

Carbon Reduction Plan

4C Associates

June 2022 (Updated November 2022)

Contents

- 1. COMMITMENT TO ACHIEVING NET ZERO 3**
- 2. BASELINE AND CURRENT EMISSIONS FOOTPRINT..... 3**
- METHODOLOGY..... 3
- SCOPE 1, 2 AND 3 EMISSIONS..... 5
- 3. EMISSIONS REDUCTION TARGETS..... 7**
- SCIENCE BASED TARGETS (“SBT”) 7
- 4. CARBON REDUCTION PROJECT 8**
- COMPLETED CARBON REDUCTION INITIATIVES 8
- TRAVEL POLICY 8
- RENEWABLE ELECTRICITY AND ENERGY EFFICIENCY 9
- CARBON OFFSET INITIATIVES..... 9
- SUPPLIER INITIATIVES 9
- FUTURE INITIATIVES..... 10
- 5. DECLARATION AND SIGN OFF 10**

1. COMMITMENT TO ACHIEVING NET ZERO

4C Associates Limited ("4C Associates") is committed to sustainability, is committed to achieving Net Zero emissions by 2030 and has been carbon neutral since 2020. We, as an organisation, are committed to the UN Sustainable Development Goals and the Paris Agreement to reduce greenhouse gas ("GHG") emissions and promote global security. We approach this by ensuring we operate sustainably across everything we do, including monitoring our direct environmental impact, the communities we work in, our clients as well as our people. We recognise that 4C Associates has embarked on this commitment and must ensure it continues to develop its understanding as well as promote awareness through the delivery of its improvement practical activities. In addition, we work to identify, deliver and sustain opportunities in procurement for our clients.

4C Associates aims to follow and promote good sustainability practices through our operations, as well as our innovative carbon solutions helping reduce environmental impacts of activities; we also strive to help our clients work towards Net Zero. This year we have engaged the services of a sustainability specialist who will be advising our clients, starting with a large university, then moving on to private sector clients. We are also working towards a collaboration with a software platform to enable a wider audience to download our Carbon Zero software tool and have an in-house energy expert whose input to projects has been warmly received. 4C Associates' carbon emissions are calculated using our innovative technology, as we do with our clients and has been aligned to British Standards. From this analysis, we have offset our emissions to ensure we are not negatively impacting climate change. 4C Associates is committed to ensuring we continue to measure and monitor our GHG emissions and seeks opportunities to remove or reduce the creation of these in our activities. We will strive to achieve this by taking the following actions:

1. Measuring 100% of the organisation's GHG emissions
2. Removing or reducing GHG emissions as far as possible
3. Ensuring that remaining emissions will continue to be offset through International Carbon Reduction and Offset Alliance approved projects

2. BASELINE AND CURRENT EMISSIONS FOOTPRINT

Baseline emissions are a record of the GHG emissions 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. The reporting year is the calendar year 2021 and the baseline year is the year 2020.

Methodology

Our methodology for calculating carbon emissions looks at all scope 1, 2 and 3 emissions for the entirety of the year (January-December). The category breakdown of the emissions is displayed below.

Scope 1 emissions

No scope 1 emissions were present in 4C Associates operations as these relate to Green House Gas (GHG) emissions that a company makes directly. We, as a business, have nothing that directly contributes as a scope 1 emissions, they fall in Scope 3 due to it being provided by a third party.

Scope 2 emissions

These were quantified by the consumption of electricity and gas at company facilities.

Scope 3 emissions

These were quantified by the following scope 3 categories. All scope 3 emissions by 4C Associates fall under one of the following three categories:

- Category 1 – Purchased goods and services
- Category 6 – Business travel
- Category 7 – Employee commuting

The following categories are not relevant for our business as we have no manufacturing or transportation capabilities.

