avery+brown

Avery & Brown

Carbon Footprint 2020/21

July 2021

Prepared by

pilio

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Headlines

Background

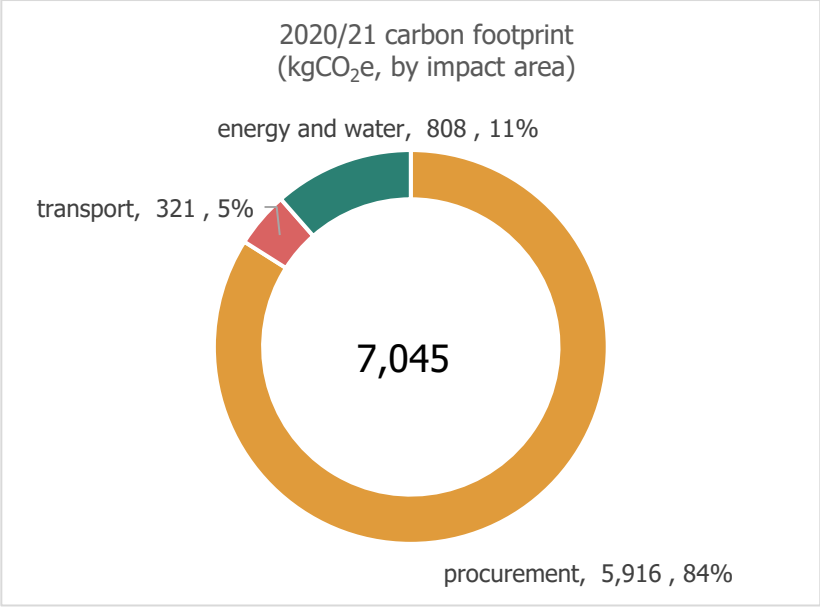
- Avery & Brown has declared an ambition to be regenerative business and as such has committed to be a net zero carbon business.
- To meet this commitment of being net zero Avery & Brown wants to understand its carbon footprint and develop a climate action plan.
- To assist them in their sustainability journey Avery & Brown commissioned Pilio to calculate its 2020/21 carbon footprint.

Calculating Avery & Brown's carbon footprint

- The company's carbon footprint is due to its energy use, water consumption, business travel, staff commuting and procurement.
- All of Avery & Brown's GHG emissions are what is defined as scope 3 emissions in carbon reporting terms as they do not have control of their energy-related emissions (i.e. scope 1 and 2).

Avery & Brown's 2020/21 carbon footprint

In 2020/21 Avery & Brown had a carbon footprint of 7,045 kgCO_2e (or 3,523 kgCO_2e per employee), which is equivalent to 2.2 hectares of forest required to uptake these emissions. The largest portion of the impacts is relating to procurement (5,916 kgCO_2e, 84%), this is followed by energy and water (808 kgCO_2e, 11%) and transport (321 kgCO2e, 5%). Within procurement, the main impact category is represented by purchased goods and services, which amounts to 5,289 kgCO2e (or 75% of the total).



Context

Avery & Brown are a young digital marketing and creative agency working with ambitious sustainability-focused businesses to overcome their marketing challenges and help them exceed their growth objectives

Recognising that climate change poses a threat to the economy, nature and society-at-large, Avery & Brown have committed to achieve net zero emissions before 2030 by immediately taking climate action.

To do so, Avery & Brown have committed to:

1. Measure and estimate their current greenhouse gas emissions
2. Set short- and medium-term targets for emission reductions in line with the commitment
3. Develop a plan to achieve emission reduction targets
4. Disclose progress on a yearly basis
5. Encourage other SMEs to do the same

The first step in the transformation to net-zero required is for Avery & Brown to understand their carbon footprint across their operations and activities and to construct a baseline from which to track their progress to net zero. A carbon footprint is the total greenhouse gas (GHG) emissions produced by an individual, event, organisation or product, expressed as carbon dioxide equivalent. The aim of the carbon footprint exercise is to get an understanding of where are the biggest impacts in terms of GHG emissions to know where to focus effort. Pilio was commissioned by Avery & Brown to prepare the carbon footprint the results of which are presented in this report.

Company

Avery & Brown Limited is a Private limited company, incorporated in the UK with company number 12805949. The registered address is Cambridge House, 8 East Street, Farnham, Surrey, England, GU9 7RX.

Reporting Period

11th August 2020 to 21st June 2021.

Full-Time Equivalent Staff

2 people.

Data

Avery & Brown provided data to Pilio for Financial Year 2020/21.

