

Sept 2024



GREEN ELEMENT GROUP
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Climate Report FY2024

Carbon Footprint
Science-based Targets
Environmental Management System



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Introduction and Scope**

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CARBON FOOTPRINTING PROJECT INTRODUCTION

What will the carbon footprint look like?

In accordance with the **GHG Protocol**, the most widely recognised and used standard in carbon accounting, the footprint will be presented as below:

Unit of Measurement

The carbon footprint is expressed in units **CO₂e**, or tonnes of carbon dioxide equivalents, a standard unit for measuring carbon footprints.

CO₂e expresses the carbon footprint as a single number with the same global warming potential as the sum of all the different greenhouse gases measured.

Emission Categories

The carbon footprint is categorised into 3 'Scopes':

- **Scope 1:** Direct emissions from owned or controlled sources (e.g. building gas usage).
- **Scope 2:** Indirect emissions from the generation of purchased electricity, heat or steam.
- **Scope 3:** All indirect emissions that occur in the company value chain

Dual Reporting

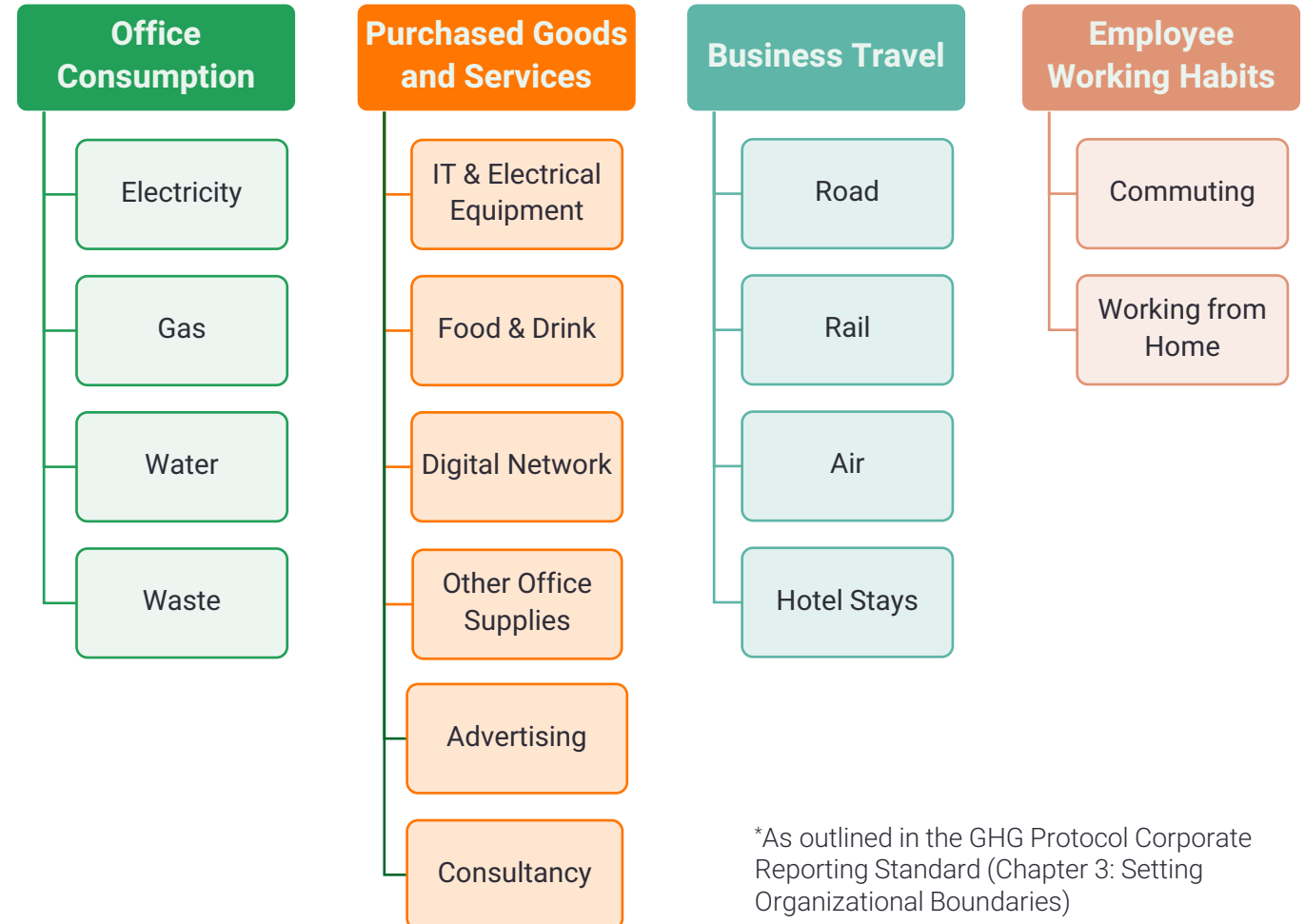
The emissions associated with electricity usage have been calculated and reported in two ways:

- **Location-Based:** uses the average fuel mix of the region e.g. the UK National Grid
- **Market-Based:** uses the actual fuel mix of the specific tariff purchased e.g. 100% renewable tariff from an energy supplier

Boundary of Project



The organisational boundary for this project was **operational control**, consisting of the following data points across Scopes 1, 2, and 3:



*As outlined in the GHG Protocol Corporate Reporting Standard (Chapter 3: Setting Organizational Boundaries)



