



WHITETREE

CARBON MANAGEMENT REPORT 2024

PPN 06/21 COMPLIANT

JULY 2024

Version Control

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1 INTRODUCTION

In an era defined by environmental challenges, businesses worldwide are called upon to prioritise sustainability and take decisive action to mitigate their carbon footprint.

At Whitetree, we recognise the urgent need for corporate responsibility and environmental stewardship. As a leading management consultancy company operating in the digital age, we understand the importance of not only adapting to evolving business landscapes but also driving positive change that benefits both society and the planet.

In alignment with our core values and commitment to sustainable practices, we proudly present our Carbon Reduction Plan - a comprehensive strategy designed to minimise our environmental impact, foster innovation, and pave the way for a more sustainable future.

This plan reflects our dedication to corporate leadership, transparency, and accountability, as we strive to inspire others and make a meaningful contribution to global efforts to combat climate change. Through collaborative partnerships, technological advancements, and a culture of continuous improvement, Whitetree is poised to lead the charge towards a low-carbon economy, setting a new standard for responsible business practices in the digital age.

As a remote business with no physical offices and a distributed workforce operating from home, we face unique challenges and opportunities in reducing our carbon footprint. Despite our operational growth, we acknowledge that our environmental impact is primarily concentrated within Scope 3 emissions. With no direct control over Scope 1 or 2 emissions, our focus lies in engaging and partnering with our suppliers, as all our activities are intertwined with our service-based operations.

Our commitment to sustainability is integral to our values and operations. We recognise the urgent need to address climate change and are dedicated to playing our part in achieving net-zero emissions by 2040. This Carbon Reduction Plan outlines our approach, targets, and strategies to achieve this ambitious goal, demonstrating our unwavering commitment to a sustainable future for all.

2 OUR APPROACH TO NET ZERO BY 2040

As a remote business with no physical offices and a distributed workforce operating from home, Whitetree faces unique challenges and opportunities in reducing our carbon footprint. Our environmental impact is primarily concentrated within Scope 3 emissions, as we have no direct control over Scope 1 or 2 emissions. Our focus lies in engaging and partnering with our suppliers, as all our activities are intertwined with our service-based operations.

2.1 Unique Challenges as a Remote Business

Operating in the service industry, our carbon footprint predominantly stems from indirect emissions associated with activities such as employee commuting, business travel, and the use of cloud-based services. This distributed nature of our operations requires innovative approaches to emissions reduction.

2.2 Focus on Scope 3 Emissions

Our commitment to sustainability is integral to our values and operations. We recognise the urgent need to address climate change and are dedicated to playing our part in achieving net-zero emissions by 2040. To address our carbon footprint effectively, we have developed the following key strategies:

2.3 Key strategies

2.3.1 Low-Emission Business Travel

We encourage the use of low-emission transportation options for essential business travel, such as trains, electric vehicles, or carpooling. We provide incentives and support for employees to choose more sustainable modes of transportation and explore partnerships with carbon offsetting programs to mitigate the environmental impact of unavoidable travel.

2.3.2 Remote Work Optimisation

We promote and optimise remote work practices to reduce the need for employee commuting and associated carbon emissions. Our employees are encouraged to adopt energy-efficient home office setups and leverage virtual communication tools to minimise travel.

2.3.3 Supplier Engagement

We engage and partner with our suppliers to assess their environmental impact and identify opportunities for emissions reduction throughout our supply chain. By collaborating with like-minded partners who share our commitment to sustainability, we can collectively work towards reducing our overall carbon footprint.

2.3.4 Renewable Energy Adoption

We encourage our employees to source renewable energy for their home offices wherever possible. We provide resources and guidance to support the transition to renewable energy, including information on green energy providers and incentives for installing solar panels or utilising energy-efficient appliances.

2.3.5 Virtual Meetings and Events

We prioritise virtual meetings and events to minimise the need for business travel. By leveraging technology for communication and collaboration, we reduce our reliance on carbon-intensive transportation methods and lower our overall emissions.

