Introduction

In May 2021, Good Business decided to act on its ambition to reach net zero emissions. This involved carrying out a carbon footprint exercise for the 2020 calendar year, setting out steps to reduce this, and identifying suitable projects to offset the emissions in scope. This report details the work we have conducted as part of this process and the results of this work.

Methodology

In calculating our carbon footprint, we closely followed the guidance set out in the Greenhouse Gas Protocol Corporate Standard, an international standard that is widely regarded as best practice for greenhouse gas (GHG) accounting and reporting. The calculations represent Good Business' carbon footprint for the 2020 calendar year from 1st January 2020 to 31st December 2020. We have included all scope 1 and 2 emissions categories and relevant scope 3 emissions as follows:

<u>Scope 1:</u> Emissions associated with sources controlled by Good Business, including heating fuel consumption.

<u>Scope 2 (Location-based):</u> Emissions associated with purchased electricity calculated using grid-average emission factors for the UK.

<u>Scope 2 (Market-based):</u> Emissions associated with purchased electricity calculated using a supplier-specific emission factor of zero for energy purchased under a renewable tariff.

<u>Scope 3:</u> Emissions associated with waste disposal, capital goods, purchased goods and services, leased assets, business travel, employee commuting and employees working from home.

All six greenhouse gases covered by the Kyoto Protocol were included in the scope of the carbon footprint.

Calculation assumptions and uncertainty

Accurate and reliable primary and secondary data are not always readily available for all activities within the boundary of a carbon footprint. Therefore, the following assumptions were made when calculating this carbon footprint:

- The volume of general waste disposed of was estimated to be zero during a COVID-19 related period of office closure from 17th March to 31st July and from 1st October to 31st December. During a period of partial office occupancy from 1st August to 30th September, waste was estimated to be 20% of full-occupancy rates.
- Emissions associated with employees commuting were estimated based on the same occupancy rates as those described above for waste.
- Emissions associated with employees working from home were estimated based on the same office occupancy rates as those described above for waste. Emissions associated with working from home used the value of the weekly national working from home tax relief (£6) as a proxy for the amount of energy consumed by employees working at home.
- Emissions associated with purchased goods and services and leased assets were primarily calculated using proxy data – in most cases, spend data. Altogether, emissions calculated using proxy data amount to roughly 58% of our market-based carbon footprint.

Results

Scope 3 emissions contribute to the vast majority of total emissions and within this, purchased goods and services (19.0 tCO_2e, 41% of total) and business travel (16.8 tCO_2e, 37% of total) are the biggest sources. Other than these, employee commuting, which includes emissions associated with working from home, and electricity consumption (location-based) are the only sources contributing more than one tonne of carbon dioxide equivalent.

Category	Emissions ($kgCO_2e$)	Data	Sub-total ($kgCO_2e$)
Scope 1			
Heating	0	*See Note 1*	0
Scope 2 (location-based / **market-based**)			
Electricity consumption	4,556 / 0	Electricity consumed (kWh)	4,556 / 0
Scope 3			
[Cat 1] Purchased goods and services	18,980	Expenditure (£)	45,956
[Cat 2] Capital goods	738	Expenditure (£)	
[Cat 3] Fuel-and energy-related activities	392	Electricity consumed (kWh)	
[Cat 4] Upstream transportation and distribution	-	*See Note 2*	
[Cat 5] Waste	28	Waste generated (kg)	
[Cat 6] Business travel	16,825	Air travel data (passenger-km)	
[Cat 7] Employee commuting and working from home	8,993	Land travel data (passenger-km) and expenditure (£)	
[Cat 8] Leased assets	196	Expenditure (£)	
[Cat 9] Downstream transportation and distribution	-	*See Note 2*	
[Cat 10] Processing of sold products	-	*See Note 3*	
[Cat 11] Use of sold products	-		
[Cat 12] End-of-life treatment of sold products	-		
[Cat 13] Downstream leased assets	-	*See Note 4*	

[Cat 14] Franchises	-		
[Cat 15] Investments	-		
TOTAL (location-based / market-based)			**50,512 / 45,956**

Notes:

1. *Our office heating is powered by electricity, which is accounted for under our scope 2 emissions. There are no other Scope 1 emission sources in our value chain.*
2. *The nature of our business does not require upstream or downstream transportation and distribution.*
3. *As a service provider, we do not offer products which must be processed, used or disposed of.*
4. *Good Business does not have any downstream leased assets, franchises or investments.*

Mitigation

Good Business have committed to reduce absolute GHG emissions by 50% by 2030 from a 2020 base year. This includes all direct and indirect emissions and uses a location-based calculation for scope 2 emissions from purchased energy. We believe that this target aligns with the steps necessary to limit warming to 1.5C at a global level.