Project Scope

Deliverables

- Calculating Green Element's carbon footprint
- Carbon Footprint Report
- Science-Based Targets Updates

Reporting Period

- 1st April 2023 to 31st March 2024
- 1st January 2023 to 31st March 2023

Sites Included (2 Offices)

- Edinburgh
- London





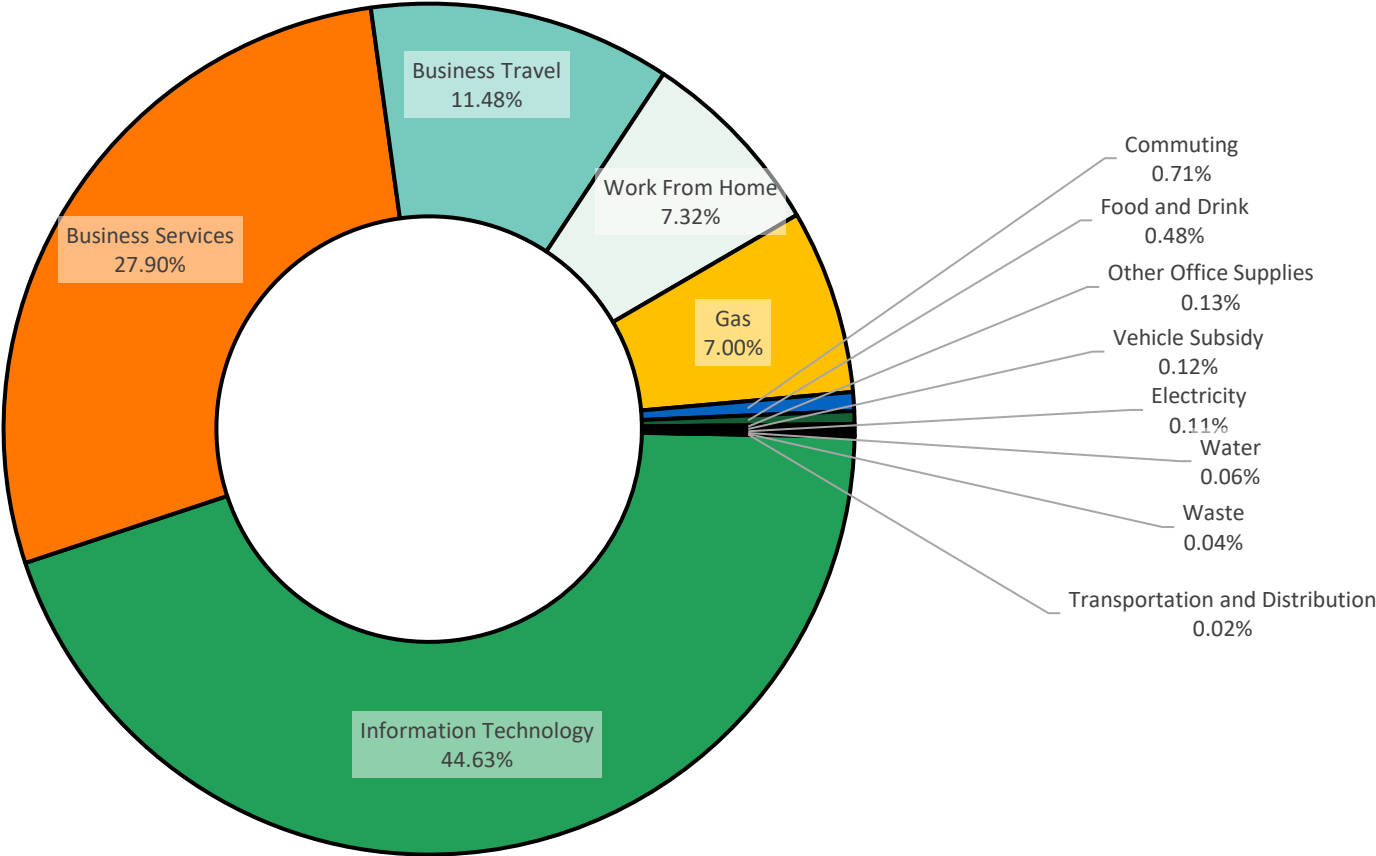
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RESULTS OVERVIEW



FY2024 Carbon Footprint

Split by Activity, Presented Visually (Market-Based)



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Figure 1. Pie Chart of total market-based GHG emissions in FY2024, split by activity.

FY2024 Carbon Footprint (Market-Based)

Split by Activity and Scope



Activity	GHG Emissions (tCO ₂ e)				% of Grand Total	Normalised GHG Emissions (tCO ₂ e/FTE)
	Scope 1	Scope 2	Scope 3	Total		
Information Technology	0.00	0.00	30.90	30.90	44.63%	1.14
Business Services	0.00	0.00	19.32	19.32	27.90%	0.72
Business Travel	0.00	0.00	7.95	7.95	11.48%	0.29
WFH	0.00	0.00	5.07	5.07	7.32%	0.19
Gas	4.16	0.00	0.69	4.85	7.00%	0.18
Commuting	0.00	0.00	0.49	0.49	0.71%	0.02
Food and Drink	0.00	0.00	0.33	0.33	0.48%	0.01
Other Office Supplies	0.00	0.00	0.09	0.09	0.13%	0.00
Vehicle Subsidy	0.00	0.00	0.08	0.08	0.12%	0.00
Electricity	0.00	0.00	0.08	0.08	0.11%	0.00
Water	0.00	0.00	0.04	0.04	0.06%	0.00
Waste	0.00	0.00	0.03	0.03	0.04%	0.00
Transportation and Distribution	0.00	0.00	0.01	0.01	0.02%	0.00
GRAND TOTAL	4.16	0.00	65.07	69.23	100.00%	2.56

Market-based methodology calculates electricity emissions using **supplier-specific fuel mix**.