2.3.6 Continuous Improvement

We implement a continuous improvement framework to monitor, evaluate, and optimise our sustainability efforts over time. We set clear targets and metrics to track our progress towards carbon reduction goals and regularly review our strategies to identify areas for further improvement.

By adopting these measures and fostering a culture of sustainability within our organisation, Whitetree is confident that we can effectively manage and reduce our carbon footprint despite the challenges of operating as a remote working business.

3 CORPORATE RESPONSIBILITY AND ACCOUNTABILITY

At Whitetree, we recognise that corporate responsibility and accountability are essential components of building a sustainable future. Our commitment to sustainability is embedded in our actions and decisions, extending beyond mere rhetoric. To fulfil our promise, we will uphold the following principles:

3.1 Transparency

We will maintain transparency in our sustainability efforts by openly sharing our goals, progress, and challenges with all stakeholders, including employees, customers, investors, and the wider community. This openness builds trust and encourages accountability.

3.2 Measurability

We understand the importance of measurable goals and will establish clear metrics to track our sustainability performance. By regularly monitoring and assessing our progress, we can identify areas for improvement and make informed decisions to drive meaningful change.

3.3 Credibility

We will ensure the credibility of our sustainability initiatives by adhering to recognised standards, frameworks, and best practices. This includes obtaining relevant certifications, engaging with experts and stakeholders, and conducting independent audits to verify our claims.

3.4 Effectiveness

Our ultimate aim is to make a tangible and positive impact on the environment, society, and economy. We will prioritise initiatives that have the potential to deliver meaningful outcomes and contribute to the achievement of global sustainability goals, such as carbon reduction, resource conservation, and social equity.

Through our unwavering commitment to these principles, Whitetree is dedicated to playing a proactive role in creating a sustainable future for current and future generations. Together, we can build a world where businesses thrive in harmony with the planet and society.

4 CARBON REDUCTION TARGETS

Whitetree is committed to a 100% reduction in Scope 3 emissions by 2040, demonstrating our dedication to combating climate change and achieving sustainability in our operations. Our ambitious targets align with global climate action frameworks and reflect our responsibility as a forward-thinking business.

4.1 Emission Reduction Milestones

- Achieve Net Zero status by 2040
- Halve our emissions by 2030

These targets are in line with the roadmap outlined by the Intergovernmental Panel on Climate Change (IPCC) and adhere to the principles of the Science-Based Target Initiative (SBTi).

4.2 Reduction Methods

Our strategy employs both primary and secondary methods to achieve our emission reduction goals:

1. Primary Method: Initiating and executing ambitious carbon reduction projects
2. Secondary Method: Offsetting carbon emissions, reserved for inevitable or residual emissions.

4.3 Progress Tracking and Verification

To ensure systematic progress and maintain accountability:

- We will collaborate with partners to set and integrate annual emission reduction goals
- These goals will be incorporated as key performance indicators in our reporting framework
- The effectiveness and progress of our efforts will be subject to external verification¹

This approach to carbon reduction demonstrates Whitetree's commitment to transparency, measurability, and effectiveness in our sustainability journey. By setting clear targets, employing strategic reduction methods, and submitting to external verification, we aim to make a meaningful contribution to global efforts in combating climate change.

5 OUR NET ZERO GOALS

As part of our commitment to achieving net zero emissions by 2040, Whitetree has set ambitious targets to reduce our environmental impact and transition to a sustainable operating model. Our goals are not just aspirations but actionable steps towards a greener future.

5.1 Goal 1: Reduce business travel emissions per FTE by 25% by 2027

We recognise the significant carbon footprint associated with business travel and are committed to reducing it substantially. By 2027, we aim to decrease emissions from business travel per full-time equivalent (FTE) by 25%. To achieve this, we will:

- Leverage virtual communication tools to minimise unnecessary travel
- Optimise travel routes when in-person meetings are essential
- Promote alternative, low-emission modes of transportation
- Provide incentives for employees to choose sustainable travel options

