge.

With the continuing planned significant growth and expansion of the company, in the coming years, we are fully aware that the main driver for the delivery of this reduction will therefore need to be through the deployment of specific internationally recognised carbon offsetting projects and schemes such as: ClimateCare, Clear Eco, 3degrees, Earthly, CarbonFootprint. We have therefore established a working group to explore these options further.



Please note that targets have been re-stated, in line with guidance under criterion 27² from SBTi, to reflect the effect of a correction to the calculation of the incremental heating energy emissions from teleworking (included in the optional declaration of this within Category 7 of Scope 3), maintaining previous ratios.

² <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

In 2019 we relocated our London office to accommodate growth. As part of our continuing environmental commitment to reduce our carbon emissions, this office relocation and refurbishment was designed with the specific intention of achieving the RICS's Silver SKA³ rating, which was awarded. This included:

- Selecting a space specifically with floor to ceiling windows forming all external walls, so as to enable the maximum natural light to enter, thereby reducing the need for internal lighting
- Selecting a space for the new London HQ which was easily accessible via various public transport links, to ensure minimal need to drive personal cars into work
- The installation and use of energy efficient lighting, with PIR sensors and daylight detectors, which ensures fixtures are switched off when sunlight enters the room
- Using only LED lamps for all the light fittings with CRI 80 and 20,000 hours or more of expected life
- A programme of works which was planned specifically towards the reduction of waste considered within installation for plasterboard, flooring and acoustic treatments
- Ensuring that all the old furniture and loose items not reused in the new office were recycled by our supplier, Premier Sustain. This produced a total CO2 saving of 4.33 tonnes
- Choosing to use insulation that has zero Ozone Depletion Potential for both walls and pipes, to ensure the least amount of environmental impact. ARP1200 was used for walls and Armaflex for pipework
- Investing in 3 **Billi** tap systems in the new offices, for both hot and drinking water, each shown to reduce carbon output by approximately 8kg CO2 per day
- Ensuring the office design introduced multiple types of recycling points across the office, including food & paper/plastic use
- Eliminating corporate use of single used plastics and providing all colleagues with reusable alternatives

On a more general front, since moving to our new building, we executed a number of other initiatives, which still continue, to control and reduce carbon emissions from our daily working routines. These have included:

- Selecting flowers and planting on our terraces to attract bees, butterflies, and other insects
- The establishment and promotion of the Government's Cycle to Work scheme with available bike sheds and showers in the building
- The embedding of a paperless office culture by mandating the ongoing storage of documents and records in the cloud
- Continuing use of discreet software to control, monitor and report on the use of printers, where unavoidable for short term needs, together with enabling simple and efficient digital scanning of documents
- Making a free on-line toolkit available to some of our clients to help their staff work remotely, thereby reducing the amount of travel required

³ <https://www.rics.org/uk/about-rics/responsible-business/ska-rating/>

- Improving our software platforms to systemically track mileage more easily and accurately for cars, trains, and flights, and audit regularly our GHG impact of business travel
- Changing our electricity supplier in December 2023 to one providing 100% renewable energy.

Ongoing Carbon Reduction Initiatives

- Continuing planning, monitoring, and reporting under our Environmental Management System (EMS), which is independently certified under ISO14001
- Regular and ongoing internal audits of adherence to our office waste disposal guidelines, driving 90% overall pass rates related to the correct separation of recyclable and non-recyclable waste in our offices
- Supporting three internal groups of colleagues who provide thought leadership on embedding environmental responsibility into everything we do:
 - Our **Green Team** focusses on internal Methods' environmental impacts (further detail below)
 - Our **Environmental Responsibility Community of Interest** focusses on finding ways to help our clients consider and improve their own efforts to reduce emissions
 - Our newly established **Carbon Offset Advisory Group** focusses on options to offset those emissions where significant practical reductions may not be possible due to the nature of our work; where employees are based; and our drive for growth.
- As part of the ALTEN group of companies we are working, and liaising, with colleagues around the world to ensure that best practice is shared, and lessons learned from the Group's experiences.
- We keep the timings of the use of the air-conditioning in the office under constant review, amending as required, to minimise the hours usage as much as possible
- Promoting involvement for colleagues to participate in volunteer activities on local environmental projects, through paid time away from work, and the internal advertising of such opportunities to push participation, with enhanced internal systems to track all such activity
- We are publishing infographics internally to show colleagues current levels of emissions to encourage a culture of concern and focus on reducing these
- We continue to review our business travel policy, and have updated our expenses policy, encouraging the use of interactive video technology where possible to reduce travel needs, promoting green ways of transport (e.g., cycling) and greener accommodation (green hotels), and ensuring any decisions to incur expenses are taken mindful of their potential environmental impact.
- We are committed to providing a speaker for at least one Thought Leadership event each year – talking about how we have been offsetting carbon emissions, collaborating, and influencing

Future Carbon Reduction Initiatives

We are looking to implement additional initiatives, more precise monitoring, and greater carbon offset as part of our determination to achieve our carbon reduction targets.

- We will continue to focus on improving how we collate, analyse, and interpret accurate data to help address the incremental heating energy emissions from teleworking (declared optionally), which are the single largest element in our overall emissions, focussing on initiatives to reduce and better control these.
- Our electricity supplier was changed in December 2023 to one offering 100% renewable energy. As a result, we anticipate a material decrease in our Scope 2 outputs during 2024.
- We are encouraging employees to complete a regular travel survey so we may more accurately track time working from home (our largest cause of carbon emissions) and methods of transport for travel. We believe that this will heighten the awareness of employees throughout the business as to the important role they can each play in reducing our carbon footprint.
- Following the rise in waste, with more colleagues coming to the office, we will initiate new projects to reduce further the use of single use plastic and work with our waste handling partners to ensure increased efficiency in waste disposal to reduce carbon emissions.
- Our internal Green Team will continue working on the implementation of new local initiatives in parallel to maintaining our completed initiatives above. The team has been mandated to explore all relevant areas of the internal operations and works to identify and develop sustainable practices through regular dedicated quarterly reviews and evaluations
- We will install blinds in our London office to reduce the need for increased use of air conditioning during sunny and warm weather, mindful of having floor to ceiling windows.
- We will look at providing a scheme for colleagues to purchase EV cars, utilising the benefits available through salary sacrifice, to encourage a move to more environmentally friendly transport.
- We are looking to increase the ratio of using locally based consultants on specific client projects, thereby reducing required travel
- We are focussed on improving the ease and accuracy of our GHG emissions measurements, including changes to our internal business systems, driving greater transparency and granularity in monitoring our progress. This is likely to include the sponsoring of a PhD student to work with, and advise us, as to new initiatives to consider, as well as closer collaboration with colleagues across the international group, aligning targets and initiatives.

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 standard⁴ and uses the appropriate Government emission conversion factors⁵ for greenhouse gas company reporting.

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) Standard⁶

This Carbon Reduction Plan has been reviewed and signed off by the company's COO.

Signed on behalf of the Supplier:



Mark A Hewitt
Chief Operating Officer
28th June 2024

⁴ <https://ghgprotocol.org/corporate-standard>

⁵ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

⁶ <https://ghgprotocol.org/corporate-value-chain-scope-3-standard>