Market-based totals will be used for this report, unless stated otherwise.

Table 1. Total market-based GHG emissions in FY2024, split by activity and Scope.

Comparison: Office-by-Office

FY2024 GHG Emissions split by office (Location-Based)

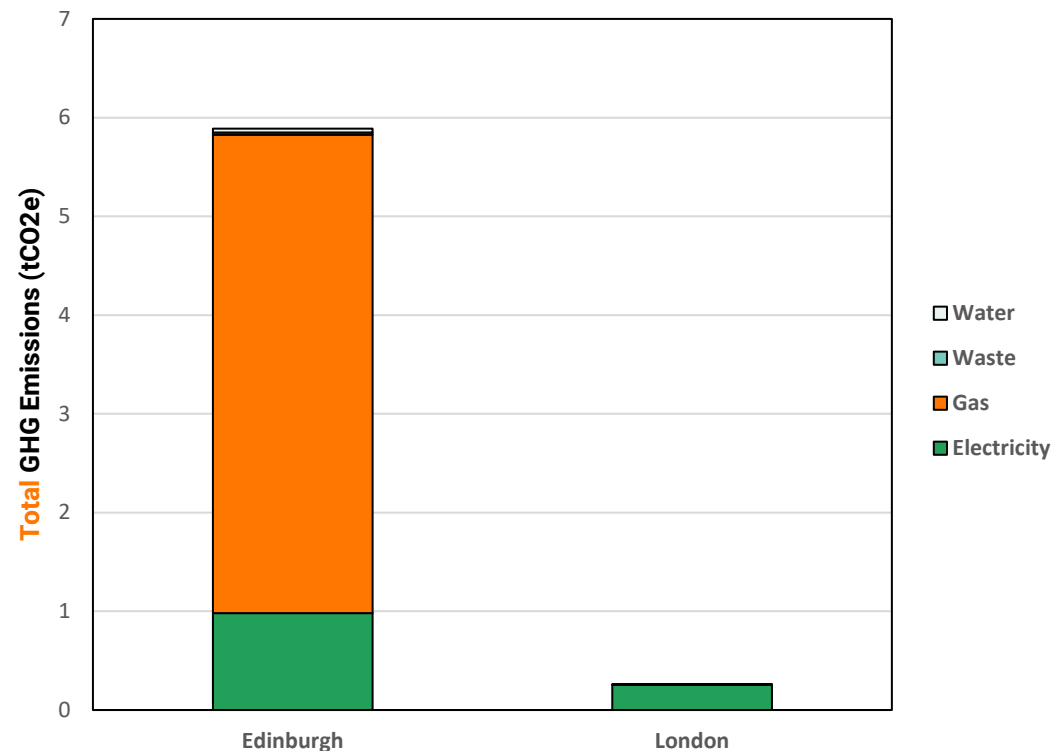


Figure 2. Office-by-office GHG emissions in FY2024, split by activity. *

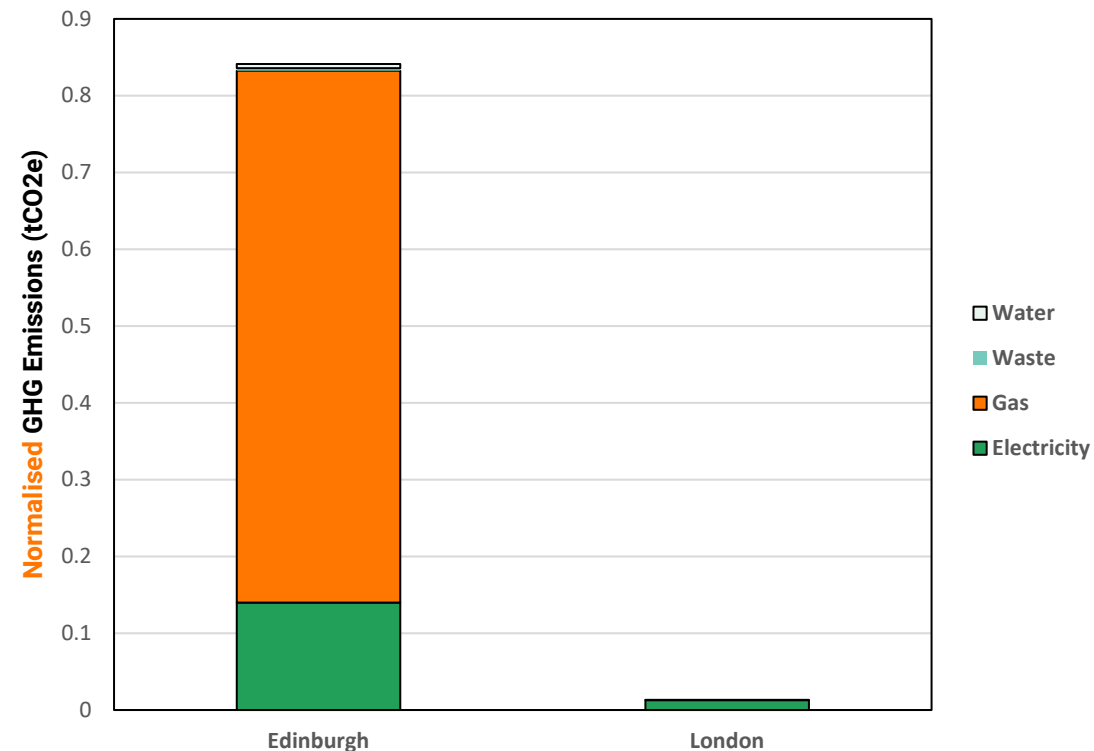


Figure 3. Office-by-office normalised GHG emissions in FY2024, split by activity. *