Methodology

The methodology used to prepare Avery & Brown 2020/21 carbon footprint was the Greenhouse Gas (GHG) Protocol. The Protocol is a comprehensive international standard framework for companies to measure and report GHG emissions from their operations, value chains and mitigation actions. The GHG Protocol has developed over the course of a 20+ year partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Under the Protocol, GHG emissions are organised under three scopes:

- **Scope 1** (direct emissions) emissions are those from activities owned or controlled by the reporting organisation. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces and vehicles: and emissions from chemical production in owned or controlled process equipment.
- **Scope 2** (indirect energy-related) emissions are those released into the atmosphere that are associated with the reporting organisation's consumption of purchased electricity, heat, steam and cooling. These indirect emissions are a consequence of the reporting organisation's energy use but occur at sources you do not own or control.
- **Scope 3** (all other indirect) emissions are a consequence of the reporting organisation's actions that occur at sources do not own or controlled by it and are not classed as Scope 2 emissions. Examples of Scope 3 emissions are business travel by means not owned or controlled by the reporting organisation, waste disposal, materials, or fuels that the reporting organisation purchases. Scope 3 emissions can be from activities that are upstream or downstream of your organisation.

We used the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for reporting of Scope 3 GHG emissions.

Scope 3 upstream and downstream emissions

The GHG Protocol Value Chain Standard divides Scope 3 GHG emissions into upstream and downstream emissions. The distinction is based on the financial transactions of the reporting company.

- Upstream emissions are indirect GHG emissions related to purchased or acquired goods and services.
- Downstream emissions are indirect GHG emissions related to sold goods and services.

The emphasis of this carbon footprint analysis has been on upstream emissions. Calculated categories include 1. Purchased goods and services, 2. Capital goods, 6. Business travel, 7. Employee commuting and 8. Upstream leased assets.

Categories that are beyond scope of this analysis include 3. Fuel- and energy-related activities (not included in scope 1 or scope 2), 4. Upstream transportation, 5. Waste generated in operations and distribution and all the Downstream scope 3 emissions.

Emission conversion factors

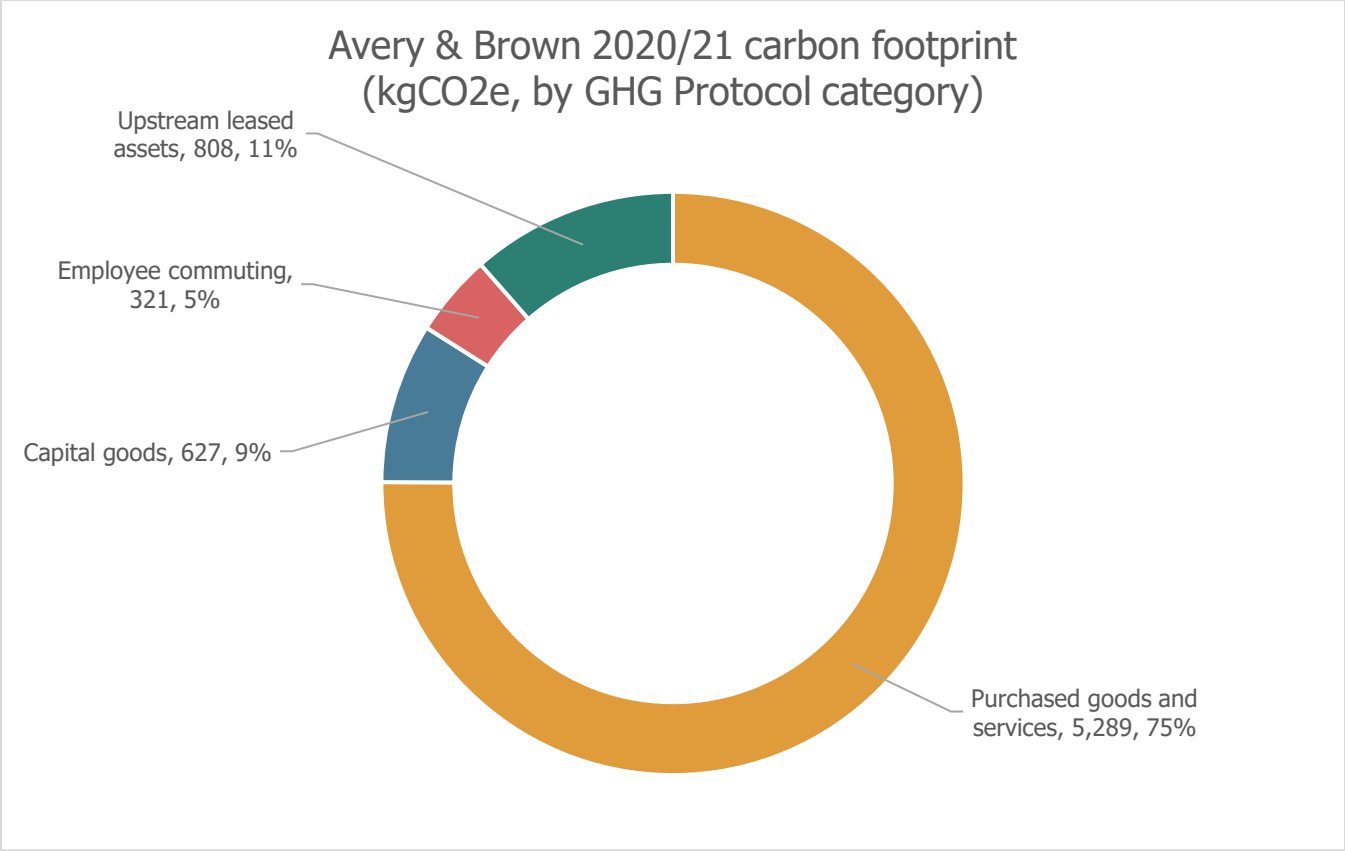
Consumption data has been converted into GHG emissions following the 2020 DEFRA's Carbon Conversion Factors for Company Reporting, together with to-date adjusted figures from DEFRA's 2013 Annex E Supply chain emissions, University of Bath's Inventory of Carbon & Energy v 2.0 and further academic literature on specific subjects.

