

3ADAPT SME CLIMATE HUB REPORT 2022/23

INTRODUCTION

REPORTING YEAR: June 2022 to May 2023

ANNUAL REVENUE IN THE REPORTING YEAR *: 748829 GBP

NUMBER OF EMPLOYEES IN THE REPORTING YEAR *: 11

COMMITMENT AND TARGETS

NET ZERO TARGET YEAR * : 2030

BASE YEAR * : 2020

COMMENT ON YOUR NET ZERO TARGETS: We set an Absolute Emission Contract Approach to reduce our net emissions across scopes 1, 2 and 3 to zero by 2030 and at a rate exceeding 4.2% per annum – the science-based trajectory to 2035.

NEAR-TERM SCOPE 1 TARGET *: 100

TARGET YEAR: 2030

NEAR-TERM SCOPE 2 TARGET *: 100

TARGET YEAR: 2030

NEAR-TERM SCOPE 3 TARGET *: 50

TARGET YEAR: 2030

COMMENT ON YOUR NEAR-TERM TARGETS: We aim to reduce our emissions where possible and only offset residual emission when we have reduced emissions as much as possible and within our capability, through purchasing certified carbon credit from providers which we will thoroughly review.

OWN EMISSIONS

SCOPE 1 EMISSIONS (METRIC TONS CO2E): 0

OWN FACILITIES: N/A

OWN VEHICLES: N/A

OWN PROCESSES: N/A

SCOPE 2 EMISSIONS (METRIC TONS CO2E): 0

TOTAL ENERGY CONSUMPTION (KWH): 6323

RENEWABLE ENERGY: 100%

PURCHASED ELECTRICITY: 0 metric tons CO2e

100% RENEWABLE ENERGY. Market based.

PURCHASED STEAM: N/A

PURCHASED HEATING: N/A

PURCHASED COOLING: N/A

COMMENT ON YOUR ENERGY CONSUMPTION: We are on an Octopus REGO backed Tariff that supplies for our office electricity and heating.

VALUE CHAIN EMISSIONS

SCOPE 3 EMISSIONS (METRIC TONS CO2E): 35.33

SUPPLY CHAIN RELATED - UPSTREAM EMISSIONS

PURCHASED GOODS AND SERVICES: 29.02

CAPITAL GOODS: N/A

FUEL AND ENERGY RELATED ACTIVITIES: N/A

TRANSPORTATION AND DISTRIBUTION (UPSTREAM): N/A

WASTE IN OPERATIONS: 0.01

BUSINESS TRAVEL: 4.36

EMPLOYEE COMMUTING: 1.94

LEASED ASSETS (UPSTREAM): N/A

CUSTOMER RELATED - DOWNSTREAM EMISSIONS

TRANSPORTATION AND DISTRIBUTION (DOWNSTREAM): N/A

PROCESSING OF SOLD PRODUCTS: N/A

USE OF SOLD PRODUCTS: N/A

END-OF-LIFE TREATMENT OF PRODUCTS: N/A

LEASED ASSETS (DOWNSTREAM): N/A

FRANCHISES: N/A

INVESTMENTS: N/A

IF YOU HAVE EXCLUDED OR HAVE NOT MEASURED ANY RELEVANT SOURCES OF VALUE CHAIN EMISSIONS, PROVIDE YOUR ESTIMATE OF THE % OF YOUR TOTAL EMISSIONS THAT IS REPRESENTED BY THESE SOURCES.: 0%

LIST ANY SOURCES OF EMISSIONS EXCLUDED: N/A

DESCRIBE THE CALCULATION METHODOLOGY AND COMMENT ON ACCURACY: We calculate using the GHG protocol emissions categories material to our business and we use the most up to date emissions factors for the specified reporting year from the Department for Business, Energy and Industrial Strategy. We have identified that our data sources are either medium or high accuracy.

ACTIONS AND PLANS TO REDUCE EMISSIONS

TO REDUCE EMISSIONS IN LINE WITH MY COMMITMENT, MY COMPANY HAS A PLAN AND IS TAKING ACTION: YES

SCOPE 1 ACTIONS

OWN FACILITIES: N/A

OWN VEHICLES: N/A

OWN PROCESSES: N/A

SCOPE 2 ACTIONS

PURCHASED ELECTRICITY: We have changed our energy supplier to Octopus Energy who provide 100% REGO backed energy tariffs. We also aim to reduce our energy consumption by 5% per year; for this we have LED bulbs, light sensors and electric heating timers.

PURCHASED STEAM: N/A

PURCHASED HEATING: Yes; we have electric heating that is supplied by renewable energy.