Location-based uses the national grid emission factor for electricity, doesn't take into account the tariff purchased
* Excludes activities that were not measured on a site-by-site basis, which were: stationery, furniture, transport & distribution, information technology, business travel, hotel stays and food & drink.

Year-on-Year Comparison

Green Element’s carbon footprint increased by 21% between 2021 and FY2024

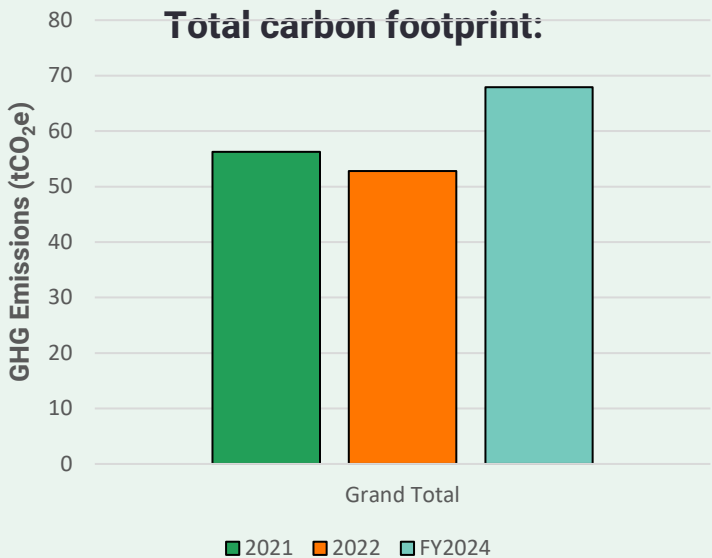


Figure 4. Total GHG emissions, 2021 through FY 2024

Overall, Green Element’s carbon footprint **increased by 21%** between 2021 and FY2024.

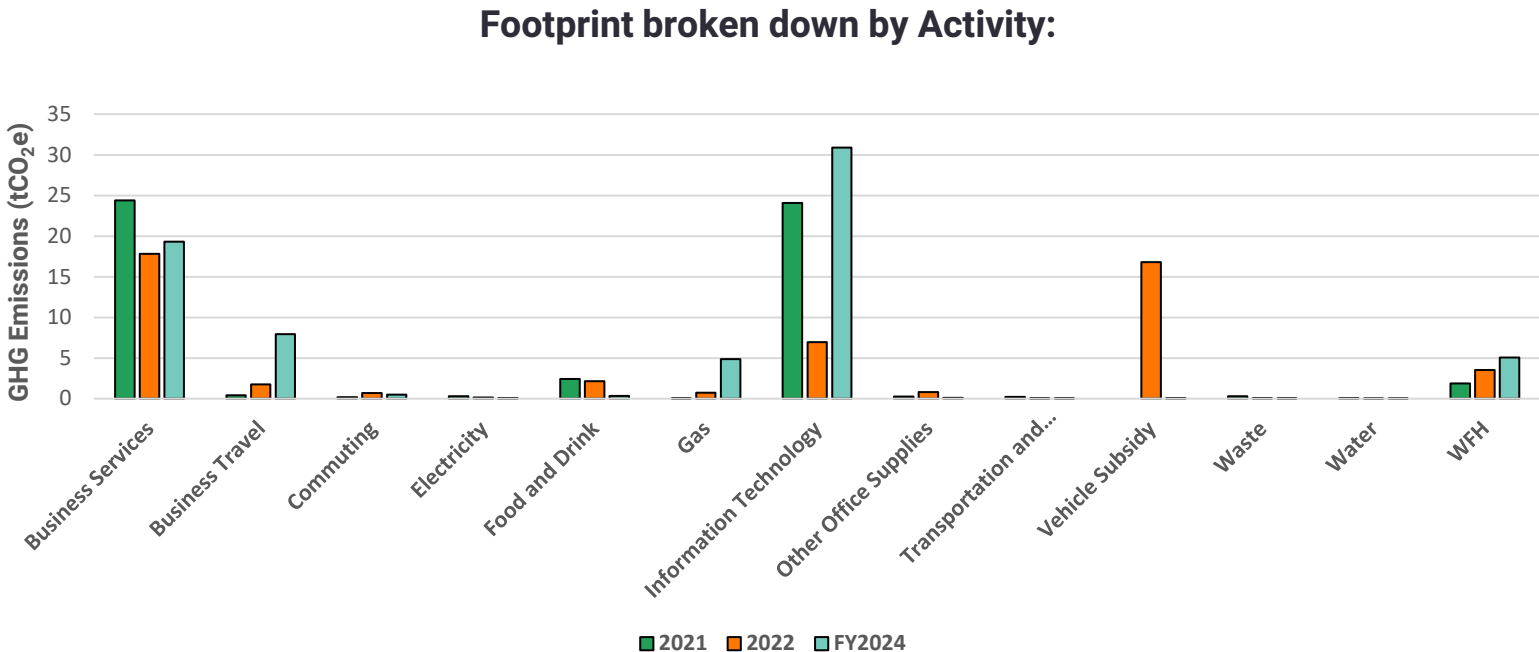


Figure 5 GHG emissions by activity 2021 through FY2024

On an activity level, the emissions decreased in 7 out of 13 categories, the largest decreases were Vehicle Subsidy and food and drink at 16 tonnes and 1.8 tonnes respectively.