- Category 4 - Upstream transportation and distribution
- Category 5 - Waste generated in operations
- Category 9 - Downstream transportation and distribution

The carbon footprint of 4C Associates was quantified in line with the GHG Protocol and the following methodologies applied in the emission calculations as outlined in the following documents:

- GHG protocol Corporate Standard
- GHG Protocol Scope 2 Guidance
- GHG Protocol Corporate Value Chain (scope 3)

The GHG Protocol has been selected because it is one of the most recognized and frequently applied standards to quantify the climate impact of corporations and as such is explicitly endorsed by PAS 2060. Emissions due to electricity usage (Scope 2) were calculated using market-based methodology. This methodology was used to incorporate the facts that all purchased electricity was from renewable sources. Emissions due to gas usage (Scope 2) were calculated using location-based methodology. For Scope 3 emissions, our spend-based methodology was used for both Category 1 (purchased goods and services) and Category 6 (business travel) calculations, with average-based methodology being used to calculate Category 7 (employee commuting).

Data Sources

Both primary and secondary data sources were used in the quantification of carbon emissions. Secondary data, based on averages or estimates, has only been used in cases where primary data was unavailable or could not reasonably be obtained.

- **Primary data:** Incorporates all activity data within direct control of 4C Associates. This specifically includes electricity and gas usage, quantities and costs of goods and services purchased, business travel and other minor company data.
- **Secondary data:** The principal form of secondary data sources utilised were emission factors. DEFRA and CenSA were the two data sources used in the emissions calculations. Other secondary data was used for calculating employee commuting using average-based methodology. The sources used were Statista which provided national average commuting statistics.

Scope 1, 2 and 3 emissions

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. In 2021 our carbon emissions increased to 749.37 tCO₂e from 2020 (baseline year) resulting in 189.37 tCO₂e increase. This increase can be accounted for due to the impact of COVID-19 understating our baseline value as opposed to BAU. Despite this, 4C is committed to ensuring we reduce our carbon emissions and achieve net zero.

4C Associates currently has no emissions relating to Scope 1. Scope 2 was slight and was quantified by the consumption of electricity and gas. Scope 3 related to categories 1, 6 & 7, with 4C Associates committed to working actively with suppliers to define Scope 3 emissions and support the reduction of their impact. This is being achieved through a phased approach which is outlined further on in this plan.

Baseline Year Emissions: 2020

EMMISSIONS	TOTAL (tCO₂e)
Scope 1	0
Scope 2	0.41 Electricity Usage Emissions: 0 mtCO ₂ e Gas Usage Emissions: 0.41 mtCO ₂ e (Pre-offset)
Scope 3 (Included Sources)	559.59 Category 1 - Purchased Goods and Services emissions: 509.47 mtCO ₂ e Category 4 - Upstream transportation and distribution: 0 mtCO ₂ e Category 5 - Waste generated in operations: 0 mtCO ₂ e Category 6 - Business Travel emissions: 42.92 mtCO ₂ e Category 7 - Employee Commuting emissions: 7.21 mtCO ₂ e Category 9 - Downstream transportation and distribution: 0 mtCO ₂ e
Total Emissions	560

Reporting Year: 2021

EMMISSIONS	TOTAL (tCO₂e)
Scope 1	0
Scope 2	0.48 Electricity Usage Emissions: 0 mtCO ₂ e Gas Usage Emissions: 0.48 mtCO ₂ e (Pre-offset)
Scope 3 (Included Sources)	748.89 Category 1 - Purchased Goods and Services emissions: 634.50 mtCO ₂ e Category 4 - Upstream transportation and distribution: 0 mtCO ₂ e Category 5 - Waste generated in operations: 0 mtCO ₂ e Category 6 - Business Travel emissions: 104.66 mtCO ₂ e Category 7 - Employee Commuting emissions: 9.73 mtCO ₂ e Category 9 - Downstream transportation and distribution: 0 mtCO ₂ e
Total Emissions	749.37

3. EMISSIONS REDUCTION TARGETS

In order to continue our progress to achieving Net Zero, 4C Associates has adopted the following carbon reduction targets that apply to all of its operations. It will implement a phased approach, through intermediate targets, to achieve the main objective. To continue our progress to remove or reduce emissions from our business activities, we have adopted the following carbon reduction targets, against a 2020 baseline:

1. 25% (0.103 tCO₂e) reduction in GHG emissions (Scope 2) per full-time employee by the end of 2025. We expect to achieve this target, through emissions reduction activities and procuring renewable energy or onsite generation.
2. 60% (335.75 tCO₂e) reduction in Scope 3 emissions per full-time employee by the end of 2027. This will be delivered through a phased supply chain approach, working with key suppliers on carbon reduction activities.