5.2 Goal 2: 50% of staff's WFH electricity to be renewable by 2027

As a remote-first company, the electricity consumption of our staff's home offices is a key consideration in our sustainability efforts. By 2027, we target that 50% of the electricity used for remote work will be sourced from renewable energy. To reach this goal, we will:

- Provide resources and guidance on transitioning to renewable energy providers
- Offer incentives for installing solar panels or using energy-efficient appliances
- Educate employees on the benefits of renewable energy
- Establish partnerships with green energy providers to offer discounted rates to our staff

5.3 Goal 3: Offset 50% of carbon emissions per contract by 2027

We aim to counterbalance the emissions associated with our contracts by offsetting 50% of the carbon emissions generated per contract through the purchase of carbon-friendly credits or investment in carbon-positive initiatives by 2027. This goal will be achieved by:

- Exploring partnerships with verified carbon offsetting programs
- Investing in local community-based carbon-positive projects
- Developing a system to calculate and track emissions per contract
- Integrating carbon offsetting costs into our project budgeting and pricing strategies

These goals represent tangible milestones in our journey towards net zero emissions and reflect our dedication to making meaningful contributions to environmental sustainability. By focusing on reducing business travel emissions, increasing renewable energy use in home offices, and offsetting a significant portion of our contract-related emissions, we are taking concrete steps to minimise our carbon footprint and lead by example in our industry.

6 SCOPE 3 EMISSIONS

6.1 Current Reporting Period and Baseline

Our 2024 Carbon Management Report is based on our footprint for the financial year 1 June 2023 - 31 May 2024, which marks our fourth report. The baseline for our emissions calculations was established in the financial year 1 June 2020 - 31 May 2021.

6.2 Business Growth Context

It's important to note that while our carbon footprint has grown, this increase aligns with our significant business expansion during this period. Our Scope 3 emissions have risen from 50.2t in the baseline year to 132.0t in the current reporting period, representing a 163% increase.

This growth in emissions should be viewed in the context of our business expansion:

- We have experienced a 320% increase in staff numbers since our baseline year.
- Despite the overall increase, our emissions per full-time equivalent (FTE) have risen to 3.5t, which is notably lower than our overall growth rate.

As a service-based business operating with a fully remote model, all our carbon footprint lies within Scope 3 emissions. This concentration in Scope 3 is typical for businesses in our sector and reflects our unique operational structure with no physical offices and a distributed workforce.

Our focus moving forward is to decouple emissions growth from our business growth. We are implementing various initiatives such as energy efficiency briefings, green travel promotion, and eco-friendly IT procurement to achieve this goal.

7 EMISSIONS REPORTING

7.1 Scope 3 Emissions Calculation Methodology

Our emissions calculation methodology focuses on the key areas of our Scope 3 emissions, given our nature as a remote consultancy. We employ specific formulas and data sources for each category to ensure accuracy and consistency in our reporting.

7.2 Employee Commuting

For employee commuting, we use the following method:

- **Formula:** Miles travelled × 0.404 kg CO₂e/mile
- **Data source:** Employee-reported mileage for work-related travel

This approach allows us to capture the emissions from occasional travel for work-related purposes, which is particularly relevant for our remote workforce.

7.3 Business Travel

Our business travel emissions are calculated using two main components:

- **Air travel:** Miles flown × emission factor for respective flight class
- **Ground transportation:** Miles travelled × emission factor for mode of transport
- **Data source:** Expense reports and Finance System report.

This methodology enables us to account for the different modes of transportation used for business purposes and their varying emission factors.

7.4 Home Office Energy Use

Given our remote work model, home office energy use is a significant factor in our emissions:

- **Calculation:** kWh used × grid emission factor for respective regions
- **Estimation:** Based on average energy consumption for home offices

This approach allows us to estimate the energy consumption of our employees' home offices and convert it to emissions based on regional grid factors.