First Quarter 2023 Carbon Footprint

Split by Activity and Scope (Market-Based)



Activity	GHG Emissions (tCO ₂ e)				% of Grand Total	Normalised GHG Emissions (tCO ₂ e/FTE)
	Scope 1	Scope 2	Scope 3	Total		
Information Technology	0.00	0.00	6.03	6.03	35.91%	0.22
Business Services	0.00	0.00	3.76	3.76	22.36%	0.14
Business Travel	0.00	0.00	3.24	3.24	19.30%	0.12
WFH	0.00	0.00	1.27	1.27	7.54%	0.05
Gas	1.04	0.00	0.17	1.21	7.22%	0.04
Food and Drink	0.00	0.00	1.13	1.13	6.75%	0.04
Commuting	0.00	0.00	0.12	0.12	0.74%	0.00
Water	0.00	0.00	0.01	0.01	0.06%	0.00
Electricity	0.00	0.00	0.01	0.01	0.05%	0.00
Transportation and Distribution	0.00	0.00	0.01	0.01	0.04%	0.00
Waste	0.00	0.00	0.01	0.01	0.04%	0.00
GRAND TOTAL	1.04	0.00	15.76	16.80	100.00%	0.62

Market-based methodology calculates electricity emissions using **supplier-specific fuel mix**.

Market-based totals will be used for this report, unless stated otherwise.

Table 2. Total market-based GHG emissions in First Quarter 2023, split by activity and Scope.



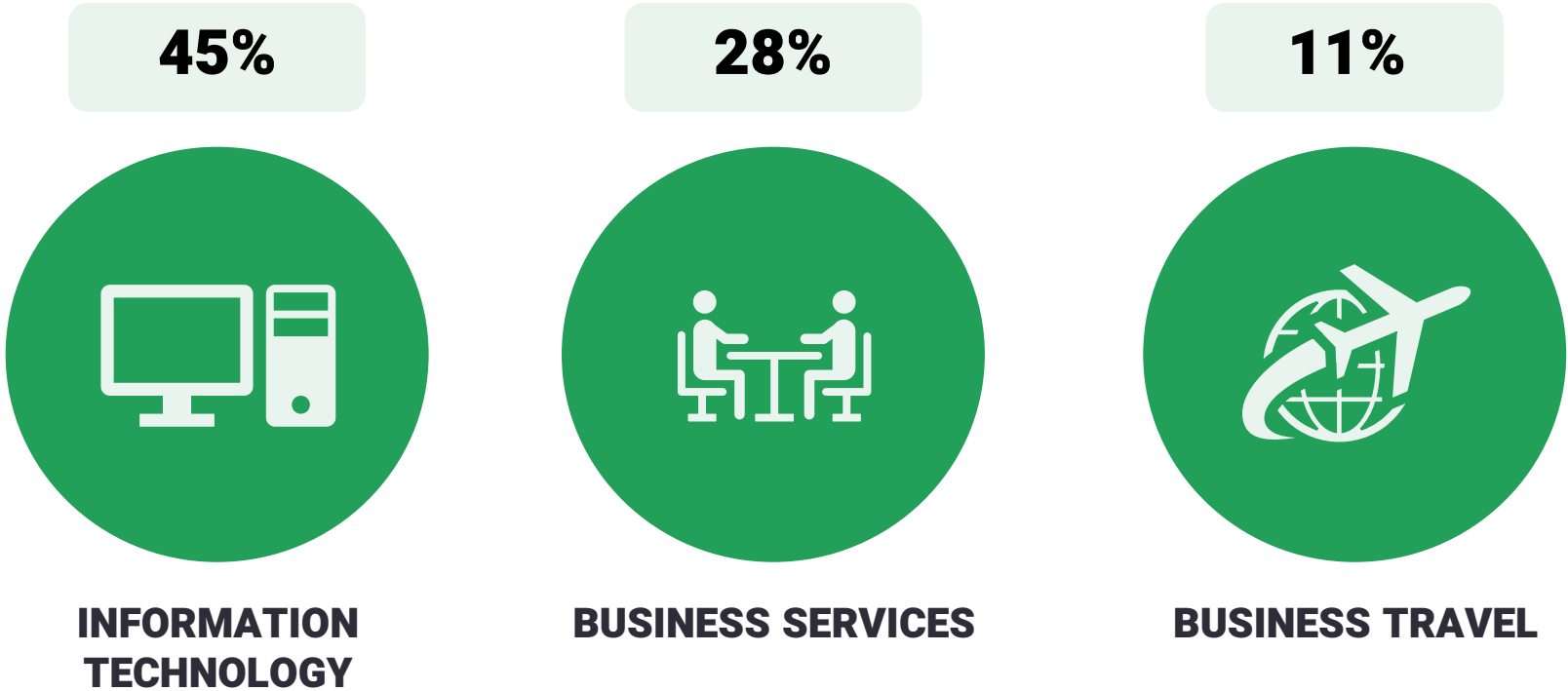
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CARBON HOTSPOTS IDENTIFIED