4C Associates is purchasing carbon offsets that deliver social value to balance carbon emissions, however science-based targets (“SBT”) do not allow carbon offsets to achieve targets. During 4C Associates’ transition to Net Zero, we will continue to compensate our emissions which 4C Associates has done since 2020.

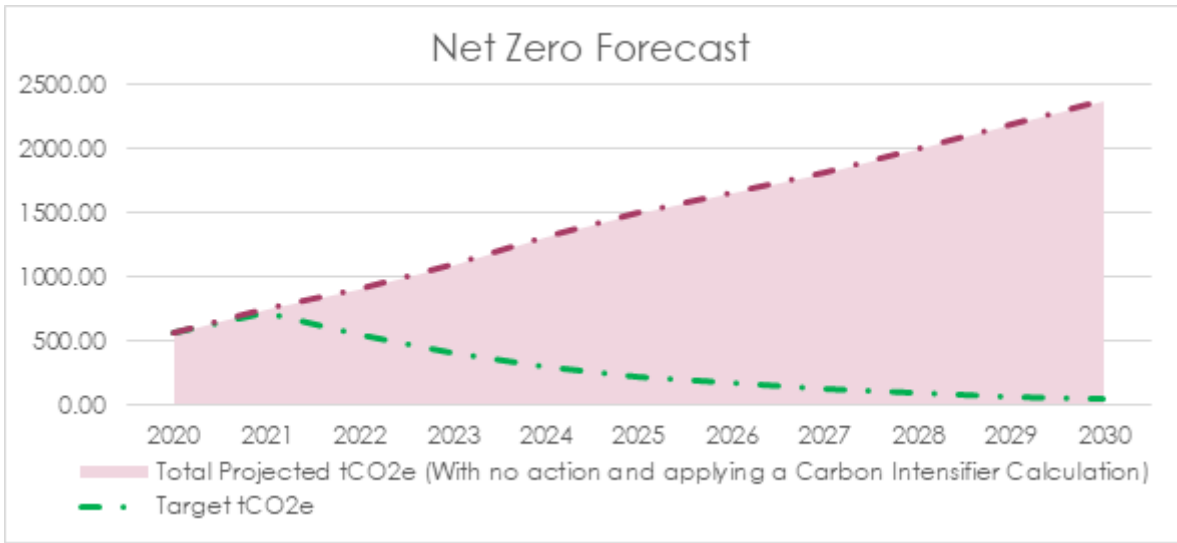


Figure 1: Forecasted view with no action vs our target plan

Science based targets (“SBT”)

4C Associates has signed up to SBTs with a commitment to be Net Zero by 2030. The SBT initiative is a collaboration between the Carbon Disclosure Project, the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature. As part of this commitment, 4C Associates will be reporting on its carbon output annually and using data to drive initiatives internally and with key suppliers.

This is a necessary step and pledge to meet the goals of the Paris Agreement – limiting global warming and supporting efforts to limit warming to 1.5°C. These targets provide a clearly defined pathway for 4C Associates to monitor reduction in GHG.

4. CARBON REDUCTION PROJECT

Completed carbon reduction initiatives

4C Associates strives to continue to progress from the point the baseline was set and implement sustainable practices as part of the working environment post-pandemic. The following environmental management measures and projects have been completed or implemented since the 2020 baseline. It has:

- Implemented the Cycle to work scheme: 4C Associates offers and actively promotes a cycle to work scheme for all employees, encouraging them to use green methods of transportation into the office
- Encouraged office best practice: 4C Associates has already taken steps to ensure its head office is as sustainable as possible. The energy used in our head office is from a renewable energy provider and we have taken steps in the office to reduce carbon output such as use of energy efficient light bulbs, food waste reuse, waste recycling and so on
- Applied for certifications: as mentioned, 4C Associates has signed up for SBTi, but it is also in the process of becoming a B Corp company. B Corp Certification is a designation that a business is meeting high standards of verified performance, accountability, and transparency on factors from employee benefits and charitable giving to supply chain practices and input materials
- Introduced an Electric Tusker car scheme for all employees to encourage the use of greener methods of travel. Our office also has charging points to further encourage the use of greener travel