7.5 Data Quality and Assumptions

To ensure transparency in our reporting, we classify our data quality as follows:

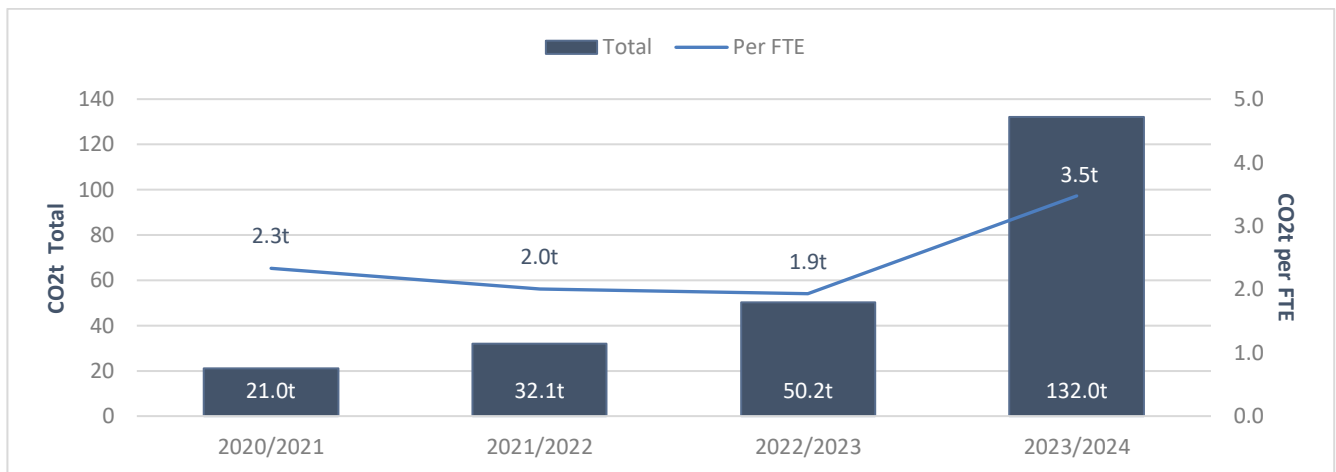
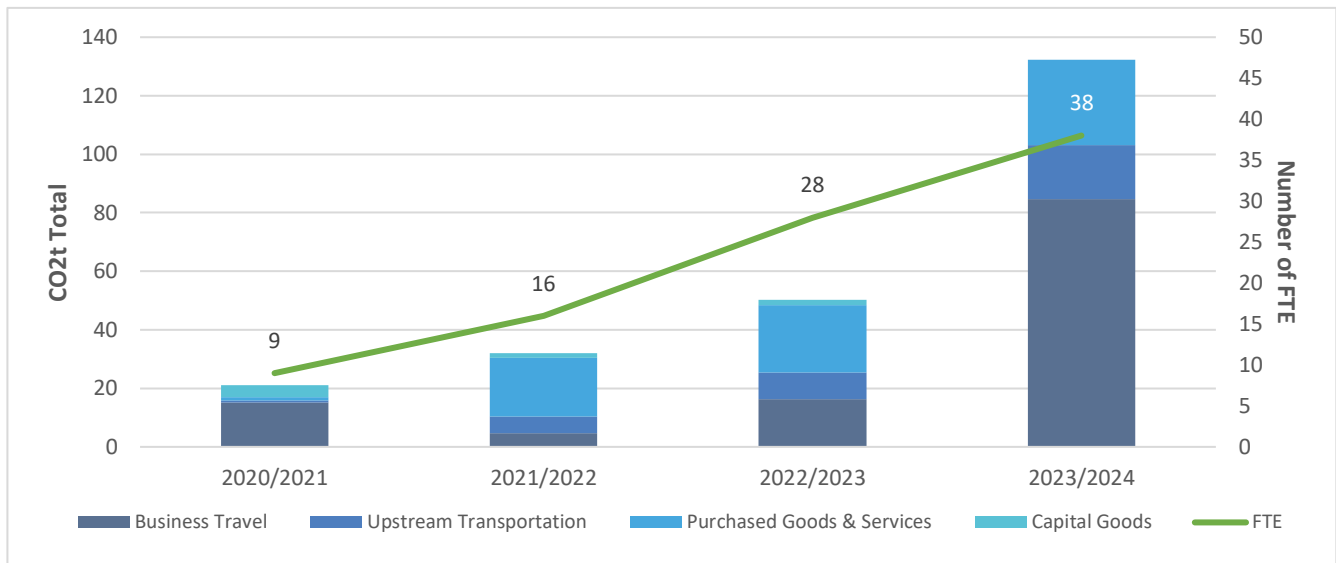
- **Employee Commuting:** High-quality data based on actual reported mileage
- **Business Travel:** Medium to high-quality data from travel bookings and expense reports
- **Home Office Energy Use:** Medium-quality data based on estimates and averages