Green Element FY2024 Carbon Hotspots

The following three activities have been identified as **carbon hotspots** for Green Element in FY2024:



Reducing Our Emissions

Information Technology

- The emissions in this hotspot are associated with the IT hardware and software we buy, IT consultancy, data storage and cloud and web hosting via third parties.
- All the laptops that we purchase are refurbished and they are only replaced when they reach the end of their lifetime.
- Our IT consultants are fellow B Corps who measure their carbon footprint using Compare Your Footprint and use 100% renewable electricity. Access to this data will improve the accuracy of our own carbon reporting.
- Whilst we must use AWS to host Compare Your Footprint, we have specifically chosen data centres in Ireland which have a cleaner electricity fuel mix compared to data centres in other locations.

Business Services

- The emissions in this hotspot were associated with the specialist services that we need to support our business such as accountancy, legal and advertising.
- We have a rigorous sustainable procurement policy which applies to all our suppliers, encouraging them to join our decarbonisation journey.
- Last year, we aimed to collect more activity data from our purchased goods and services, instead of using spend data.
- This year, we aim to collect emissions or activity data from our main service suppliers to improve the accuracy of our own footprint in FY2025.

Business Travel

- The emissions in this hotspot were associated with travel for business purposes
- The increases in business travel emissions were primarily associated with flights
- The purchase of an electric vehicle last year allows us to reduce our emissions from road travel.
- An average electric vehicle saves approximately 68% of emissions per km travelled compared to a diesel vehicle.
- The reduction or elimination of domestic flights is key to reducing our travel footprint



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TARGET SETTING

Science-Based Targets: Definitions

For companies of Green Element's size, the SBTi defines two types of targets:

Near-Term Targets

Near-term science-based targets outline what companies will do now, and over the next 5-10 years, to reduce emissions in line with what's needed to get on track for net-zero and 1.5C limit on global heating.

Net-Zero Targets

To reach net-zero, companies must make emissions reductions of at least 90% across all three emission scopes. This must be achieved by 2050 at the latest.

The remaining 10% of emissions are referred to as **residual** emissions, and must be maximum 10% of baseline. These must be removed using permanent nature- or technology-based solutions (e.g. direct air capture).

KEY CRITERIA FOR NEAR- AND LONG-TERM SCIENCE-BASED TARGETS

The table below is a summary of the target boundary, time frame, method eligibility and minimum ambition requirements for near- and long-term SBTs. For more detail on absolute activity pathways and physical intensity convergence pathways see the [Net-Zero Standard](#) document.

			Scope 1 and 2			Scope 3			
	Target boundary		95% coverage of scopes 1 + 2			If scope 3 >40% of total emissions: boundary to cover min. 67% of scope 3.			
Near-term science-based targets	Target year		5 – 10 years from date of submission			5 – 10 years from date of submission			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	• 4.2% linear annual reduction (LAR)	• Depends on sector and company inputs	• 80% RE by 2025 • 100% RE by 2030	• 2.5% LAR	• Depends on sector and company inputs (SDA)	• e.g. 80% of suppliers by emissions by 2025	• 7% year-on-year (both options)
Long-term and net-zero science-based targets	Target boundary		95% coverage of scopes 1 + 2			90% coverage of scope 3			
	Target year		2050 or sooner (2040 for the power sector)			2050 or sooner			
	Method eligibility and minimum ambition	Method	Absolute reduction	Sector-specific intensity convergence	Renewable electricity (scope 2 only)	Cross-sector absolute reduction	Sector-specific intensity convergence	Supplier or customer engagement	Scope 3 physical and economic intensity reduction
		Eligibility and min. ambition	• 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary	• Sector / commodity pathways vary	• 100% RE	• 90% reduction (cross-sector pathway) • 72% reduction for FLAG • Other sector pathways vary	• Sector / commodity pathways vary	• Methods are not eligible for long-term SBTs	• 97% reduction (both options)

Not eligible 1.5°C ambition Well-below 2°C ambition

SBTi Net-Zero Getting Started Guide: ([Net-Zero-Getting-Started-Guide.pdf](#)
(sciencebasedtargets.org))

Science-Based Targets: Scopes 1 and 2

This includes a near-term target, and a net-zero target

Green Element’s emission reduction trajectory for **Scopes 1 and 2** (combined) is visualised in Figure 6. This includes a **near-term** target by 2030 from a 2022 base year, and a **net-zero** target of 2045

Green Element has a carbon reduction plan to 2030. This requires supplier engagement for scopes 1 and 2 since we don’t have control over any energy sources.

Baseline Year	2022
Near-Term Target Year	2030
Net-Zero Target Year	2045
Coverage Requirements	95.0%
Absolute Reduction (Near-Term)	42.0%
Absolute Reduction (Net-Zero)	90.0%

Table 6. SBTi emissions reduction target requirements.