PURCHASED COOLING: N/A

SCOPE 3 ACTIONS

SUPPLY CHAIN RELATED (UPSTREAM)

PURCHASED GOODS AND SERVICES: Yes; We use supplier specific emission factors and LCA data where available to increase the accuracy of our emissions. We apply circular economic principles when buying by assessing the need of the purchase, look to lease/ hire instead of own, and look for products with more sustainable materials.

CAPITAL GOODS: N/A

FUEL AND ENERGY RELATED ACTIVITIES: N/A

TRANSPORTATION AND DISTRIBUTION (UPSTREAM): N/A

WASTE IN OPERATIONS: Our site waste contractors recycle 100% of our waste.

BUSINESS TRAVEL: To reduce the need for travel, we have preference to online meetings where we see appropriate. Where business travel is necessary, we will use public transport.

EMPLOYEE COMMUTING: Our office is based in a central city location easily accessible to our employees through public transport, which is how the majority get into work. We also encourage active travel and participate in the cycle to work scheme. We allow employees to work from home two days per week to reduce the need to travel.

UPSTREAM LEASED ASSETS: N/A

CUSTOMER RELATED (DOWNSTREAM)

TRANSPORTATION AND DISTRIBUTION (DOWNSTREAM): N/A

PROCESSING OF SOLD PRODUCTS: N/A

USE OF SOLD PRODUCTS: N/A

END-OF-LIFE TREATMENT OF PRODUCTS: N/A

LEASED ASSETS (DOWNSTREAM): N/A

FRANCHISES: N/A

INVESTMENTS: N/A

I HAVE ASKED MY SUPPLIERS TO HALVE EMISSIONS BEFORE 2030 AND JOIN THE UN-BACKED RACE TO ZERO CAMPAIGN: No

I HAVE COMMUNICATED MY COMMITMENT AND ACTIONS TO MY BUSINESS CUSTOMERS AND ASKED THEM TO JOIN THE UN RACE TO ZERO: No

CLIMATE SOLUTIONS

DO YOU CLASSIFY ANY OF YOUR EXISTING GOODS AND/OR SERVICES AS LOW CARBON PRODUCTS OR PRODUCTS THAT ENABLE A THIRD PARTY TO AVOID GHG EMISSIONS IN THEIR VALUE CHAIN, HERE NAMED "CLIMATE SOLUTIONS"?: Yes

WHAT PERCENTAGE OF YOUR TOTAL REVENUE COMES FROM SALES OF CLIMATE SOLUTIONS?: 86%

PROVIDE DESCRIPTIONS/NAMES OF YOUR CLIMATE SOLUTIONS: We believe in living within the limits of the natural environment and developing strategies and solutions that grow all forms of "capital" – natural, social, human, manufactured and financial. We enable and deliver sustainable development and an ongoing positive flow of benefits for our clients and society. Our 5 headline service offerings are net zero and climate positive, resilience and adaptation, circular economies, ecosystems and resources, social sustainability. 86% of our revenue last financial year came from net zero and climate positive, resilience and adaptation or an integration of these with other service offerings.

METHODOLOGY USED TO ASSESS THESE AS CLIMATE SOLUTIONS: We use guidance documents like (<https://sciencebasedtargets.org/>) for Net Zero and Climate Positive service or as set out by the Global Reporting Initiative (<https://www.globalreporting.org/>) for our Integrated Sustainability service; Our Ecosystems and Resources service we follow many of the principles used by the governments research led Natural Capital Accounts including the ENCA guidance (<https://www.gov.uk/guidance/enabling-a-natural-capital-approach-enca>) or as set out in the recent TNFD guidance (<https://tnfd.global/>). Our Resilience and Adaptation service, follows the ISO 14090 Adaptation to Climate Change Principles, Requirements and Guidelines. Whilst our circular economy offer has been limited in its uptake at present, we have also developed this around principles set out in BS8001: Framework for implementing the principles of the circular economy in organizations. (<https://knowledge.bsigroup.com/products/framework-for-implementing-the-principles-of-the-circular-economy-in-organizations-guide?version=standard>)

THIRD PARTY WHICH HAS VALIDATED THE ASSESSMENT, IF ANY: N/A

HOW MUCH OF YOUR RESEARCH AND DEVELOPMENT BUDGET IS ALLOCATED TO CLIMATE SOLUTIONS?: 100%

ARE YOU INVESTING IN CLIMATE AND/OR NATURE OUTSIDE YOUR VALUE CHAIN?: No

MANAGEMENT AND STRATEGY

IS RESPONSIBILITY FOR CLIMATE STRATEGY AND ACTION CLEARLY ALLOCATED AT EXECUTIVE & BOARD LEVEL? IF YES, DESCRIBE HOW AND TO WHICH POSITIONS.:

Anthony Davies, Director, is responsible for ensuring that our environmental policy is implemented, however, all employees have a responsibility in their area to ensure that the aims and objectives of this policy are met. We also have a Doing Good Policy, where founding directors have ultimate responsibility for progressing towards the commitments highlighted in this policy. However, the policy has been developed with input from all the team here at 3ADAPT and each employee has made a personal annual target based on the targets set out in our Doing Good Policy.