We make the following assumptions in our calculations:

- Home office energy use is estimated at 8 hours per workday
- We assume a standard home office setup for all employees

By clearly outlining our methodology, data sources, and assumptions, we aim to provide a comprehensive and transparent view of our Scope 3 emissions calculation process.

8 OUR JOURNEY



8.1 Current Emissions Increase in Context of Business Growth

In this year's carbon management report, we acknowledge a significant increase in Scope 3 emissions, rising from 50.2t to 132.0t. This 163% growth reflects the scale of our business expansion, which includes a 320% increase in staff from our baseline year. It's important to view this increase in emissions within the context of our rapid business growth and expansion of operations.

8.2 Emissions per FTE Analysis

While our total emissions have increased, our commitment to operational efficiency is evident in our emissions per full-time equivalent (FTE) analysis. Emissions per FTE have risen to 3.5t, which is notably lower than our overall growth rate. This indicates that we are becoming more efficient in our operations as we scale, demonstrating our ability to manage emissions intensity even as our business expands.

8.3 Future initiatives for decoupling emissions from growth

As we continue to scale, we are building the foundation for a more sustainable future. Our goal is to decouple emissions growth from our business growth. To achieve this, we are implementing several initiatives:

- **Energy Efficiency Briefings:** Providing tailored advice on energy-saving practices for home offices.

- **Green Travel Promotion:** Encouraging low-emission travel options for necessary business trips.
- **Eco-Friendly IT Procurement:** Prioritising energy-efficient and sustainably manufactured IT equipment for remote setups.
- **Virtual Collaboration Tools:** Investing in high-quality virtual tools to minimise the need for travel while ensuring effective remote collaboration.
- **Sustainable Supply Chain Engagement:** Working with our suppliers to reduce emissions throughout our supply chain.

By implementing these measures and fostering a culture of sustainability within our organisation, we aim to manage and reduce our carbon footprint effectively despite the challenges of operating as a rapidly growing remote business. This report serves as both a reflection on our progress and a call to action for more ambitious carbon reduction efforts moving forward.

9 EMISSION REDUCTION TARGETS

9.1 Detailed Interim Targets

By 2027

- Reduce emissions from business travel per FTE by 25%
- Ensure 50% of our staff's work-from-home electricity is from renewable sources
- Offset 50% of carbon emissions generated per contract through carbon credits or carbon-positive initiatives

By 2030

- Achieve a 50% reduction in total Scope 3 emissions compared to our 2020/2021 baseline
- Increase the proportion of staff using renewable energy for work-from-home to 75%
- Implement a fully sustainable supply chain management system

By 2035

- Reduce Scope 3 emissions by 75% compared to our baseline
- Achieve 100% renewable energy use for all work-from-home setups
- Offset 100% of remaining emissions through verified carbon removal projects

9.2 Annual review and update process

To ensure our targets remain ambitious and aligned with the latest climate science and our business growth, we will implement the following annual review and update process:

1. **Data Collection:** Gather comprehensive emissions data across all Scope 3 categories.
2. **Progress Assessment:** Evaluate our performance against the previous year's targets and overall trajectory towards our 2040 net-zero goal.
3. **Market and Technology Review:** Assess new technologies, best practices, and market trends in sustainability and carbon reduction.
4. **Stakeholder Engagement:** Consult with employees, suppliers, and sustainability experts to gather insights and improvement suggestions.
5. **Target Adjustment:** Based on the collected data and insights, adjust our interim targets if necessary to ensure they remain challenging yet achievable.
6. **Board Approval:** Present updated targets and strategies to the board of directors for review and approval.
7. **Communication:** Share the revised targets and progress with all stakeholders, maintaining our commitment to transparency.
8. **Implementation Planning:** Develop detailed action plans for the coming year to achieve the updated targets.