Travel policy

4C Associates' travel policy is scheduled for review in 2022, among other things, to encourage and promote the use of green transport methods and look to review the following points and suggested options. This includes consideration of the following preferences in relation to modes of transport and overnight stays:

1. Train over air travel for journeys under 300 miles (or so): Edinburgh, Paris, Brussels, Amsterdam from London must be on train
2. Taxis must be electric vehicles ("EVs") if available
3. Car hire will be limited to only EVs

4. Flying – if a flight must be taken, 4C Associates should have a list of preferred airlines with the youngest fleet/best carbon reduction initiatives; no connecting flights (unless unavoidable) and employees should always opt in to carbon offset option when purchasing the ticket
5. Hotels – again, preferred hotels should be ones with green certificates, and this should be 4C Associates preferred choice

Renewable electricity and energy efficiency

Where 4C Associates has direct control of contracts, the procurement of electricity consumed is from renewable sources, resulting in very little Scope 2 emissions. 4C Associates will continue to look at ways of working with its landlord to reduce energy consumption within the head office building. This includes exploring additional initiatives such as energy lights switching off when not in use more frequently, optimising the use of office lighting by encouraging people to sit in the same area so that light/heating can be switched off in parts of the building that are unused or under-utilised from day-to-day. Additionally, 4C Associates ensures all office equipment purchased is energy-efficient, working closely with its IT managed service provider CenCom.

Carbon offset initiatives

To recap, 4C Associates has purchased carbon offsets for GHG emissions to neutralise the impact of its carbon emissions whilst also ensuring we invest in offsets that focus supporting worthwhile initiatives. By offsetting the GHG emissions, this results in no net effect on the amount of GHG emissions in the atmosphere. Examples of these initiatives include the Chacayes Hydroelectric Project in Chile which is a run-off river hydroelectric power plant located in the Cachapoal Valley. 4C Associates is committed to continuing to invest in initiatives such as these, as well as carbon capture technology to ensure further benefit is delivered beyond offsetting carbon emissions.

4C Associates has also undertaken a self-certification developing a Qualifying Explanatory Statement in support of PAS 2060:2014.

Supplier initiatives

We are committed to take a long-term approach to carbon reduction and sustainability and the only way to do this is to work with key stakeholders in the supply base. Because of this, in 2022, 4C Associates will be implementing an Environment Charter which key suppliers will have to sign

up to. This will commit suppliers to carbon reduction and to work with 4C Associates to become more sustainable. There are already pledges of this kind in the Supplier Relationship Management and Code of Conduct created, alongside our Environment Policy, to encourage model behaviour from our supplier base – initiatives taken in our quest to achieve B Corp status across the group.

To support this, 4C Associates has undertaken analysis on our internal supply chain to identify key suppliers to engage with across the next 18 months across three tranches to support with a collaborative approach to reducing Scope 3 emissions and in turn support the aim of becoming net zero. Additionally, to support these suppliers, we will also be reviewing practices and reporting data annually to ensure adherence.

Future initiatives

As part of the future ways of working strategy, 4C Associates is actively exploring opportunities to deliver a reduction in its carbon footprint. This will include internal opportunity identification and working externally with direct and indirect supply chains to deliver further reductions. Additionally, with more staff working from home 4C are exploring further initiatives to support the reduction of carbon emissions and the energy used at home.

5. DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with the government's Procurement Policy Note 06/21 and associated guidance together with 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 standard using the appropriate Government emission conversion factors for GHG company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for CRPs and the Corporate Value Chain (Scope 3) Standard.

This plan has been reviewed and signed off on behalf of the board of 4C Associates, registered company number 04018096, by:



Jeremy Smith

MD

Date: November 2023

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