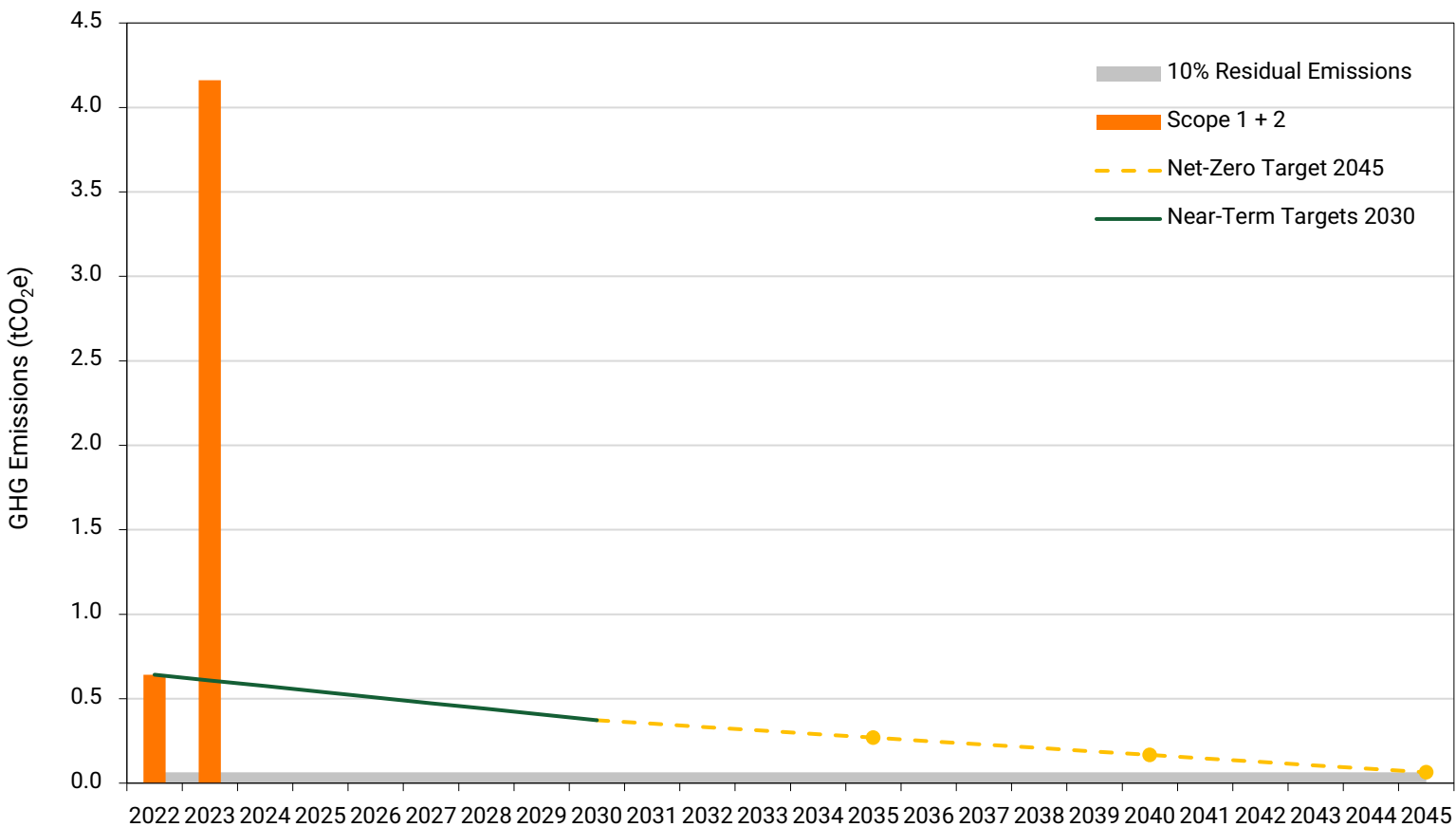


Figure 6. Scopes 1 and 2 science-based target (incl. near-term and net-zero), target vs. measured emissions.

Science-Based Targets: Scope 3

This includes a near-term target, and a net-zero target

Green Element’s **Scope 3** emission reduction trajectory is visualised in Figure 7.

The Scope 3 target is based on the **physical intensity*** approach (e.g. emissions per employee). This allows for the target to account for changes in business size in future years.

Validated Science Based Targets

Near-term target: Green Element Group commits to reduce scope 1 and scope 2 GHG emissions 42% by 2030 from a 2022 base year, and to measure and reduce its scope 3 emissions

Net-zero target: Green Element Group commits to reach net-zero by 2045. As part of this, Green Element Group commits to reduce scope 1+2+3 emissions 90% by 2045 from a 2022 base year.