This rigorous annual process will help us maintain momentum towards our net-zero goal while adapting to changes in our business and the broader sustainability landscape.

10 NET ZERO TARGET – 2040

10.1 Balancing Growth with Sustainability

As a rapidly growing business, Whitetree recognises the strategic importance of expansion. Our growth enables us to attract top talent, provide advancement opportunities for existing employees, and enhance our capacity to serve a broader clientele, ultimately reducing business risk.

However, this growth presents challenges for our sustainability goals. As we expand our workforce to meet increasing client demands, we face the potential for higher Scope 3 material usage and an increase in our carbon footprint (tCO₂e).

To address this challenge, we are committed to:

- Maintaining our sustainability efforts throughout periods of rapid growth
- Equipping our expanding workforce while minimising environmental impact
- Continuously improving our operational efficiency

10.2 Focus on Efficiency Metrics

Rather than solely focusing on absolute emission numbers, we are setting targets that reflect the efficiency of our resource usage for each project undertaken. Our key efficiency metrics include:

- tCO₂e per employee
- tCO₂e per £1 of turnover

By measuring the intensity with which our business generates emissions relative to its activities, we can:

- Identify areas for improvement
- Concentrate our efficiency drives effectively
- Ensure our journey to net zero continues uninterrupted as we grow our team

This approach allows us to balance our business growth with our commitment to sustainability. By focusing on these efficiency metrics, we can continue to expand our operations while simultaneously reducing our environmental impact per unit of output.

Through this strategy, Whitetree aims to demonstrate that it's possible to achieve significant business growth without compromising our commitment to achieving net-zero emissions by 2040.

11 COMPLETED CARBON REDUCTION PROJECTS

11.1 List of Implemented Initiatives

- Appointed a Sustainability Officer to lead sustainability efforts
- Launched a Sustainability Policy outlining our commitment to minimising environmental impact
- Implemented an electric vehicle salary sacrifice scheme
- Introduced a cycle to work scheme
- Established a loyalty scheme for train travel
- Issued hybrid working guidance to reduce commuting
- Enhanced employee engagement on sustainability issues
- Implemented flexible work schedules
- Developed and implemented a sustainable business travel policy
- Promoted the use of greener hotels for business travel

These initiatives demonstrate Whitetree's commitment to reducing carbon emissions across various aspects of our operations, from transportation to office practices. By implementing these measures, we have laid a strong foundation for our ongoing journey towards achieving net zero emissions by 2040.

12 FUTURE CARBON REDUCTION PROJECTS

12.1 Timeline for 2025-2027

Whitetree has developed a comprehensive timeline for implementing future carbon reduction projects over the next three years:

2025

- Q1: Launch Employee Energy Efficiency Briefing
- Q2: Implement tracking of fuel types for private vehicles used in business travel
- Q3: Conduct Employee Home Energy Survey
- Q4: Start Employee Carbon Offset Programme

2026

- Q1: Begin Eco-Friendly IT Equipment procurement
- Q2: Launch Green Home Office Certifications program
- Q3: Implement Remote Team Carbon Challenges
- Q4: Enhance Virtual Collaboration Tools

2027

- Q1: Start Sustainable Supply Chain Engagement program
- Q2: Review and update all initiatives
- Q3-Q4: Develop new strategies based on progress and emerging technologies

12.2 Quarterly Breakdown of Planned Initiatives

12.2.1 2025

Q1: Employee Energy Efficiency Briefing

- Develop and distribute tailored advice on energy-saving practices for home offices
- Conduct webinars on optimising heating, lighting, and home office setups

Q2: Fuel Type Tracking for Business Travel

- Implement a system to gather data on fuel types used for private vehicles in business travel
- Develop a reporting mechanism for employees to easily log this information

