

2024 Carbon Reduction Plan

4C Associates Ltd

August 2024

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1. COMMITMENT TO ACHIEVING NET ZERO

4C Limited ("4C") is committed to operate sustainably in all we do, we have been carbon neutral since 2020 and aim to achieve Net Zero emissions by 2030. We are a BCorp committed to the UN Sustainable Development Goals and the Paris Agreement to reduce greenhouse gas ("GHG") emissions and promote global security.

We aim to follow and promote good sustainability practices through our operations, as well as helping our clients work towards Net Zero.

4C's Carbon Reduction Plan is delivered by our '4C for Good' team, who not only focus on both environmental and wider sustainability improvements and opportunities across our business.

Our carbon emissions are calculated using technology from our sister company [Anvil Analytical](#) and are aligned to British Standards. 4C is committed to ensuring we continue to measure and monitor our GHG emissions and seeks opportunities to remove or reduce the creation of these by:

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 certified projects

2. BASELINE AND 2023 EMISSIONS FOOTPRINT

Baseline emissions are a record of the GHG emissions that have been produced prior to the introduction of any strategies to reduce emissions. Whilst baseline emissions are the reference point against which emissions reduction can be measured, 4C's baseline year is 2020, a year where travel was significantly impacted by the global Covid-19 pandemic. As a global consultancy, business travel contributes a significant portion of our emissions and 2023 is the first reporting year where the pandemic has not affected our travel. Targets for reducing emissions from business travel will be revised in 2024 to reflect 2023 travel patterns.

In 2024 4C's Carbon Reduction Plan will also be reviewed to ensure it continues to reflect our ambitious growth plans whilst remaining challenging but viable.

Methodology

Our methodology for calculating carbon emissions includes all scope 1, 2 and 3 emissions for the entirety of the year (January-December).

The GHG Protocol has been selected as one of the most recognised and frequently applied standards to quantify the climate impact of corporations and as such is explicitly endorsed by PAS 2060. 4C's carbon footprint was quantified in line with the GHG Protocol as outlined in the following documents:

- GHG protocol Corporate Standard
- GHG Protocol Scope 2 Guidance

- GHG Protocol Corporate Value Chain (scope 3)

Scope 1 emissions

No scope 1 emissions were present in 4C operations as we, as a business, do not generate any GHG emissions directly.

Scope 2 emissions

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

- Emissions due to electricity usage were calculated using market-based methodology with electricity all purchased from renewable sources.
- Emissions due to gas usage were calculated using location-based methodology.

Scope 3 emissions

All scope 3 emissions by 4C fall under one of the following three categories:

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

Our spend-based methodology was used for both Category 1 and Category 6 calculations. Previous to 2023 we used an average-based methodology to calculate Category 7 – however from 2023 we used a commuting survey of our team to give more accurate data.

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. 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 sources were used in the emissions calculations. Statista provided national average commuting statistics that were used for calculating employee commuting using average-based methodology.

2023 emissions

In 2023 our carbon emissions decreased to 320.73 tCO₂e resulting in 239.28 tCO₂e decrease from the baseline year.

Baseline Year Emissions: 2020

| EMMISSIONS | TOTAL (tCO ₂ e) |
|-------------------------------|--|
| 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 6 - Business Travel emissions: 42.92 mtCO ₂ e Category 7 - Employee Commuting emissions: 7.21 mtCO ₂ e |
| Total Emissions | 560 |

Reporting Year: 2023

| EMMISSIONS | TOTAL (tCO ₂ e) |
|-------------------------------|---|
| Scope 1 | 0 |
| Scope 2 | 17.72 Electricity Usage Emissions: 0 mtCO ₂ e Gas Usage Emissions: 17.72 mtCO ₂ e (Pre-offset) |
| Scope 3 (Included Sources) | 303.01 Category 1 - Purchased Goods and Services emissions: 262.03 mtCO ₂ e Category 6 - Business Travel emissions: 22.44 mtCO ₂ e Category 7 - Employee Commuting emissions: 18.54 mtCO ₂ e |
| Total Emissions | 320.73 |

3. EMISSIONS REDUCTION TARGETS

To continue our progress to achieving Net Zero, 4C has adopted carbon reduction phased targets against the 2020 baseline for all its operations:

1. 25% (0.103 tCO₂e) reduction in GHG emissions (Scope 2) per full-time employee by the end of 2025. We are working with the building managers to understand how and if this will be possible in the current premises.

2. 60% (323.25 tCO₂e) reduction in Scope 3 emissions per full-time employee/resource by the end of 2027. This will be delivered through a phased supply chain approach, working with key suppliers on carbon reduction activities.

4C purchases 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’s transition to Net Zero, we will continue to compensate our emissions.

