

COMPANY: EVEROZE PARTNERS LTD

LOCATIONS: Offices in UK, France, Spain & people in Portugal, Germany & Italy

PEOPLE: 60 (The company is employee owned)

NATURE OF BUSINESS: Consulting. Office based with client meetings, conference attendance and site visits.

NOTE: This summary report has been produced by individuals who are employees of Everoze as well as being volunteers for Destination0 (having created the tools for assessing carbon reduction pathways).

STATUS

The core Everoze strategy is based on a zero-carbon energy system. The company wishes to set an ambitious zero target and associated values and behaviours to ‘walk the walk’. They have identified key quick-wins for reducing emissions. They are keen to understand how certain activities may provide a carbon-benefit over others (e.g. where their own action is additional to wider nationwide efforts). They are keen to review carbon removal offsets (not credits) and sequestration in order to achieve a net-zero position as quickly as possible. They want to understand the cost to their business of the proposed ambitious plan.

SUMMARY OF BASELINE EMISSIONS - 2019

Baseline emissions were calculated based on expense records, staff surveys and standard emission references.

Area	tCO ₂ e
Surface Transport	11.6
Power & Heat	32.4
Aviation	55.4
Food	2.6
Purchases	12.2
Other	11.4
TOTAL	125.6

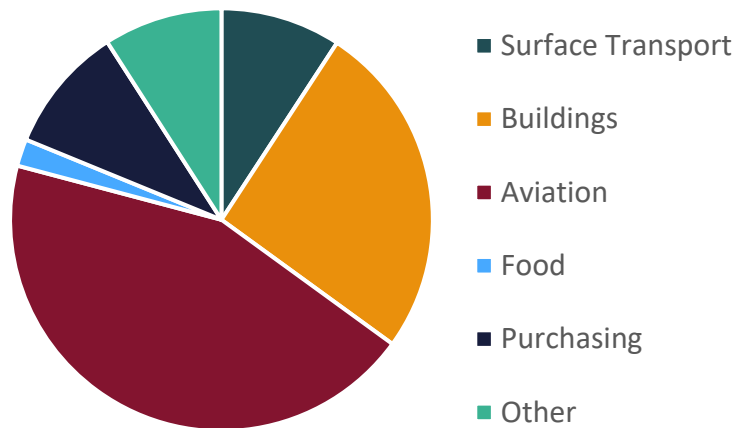


Figure 1: Emission Categories

Key details from the baseline review process are listed below:

Area	Scope		tCO ₂ e	Summary comment on usage and pathway profiles
Surface Transport	1	Business mileage (petrol, diesel)	8.0	Car travel is mostly linked to client construction or operational site visits. Reducing the amount of travel is unlikely to be possible at a significant level, as all visits are essential and performed by people who are relatively close to the sites. A move to EVs is expected to be the primary driver for reductions.
	2	Business mileage (EV)	0.5	Currently only personal EV mileage is claimed - EV hire car options are not generally available. This is expected to change in the coming years. A price premium will be acceptable if required to secure an EV for trips. The usage in this area will increase as ICE usage decreases. The power mix on the national grid will determine the CO ₂ as cars may not be charged on a green tariff.
	3	Local train	0.4	These are assumed to be the most emitting of trains, as more likely on diesel locomotives rather than electric. A higher carbon intensity is assigned to UK trains, as other EU trains in Everoze relevant regions are usually already electrified..
	3	National train	1.7	Usage is expected to reduce slightly, due to a move to online meeting usage. Electrification of locomotives and carbon intensity of the power system will also affect the profile.
	3	International train	1.0	Usage is expected to increase as trains are favoured over flights. Some meetings and forums may also move online. Greening of the power system will also affect the profile.
				11.6