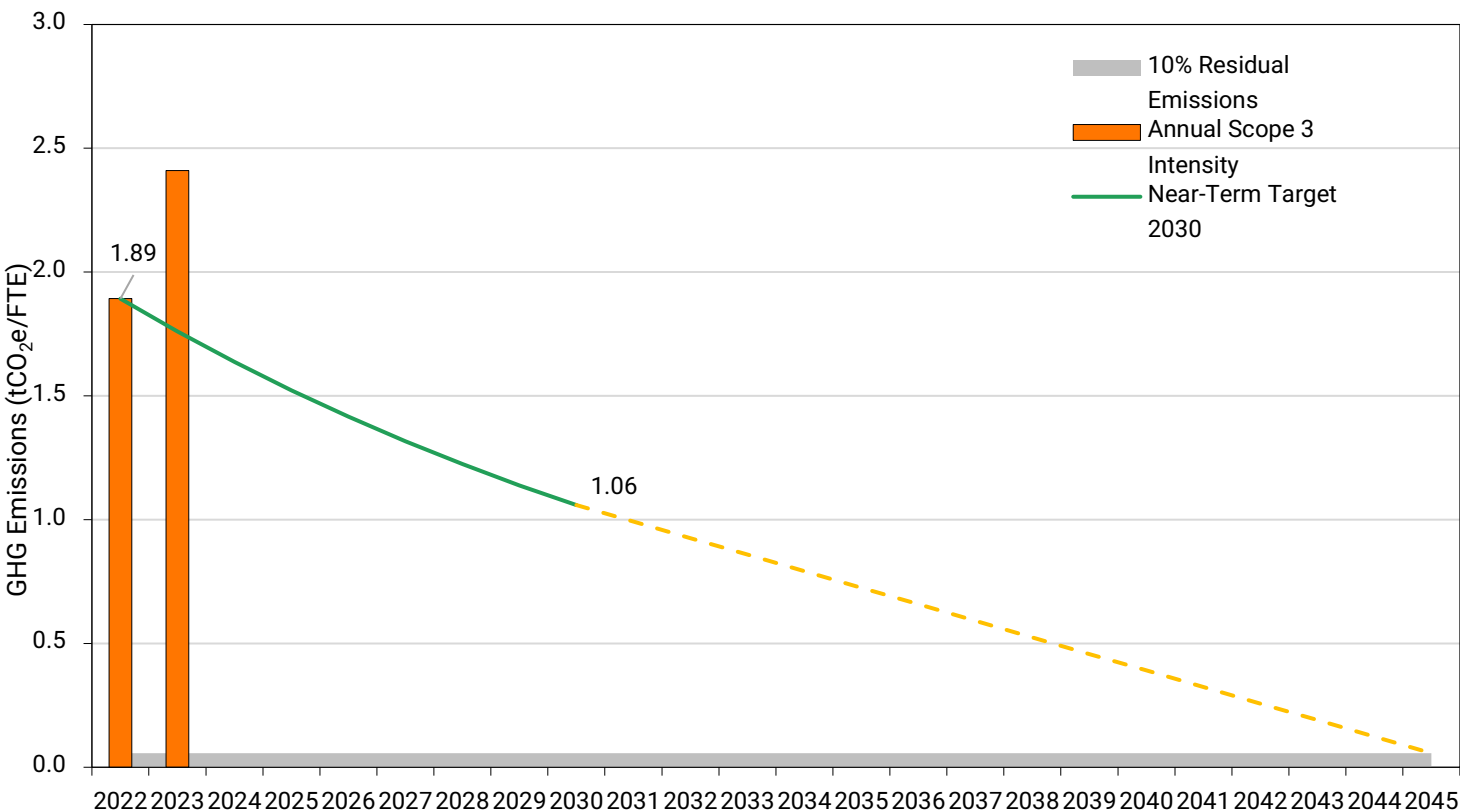


Figure 7. Scope 3 science-based net-zero target vs. measured emissions.

* See [SBTi Corporate Manual](#) (Pages 30-35) for a comparison of absolute and intensity targets.



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ENVIRONMENTAL MANAGEMENT SYSTEM

Background and Present

**Green Element has been ISO 14001
certified since 2016.**

Since then, we have been monitoring key environmental data, conducted our carbon footprint yearly and created new policies to help reduce our environmental impact.

Significant improvements to date have included ISO 14001 certification, B Corp certification and Science Based Targets initiative (SBTi) verified emissions reductions targets.



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ISO 14001: Requirements

In order to meet the requirements of the ISO 14001:2015 standard, we must demonstrate:

- Top management buy in for environmental management.
- How risks and opportunities have been reviewed at senior level.
- How needs and expectations of interested parties, internal or external, are identified, including any compliance obligations.
- A review of significant environmental aspects have been identified, and control mechanisms enacted to mitigate environmental risk and improve environmental performance.
- Adequacy of resources to address the above



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Status of Actions from Previous Management Review

List actions agreed at last management review and status:

Action	Status	Comment
Improve data collection by collating carbon footprint data	In progress	Completed survey to capture data and currently building information. Currently almost 20,000 tonnes of CO2 have been saved by clients
SBTi Submission	Complete	Science based targets have been set



ISO 14001: FY2025 Objectives

Activity	Aspect	2023 Strategies	2023 Measures	Target
Measuring Emissions more accurately	Emissions	Measuring business travel emissions more accurately	New form for tracking business travel	100% of business travel captured through form
Office Emissions	Emissions	Look for new Edinburgh Office in alignment with Green Element Group's values on climate	Request for information from office locations in Edinburgh	Move into new office location by end of FY2026
Policy	Processes and Procedures	Having all suppliers fill out Supplier ESG vetting form	Creation of ESG Vetting form for green element	Have 100% of suppliers fill out ESG form by end of FY2025
3 rd Party Certification	Compliance	Look into how Green Element Group can increase its score	Communication and discussion on measures	B corporation certification score up by 20%



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Section 6:

Internal & External Audit Results

Internal and External Audit Results

Internal Audit

- The 2024 internal Audit is due to be actioned in November. A specific date has not yet been set.

External Audit

- An external audit was initiated on 19th Nov 2023
- No major or minor issues were raised other than the training requirement of staff, most items related to smaller issues relating to the Scope, Impact aspect register, Compliance obligations, Environmental Policy and other minor issues throughout system.
- As of the 6th Dec 2023, all issues raised have been actioned and the next external audit is due by the end of December 2024 which will be a surveillance audit.

Get in touch:



info@greenelement.co.uk



[\(+44\) 0207 096 0054](tel:+442070960054)



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