We have used a market-based calculation for scope 2 emissions as the basis for offsetting to reflect our decision to purchase electricity from a renewable supplier, however we have used a location-based calculation for scope 2 emissions for target setting in order to incentivise further reducing electricity consumption.

In order to meet this target for emissions reduction, we will focus in particular on reducing our emissions from the two biggest dimensions of our carbon footprint, namely emissions from purchased goods and services and business travel.

We will:

- Work with our suppliers to support them with their own net zero journey and to reduce the carbon emissions associated with the products and services we procure from them
- Review our IT policies and practices to identify areas where we can improve the carbon associated with video conferencing and teleworking, including providing training to the team
- Enacting a new travel policy to promote greener travel choices, including a "no fly" policy for journeys within England, Wales, Scotland and anywhere within one hour's onward travel from a direct Eurostar hub, flying in economy for all journeys less than six hours, and premium economy for all longer journeys except where there are exceptional business-related circumstances

We will also identify opportunities for reducing emissions from purchased services, which also account for a large proportion of emissions in 2020.

Compensation

The purpose of the carbon footprint exercise was twofold: firstly, to form the foundation of a credible emissions management strategy, and secondly, to quantify the emissions that need offsetting to become net zero. Net zero is a concept that is picking up momentum among businesses and consumers looking to manage their environmental impact and involves aggressive emissions reductions and offsetting the unavoidable emissions. Following the Oxford Principles, Good Business has selected a carbon sequestration project to offset 60% of its total remaining emissions and a carbon avoidance project to offset the remaining 40% of offsets.

This section brings together the offset projects that we have found that are currently available and suitable.

Methodology

We first defined compliance and preference criteria. Compliance criteria are those an offset option must fulfil, which are:

- Third party certified or meeting the criteria of good quality offsets, and
- Retire-able within 12-months.

Then, where possible, preference criteria were pursued as follows:

- Brand relevant.

To find suitable carbon offset options, we looked for relevant offsets in the registries of well-established and trusted offset certifications, such as the Gold Standard, Plan Vivo and Verified Carbon Standard (VCS). These certifications are awarded to offsetting projects that follow a specific methodology in calculating credits and managing projects holding up under the strictest scrutiny, fulfilling the first criteria. Within these databases we looked specifically for offsets that fulfil these other criteria.

Offsetting projects for 2020

	Sequestration project	**Avoidance project**
Description	Reforestation bundle in South America	Fairtrade project: cookstove for coffee farmers in Ethiopia
Certification	VCS	Gold Standard
Project type	Carbon dioxide removal	Safer and more energy efficient cookstoves
Estimated cost	$18 per tonne	$22 per tonne

Sequestration project

Good Business has been working with Pachama, an offset provider, for a year as they grow their technological platform to allow companies better see the impact they are having on the environment. All of Pachama's projects are VCS verified and they have a bundle of only reforestation projects which works very well for the sequestration side of our offset strategy.

Avoidance project

The Gold Standard certified project Good Business has selected to offset 40 percent of its emissions is a Fairtrade project which supports the coffee farmers in Ethiopia, who are more often women. The project seeks to achieve this objective by reducing the amount of wood needed to be collected for cooking, creating cleaner cooking stoves and educating women on the effects of climate change to support more sustainable farming methods. It also contributes to mitigating climate change as less trees are needed to fuel the cookstoves. As Good Business operates in Africa, we felt that this would be a great to further grow our impact on the continent.

Composition of offsetting project

Project	Provider	Quantity
Reforestation	Pachama	28 tCO_2e (60% of 46.0 tCO_2e)
Fairtrade cookstoves	Fairclimate funds	19 tCO_2e (40% of 46.0 tCO_2e)
TOTAL	**-**	**47 tCO_2e**

The total quantity of offsets bought is equivalent to all emissions that Good Business is responsible for in 2020, across all of scopes 1, 2 and 3. We have rounded the quantity of each offset purchase up to a round number as offset credits are per tonne of carbon dioxide equivalent.

NET ZERO COMMITMENT STATEMENT

Good Business recognises the urgency of the climate emergency. In 2021, we became a net zero business, joining a progressive community of organisations that are taking action to create a net zero global economy, in line with what climate science and the IPCC have advised is necessary to avoid the worst effects of climate change.

In 2021 we have:

- Completed a greenhouse gas (GHG) inventory calculation of our business in accordance with the requirements of the GHG Protocol
- Agreed an ambitious GHG reduction target in line with what the Science Based Target initiative state is required to restrict warming to less than 1.5°c
- Purchased certified carbon credits equivalent to our entire inventory in the accounting year, composed of 60 percent coming from sequestration projects and 40 percent avoidance projects.
- Transparently published details of all these actions and our ongoing commitment

We hereby pledge to continue to play our part in the net zero economy – taking action to reduce our climate impact, calculating our emissions annually and purchasing certified carbon sequestration credits to preserve our status as a net zero business.