Q3: Employee Home Energy Survey

- Design and distribute a comprehensive survey to assess employees' home energy use
- Analyse results to identify areas for improvement and potential energy-saving opportunities

Q4: Employee Carbon Offset Programme

- Launch a platform for employees to voluntarily contribute to offsetting their personal or work-related emissions
- Partner with verified carbon offset projects

12.2.2 2026

Q1: Eco-Friendly IT Equipment Procurement

- Establish criteria for energy-efficient and sustainably manufactured IT equipment
- Begin phased replacement of existing equipment with eco-friendly alternatives

Q2: Green Home Office Certifications

- Develop or adopt a certification program for sustainable home offices
- Provide resources and support for employees to achieve certification

Q3: Remote Team Carbon Challenges

- Design and launch team-based challenges focused on reducing carbon footprints
- Implement a reward system for teams achieving the greatest reductions

Q4: Virtual Collaboration Tools Enhancement

- Evaluate and upgrade existing virtual collaboration tools
- Provide training on effective use of these tools to further reduce the need for travel

12.2.3 2027**Q1: Sustainable Supply Chain Engagement**

- Conduct assessments of key suppliers' environmental practices
- Develop a supplier scorecard with sustainability metrics
- Set targets for reducing supply chain emissions

Q2: Initiative Review and Update

- Comprehensively review all implemented initiatives
- Assess progress towards 2027 goals
- Adjust strategies based on effectiveness and emerging best practices

Q3-Q4: New Strategy Development

- Based on the Q2 review, develop new strategies to address any shortfalls
- Incorporate emerging technologies and methodologies in carbon reduction
- Set new targets for the next phase of the journey towards net-zero by 2040

This detailed timeline demonstrates Whitetree's commitment to continuous improvement and proactive measures in reducing its carbon footprint, aligning with the company's goal of achieving net-zero emissions by 2040.

13 ADDITIONAL EMISSIONS CATEGORIES

13.1 Upstream and Downstream Transportation

While our current remote consultancy model limits our direct involvement in upstream and downstream transportation, we recognise the potential for these categories to become relevant as our business evolves. To address this, we will:

1. Conduct an annual review of our business model to identify any changes that may introduce upstream or downstream transportation activities.
2. Develop a framework for tracking and measuring any transportation-related emissions that may arise from future business operations or client engagements.
3. Establish partnerships with sustainable logistics providers for any potential future transportation needs.

13.2 Waste Generated in Operations

To better address waste generated in our remote operations, we will implement the following measures:

1. Conduct a comprehensive survey of our employees' home office waste generation patterns by Q3 2025.
2. Develop guidelines for sustainable waste management practices in home offices, including recycling and composting recommendations.
3. Implement a quarterly reporting system for employees to track their waste generation and recycling efforts.
4. Set a target to reduce waste per employee by 20% by 2027, using 2025 as our baseline year.

13.3 Supply Chain Emissions

To enhance our approach to measuring and reducing supply chain emissions, we will:

1. Conduct a thorough assessment of our key suppliers' environmental practices and carbon footprints by Q2 2026.
2. Develop a supplier scorecard that includes sustainability metrics, with a focus on carbon emissions.
3. Set specific targets for reducing supply chain emissions, aiming for a 15% reduction in supplier-related emissions by 2030.
4. Collaborate with our top suppliers to develop joint carbon reduction initiatives, including shared investments in renewable energy projects.
5. Implement an annual review process to track progress and identify new opportunities for emission reductions within our supply chain.

14 DECLARATION

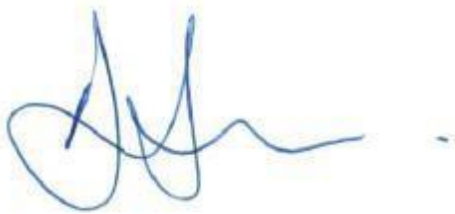
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard.

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) Standard.

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

Signed on behalf of Whitetree Group Limited:



David Brown

Chief Executive Officer

1 July 2024