Upstream & downstream	Scope 3 categories	Included
Upstream scope 3 emissions	1. Purchased goods & services	✔
	2. Capital goods	✔
	3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	Not applicable
	4. Upstream transportation & distribution	Not calculated
	5. Waste generated in operations	Not calculated
	6. Business travel	✔
	7. Employee commuting	✔
	8. Upstream leased assets	✔ (leased office space)
Downstream scope 3 emissions	9. Downstream transportation and distribution	Not applicable
	10. Processing of sold products	Not calculated
	11. Use of sold products	Not calculated
	12. End-of-life treatment of sold products	Not applicable
	13. Downstream leased assets	Not applicable
	14. Franchises	Not applicable
	15. Investments	Not calculated

GHG emissions

In 2020/21 Avery & Brown had a carbon footprint of 7,045 kgCO2e, which is equivalent to 2.2 hectares of forest. The totality of CO_2e emissions is due to Scope 3 emissions, where the largest is relating to Procurement (5,916 kgCO2e, 84%). Here, purchased good and services account for most emissions (75%).

	kgCO2e	%
Scope 1	0	-
Scope 2	0	-
Scope 3	7,045	100%
1. Purchased goods and services	5,289	75%
2. Capital goods	627	9%
6. Business travel	0	0%
7. Employee commuting	321	5%
8. Upstream leased assets	808	11%
Total	**7,045**	**100%**



Scope 1 and 2

Avery & Brown does not have control over the fuel and electricity usage in the office space that they rent. Also, the company does not own any vehicles.

For this reason, Scope 1 and 2 emissions are equivalent to zero.

Scope 3

Total Scope 3 emissions for FY 2020/21 accounted for 7,045 kgCO2e

The overall majority of these are associated with Procurement (intended as the sum of purchased goods and services and capital goods), which amounted to 6,018 (85%). Followed by energy and water related emissions from Upstream leased assets (leased office space), which amounted to 808 kgCO2e (11%). Employee commuting amounted to only 219 kgCO2e (3%).

Purchased goods and services

Total emissions from Purchased goods and services in 2020/21 were 5,289 kgCO2e.

These emissions refer to upstream GHG Protocol Category 1, Upstream (i.e., cradle-to-gate) emissions from the extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year.

Results

The expenditure data was converted into carbon emissions using to-date adjusted DEFRA's 2013 Annex E Supply chain emissions.

To have a better understanding, the results are shown here by the top 5 suppliers (which amount to 57% of this category's total emissions) and by the top 5 types (which amount to 84% of this category's total emissions).

	kgCO2e	% of total
By Top 5 suppliers		
SurfTech	878	17%
ZAFD Ltd	816	15%
Lost Boy	591	11%
Action Coach	456	9%
Switch Foot	267	5%
By Top 5 types		
Legal, consultancy and other business activities	1,673	32%
Office machinery and computers	1,110	21%
Food and drink products	947	18%
Printing and publishing	344	7%
Banking and finance	303	6%
Total Purchased goods and services	**5,289**	**100%**

Comments

- The carbon footprint was calculated using sector level carbon intensity factors. Research if companies used have more accurate information, e.g. prepared a product lifecycle assessment.
- Audit the environmental credentials of the suppliers used – see which suppliers have also committed to net zero. Identify good practice suppliers.
- Create a procurement checklist for selecting a supplier.
- Prefer companies that are reporting their carbon emissions.