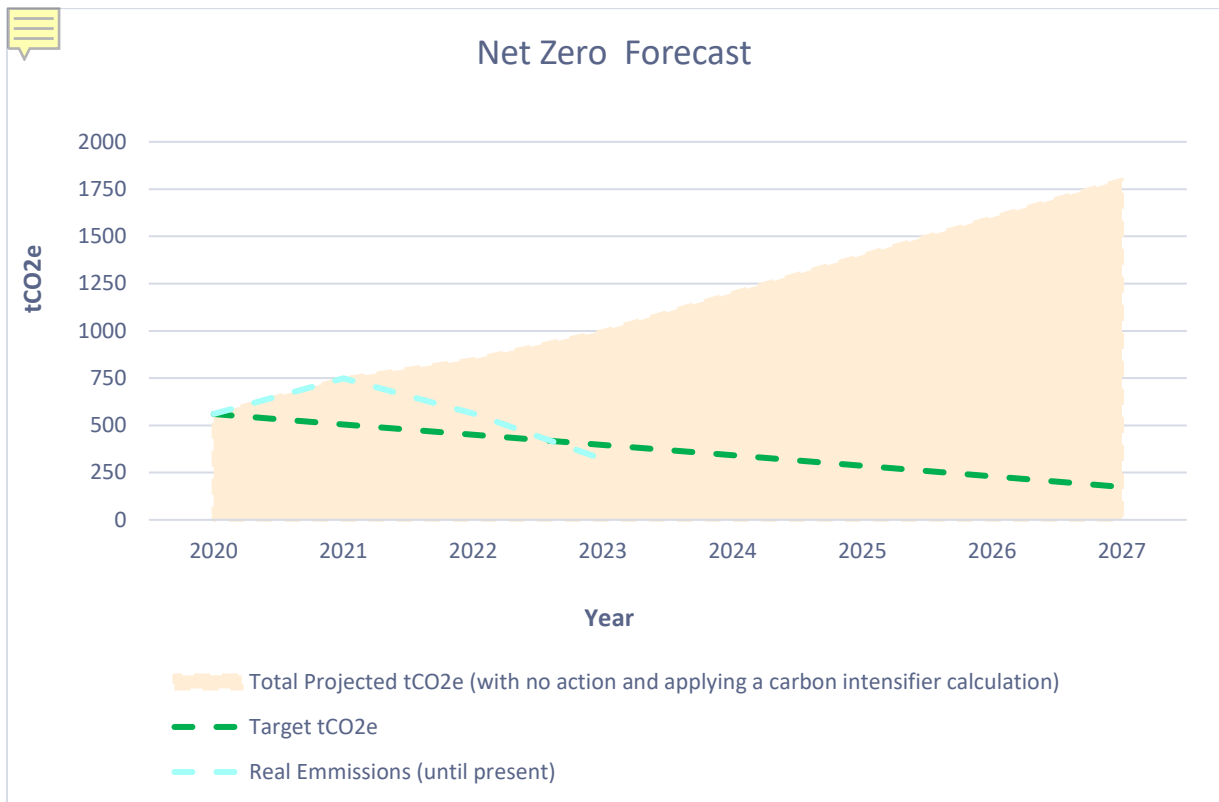


Figure 1: Forecasted view with no action vs our target plan

Science based targets (“SBT”)

4C 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 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 to monitor reduction in GHG.

4. 4C FOR GOOD: CARBON REDUCTION INITIATIVES

Completed carbon reduction initiatives

4C's Sustainability Programme 4C for Good, takes the organisation from the baseline toward Net Zero implementing sustainable practices. 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 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 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 and waste recycling.
- Applied for certifications: 4C has signed up for SBTi and is a certified B Corporation, 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 car scheme: Available for all employees this encourages the use of greener methods of travel. Our office also has charging points to further encourage the use of greener travel.
- Implemented a new travel policy: Designed to encourage and promote the use of green transport methods and prioritise environmentally certified hotels.
- Introduced an Environment Policy, Supplier Relationship Management and Supplier Code of Conduct
- Avoiding mandatory office attendance: Post-pandemic we have not set a minimum threshold to ensure emission avoidance where travel is not required.

Renewable electricity and energy efficiency

Where 4C has direct control of contracts, electricity consumed is from renewable sources, resulting in very little Scope 2 emissions. 4C 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 ensures all office equipment purchased is energy-efficient, working closely with its IT managed service provider.

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.

4C will undertake further analysis on our supply chain to identify key suppliers to engage with long term to support a collaborative approach to reducing Scope 3 emissions.

Carbon offset initiatives

4C 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 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.

Future initiatives

4C is actively exploring opportunities to deliver a reduction in its carbon footprint. The 4C for Good programme for 2024 includes:

- Analysing travel data to identify high emission projects/teams to design initiatives to reduce travel requirements
- Increased local hiring in Europe and using US based Group resources on US projects
- Continuing to improve recycling with an aim to achieve zero landfill
- Design targeted carbon reduction initiatives with our key suppliers
- Complete review of this CRP and reduction activities to ensure it aligns with the company growth strategy.

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:

A handwritten signature in black ink, appearing to read 'J. Smith', is written over a vertical line.

Jeremy Smith

MD

Date: August 2024