IS THERE BOARD LEVEL OVERSIGHT OF CLIMATE ACTION? IF YES, DESCRIBE HOW.? Yes, the directors annually review the progress of the targets set out in our Doing Good Policy, whilst our progress, achievement and challenges are published in our annual Doing Good Report. Furthermore, personal reviews between directors and employees cover the progress of employees targets.

HAVE YOU ANALYZED WHETHER YOUR STRATEGY, BUSINESS MODEL AND PRODUCT/SERVICE PORTFOLIO ARE ALIGNED WITH THE LATEST CLIMATE SCIENCE? IF YES, EXPLAIN IF/HOW IT FULFILLS THIS AMBITION OR HOW IT NEEDS TO BE TRANSFORMED.: Yes; We follow the same working practices as set out in best practice guidance documents like

(<https://sciencebasedtargets.org/>) for Net Zero and Climate Positive service or as set out by the Global Reporting Initiative (<https://www.globalreporting.org/>) for our Integrated Sustainability service; Our Ecosystems and Resources service we follow many of the principles used by the governments research led Natural Capital Accounts including the ENCA guidance (<https://www.gov.uk/guidance/enabling-a-natural-capital-approach-enca>) or as set out in the recent TNFD guidance (<https://tnfd.global/>). Our Resilience and Adaptation service, follows the ISO 14090 Adaptation to Climate Change Principles, Requirements and Guidelines. Whilst our circular economy offer has been limited in its uptake at present, we have also developed this around principles set out in BS8001: Framework for implementing the principles of the circular economy in organizations. (<https://knowledge.bsigroup.com/products/framework-for-implementing-the-principles-of-the-circular-economy-in-organizations-guide?version=standard>)

DO YOU IDENTIFY, ASSESS AND MANAGE CLIMATE RISKS? IF YES, DESCRIBE HOW.: No

HAVE YOU INTEGRATED CLIMATE AND/OR NATURE INTO YOUR MISSION STATEMENT? IF YES, DESCRIBE HOW.: Our Mission Statement: We embrace complexity to enable change that enriches society and is kind to our planet. We collaborate to enable progress that reflects each unique context. We do this through applying robust models of sustainability, collating evidence, and applying leading research to grow natural, social, human, intellectual, manufactured and financial capital. We create measurable benefits to our clients, collaborators and society as a whole. We do this with honesty, empathy and enthusiasm. Always with the intention to have fun and make friends along the way.

DO YOU CONTRIBUTE TO ACCELERATING CLIMATE ACTION IN SOCIETY E.G. BY INFLUENCING PEERS, GOVERNMENTS, EMPLOYEES, AND/OR ALIGNING YOUR MEMBERSHIP IN TRADE ASSOCIATIONS WITH YOUR MISSIONS TO HALVE EMISSIONS BY 2030?: We have worked with policymakers to develop or advocate for policy changes explicitly designed to improve social or environmental outcomes. We have offered support in name and signed petitions, directly introduced, testified, made recommendations, or provided expertise to advance standards, and participated in panel presentations or other public forums on social or environmental topics.

RESULTS, CHALLENGES AND OUTLOOK

COMMENT ON RESULTS: We believe we have reduced emissions as far as in our current capabilities. As our company grows our absolute emissions will also raise, however we aim for our emissions intensity per FTE and revenue to stay relatively consistent or lower. Note that our intensity metric per unit of revenue (including our scope 1, 2 and 3 emissions) is 38% less than the DEFRA 2022 emissions factor for "Services of head offices: management consulting services".

DO YOU FACE ANY KEY CHALLENGES IN REDUCING EMISSIONS AND/OR SCALING CLIMATE SOLUTIONS? IF YES, DESCRIBE HOW.: Yes; Purchased goods and services make up over 80% of our total emissions, and this will continue to grow as our company does. We also support other SME's and local suppliers, making emissions reductions for this category difficult.

WHAT SUPPORT WOULD YOU NEED TO TACKLE THESE CHALLENGES?: Product LCA and supplier specific emission factors would help increase the accuracy of our emissions through purchased goods and services. Currently this is only available from a select number of larger enterprises.