Capital goods

Total emissions from Capital goods in 2020/21 were 627 kg CO_2e.

These emissions refer to upstream GHG Protocol Category 2, emissions from all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year.

Results

The expenditure data was converted into carbon emissions using to-date adjusted DEFRA's 2013 Annex E Supply chain emissions.

Results are summaries in the table below, including all capital goods suppliers and categories available.

	kgCO2e	% of total
By Suppliers		
Amamus (Bcorp)	357	57%
Duda Websites	203	32%
Chilly's Bottles	51	8%
Avalon Garden Centre	16	3%
By Categories		
Electrical machinery	357	57%
Computer services	203	32%
Ceramic goods	51	8%
Forestry products	16	3%
Total Capital goods	**627**	**100%**

Comments

For purposes of accounting for scope 3 emissions companies should not depreciate, discount, or amortize the emissions from the production of capital goods over time. Instead, companies should account for the total cradle-to-gate emissions of purchased capital goods in the year of acquisition. If major capital purchases occur only once every few years, scope 3 emissions from capital goods may fluctuate significantly from year to year. In the context of Avery & Brown, Amamus (BCorp), Chilly's Bottles and Avalon Garden Centre are understood to be major non-recurring purchases which summed together account to 424 $kgCO_2e$ (68% of total Capital goods emissions).

Business travel

Due to the Covid-19 pandemic there was no business travel in 2020/21. This should be calculated in 2021/22 and incorporated into the baseline.

Employee commuting

Total emissions from employee commuting in 2020/21 were 321 kg CO_2e.

These emissions refer to upstream GHG Protocol Category 7, emissions from the transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).

Results

These emissions are divided between vehicle use and parking space rent. For the first, we have used DEFRA 2021 carbon conversion factors for small diesel car mileage, while for the latter we have used to-date adjusted DEFRA's 2013 Annex E Supply chain emissions for expenditure.

Carbon emissions from employee commuting are:

- Vehicle use: 219 kgCO2e (68%)
- Parking space rent: 102 kg CO2e (32%)

Comments

Switching to a zero-emissions vehicle (e.g., electric car) would help reduce the total company's carbon footprint by 3% (from vehicle use only).

By switching to public transport or bicycle, the Avery & Brown would reduce their emissions by a further 2% (5% in total) by reducing the need for parking space. This would also contribute to reducing land pressure

from parking spaces and contribute to keep the city accessible and reduce emissions. Cities like Amsterdam and Oslo are investigating or acting in this direction

Parking space rent emissions are approximated using expenditure data conversion factors for Ancillary transport services, from to-date adjusted DEFRA's 2013 Annex E Supply chain emissions. A better understanding of emissions related to this service might significantly change its $kgCO_2e$ value.

Upstream leased assets

Total emissions from Upstream leased assets in 2020/21 were 808 $kgCO_2e$.

These emissions refer to upstream GHG Protocol Category 8, emissions from the operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2. In 2020/21, the only upstream leased assets emissions are related to leased office energy use.

Results

Avery & Brown is located within Mesh's office. Avery & Brown employs 2 people and reported energy consumption as "A quarter of Mesh's use per year" for both electricity and gas.

Regarding water, Avery & Brown has reported water usage based on average use of 25 litres per person during working days.

	$kgCO_2e$	% of total
Electricity	120	15%
Natural gas	687	85%
Water supply	2	0.2%
Total Upstream leased assets	**808**	**100%**

Comments

Interact with your landlord around green energy policy, behaviour change or low carbon technologies. Find out the energy supplier for the office and if it is a 100% renewable energy supplier. Understand landlord Mesh roadmap around building energy electrification and if they had energy saving audit prepared (e.g. Energy Savings Opportunity Scheme (ESOS)). Energy-related emissions are dominated by natural gas emissions (85%). It is suggested to speak to the landlord to suggest investigating what gas savings can be achieved by e.g., improved heating management, improved insulation, boiler replacement etc.

Recommendations

1) Annually calculate and publicly disclose your carbon footprint
2) Work with your supply chain to reduce carbon emissions.
- Find out if your landlord has committed to net zero.
- Find out if your landlord is with a 100% renewable energy supplier.
- Procure goods and services from companies that are committed to net zero
3) Share your net zero journey with your supply chain and clients.
4) Apply a carbon price to help inform business decision-making – e.g. £65/tonne carbon, which would be £455 for 2020/21. A carbon fund could be created to invest in climate action and/or carbon offsetting any residual carbon emissions. If carbon offsetting, you should ensure you purchase carbon credits with strong environmental and social credentials. Select projects that align with the values of the company. You should undertake a review of the credentials of current environmental and social initiatives the company supports.
5) Consider undertaking PAS2060 – the standard for carbon neutrality.