Power & Heat	2 & 3	Power usage - office	19.4	Sub-metering is not currently available in Bristol, and will be explored in 2021. French offices and the Scottish office are currently on a green tariff although some allowance is included as power is not 24/7 renewable matched. The options for new supply in the larger UK office in Bristol will be explored with the office move in 2021.
	3	Power usage - home	-	Excluded from the initial analysis due to the small number of permanent homeworkers. A true-up for 2020 for the unusual Covid homeworking situation is expected. This area may be included in future projections if staff continue to work from home post-Covid.
	2 & 3	Heat Usage - office	13	Sub-metering is not currently available, and not expected to be. Standard assumptions for the types of buildings are used. The options for heating will be explored with the Bristol office move in 2021.
	3	Heat Usage - home	-	As for power. To be reviewed for future projections based on post-Covid homework patterns. True-up expected for 2020.
			32.4	Sub-Total
Aviation	3	<500 km	9.2	Usage expected to transition to trains for most internal usage and some external client trips. Where trains or time do not allow, Offset sharing will be introduced. Longer term recruitment and partnering strategy to consider location for this aspect also.
	3	500-1500 km	29.5	As above. Everoze will also consider the carbon impacts of the work in its proposal bid-no-bid process, and determine whether the impact of the work justifies the travel. Offset sharing will be introduced.
	3	1500-3500 km	6.4	
	3	>3500 km	10.4	
			55.4	Sub-Total
Agriculture	3	Low meat	0.9	Meals have already pivoted towards lower meat content. The trend is expected to naturally trends towards lower impact alternatives as general awareness increases, and also due to supply chain focus.
	3	High meat	1.4	
	3	Veg	0.3	
			2.6	Sub-Total
Purchasing	3	PCs, phone, screen	10.0	The allocation includes an estimate of embedded carbon. Equipment sourcing will include consideration of this in future – including extended life options.
	3	Chair and Desk	1.1	
	3	Printer, shelves, etc	1.0	
	3	Printer paper	0.1	
			12.2	Sub-Total
Other			11.4	Sub-Total

Exclusions:

- Commuting. Office locations are typically based on locations where public transport or bicycling are widely used. More will however be done to review additional measures in this area during ongoing internal action planning.
- Activities of sub-categories that are not relevant to the Everoze business including goods vehicles, manufacturing, processes, 3rd party services.

BASELINE EMISSIONS – SCOPE SUMMARY

In its baseline assessment, Everoze has included a 10% uncertainty and miscellaneous category to its calculations, to capture items that are missed (e.g. local buses, taxis or purchases) through lack of capture on expense forms or other internal information.

Scope	Includes	tCO ₂ e	%
1	Business mileage (petrol, diesel)	9	7
2	EV mileage, Office Power & Heat	36	29
3	Trains, Aviation, Food, Purchases	80	64

Further analysis and measurement refinement of these items should avoid assigning apparent % reductions where the category has reduced through better information capture rather than absolute reductions in emissions.

While Everoze would be able to effectively claim net-zero through reduction and offset of its smaller Scope 1 and Scope 2 emissions, the company desires to work across all Scopes for its net-zero targets.

EMISSIONS – PATHWAYS

Pathways and Scenarios to Net-Zero have been assessed, based upon review and modelling of a range of options for action available to the business. These include actions that can be achieved without significant adverse impact to delivering core work and actions that may rely on behavioural changes and/or other strategic and tactical actions.

The analysis included an assessment of the costs associated with carbon reduction offset or carbon sequestration.

In assessing these pathways, 3 independent profiles have been discussed and derived, and used to estimate the emissions profile over time. These include:

- The carbon profile independent of the activity under Everoze control (e.g. reducing carbon intensity of UK power).
- The change in usage based on behaviour and usage change in the business – recognising that this includes a number of stretch targets where company strategy, service approach and client strategy may need to evolve in the coming years.
- How the company grows in the years ahead, including headcount and office locations.

The results are summarised below.

Area	Comment	Carbon Profile	Usage Profile	Growth Profile
Car (Petrol / Diesel)	-	Flat	-10 %/year	10% growth for the next 10 years
Car (EV)	-	-5 %/year	+60 %/year until 2030 then flat	
Trains	-	-5 %/year except in France where it is flat	Flat for local trains, 20% increase in other trains for next few years then flat	
Flights	Flight behaviour has already changed significantly in the business	-2 %/year	-5 to -10 %/year until 50% level (of 2019 baseline) is reached	
Food		-10 %/year	10 %/year change from high to low meat	
Purchasing	Includes purchasing policy and push for longer-life options	-5 %/year	Flat	
Power	Usage profiles are uncertain and include some efficiency measures, but also a move to alternative technologies and retrofits. These require further assessment in 2021.	-5 %/year	-5 %/year	FLAT
Heat		-5 %/year	-5 %/year	

EMISSIONS PROFILE

The overall emissions and per person emissions resulting from the above inputs and sub-category profiles is shown in the graphs below, by year.

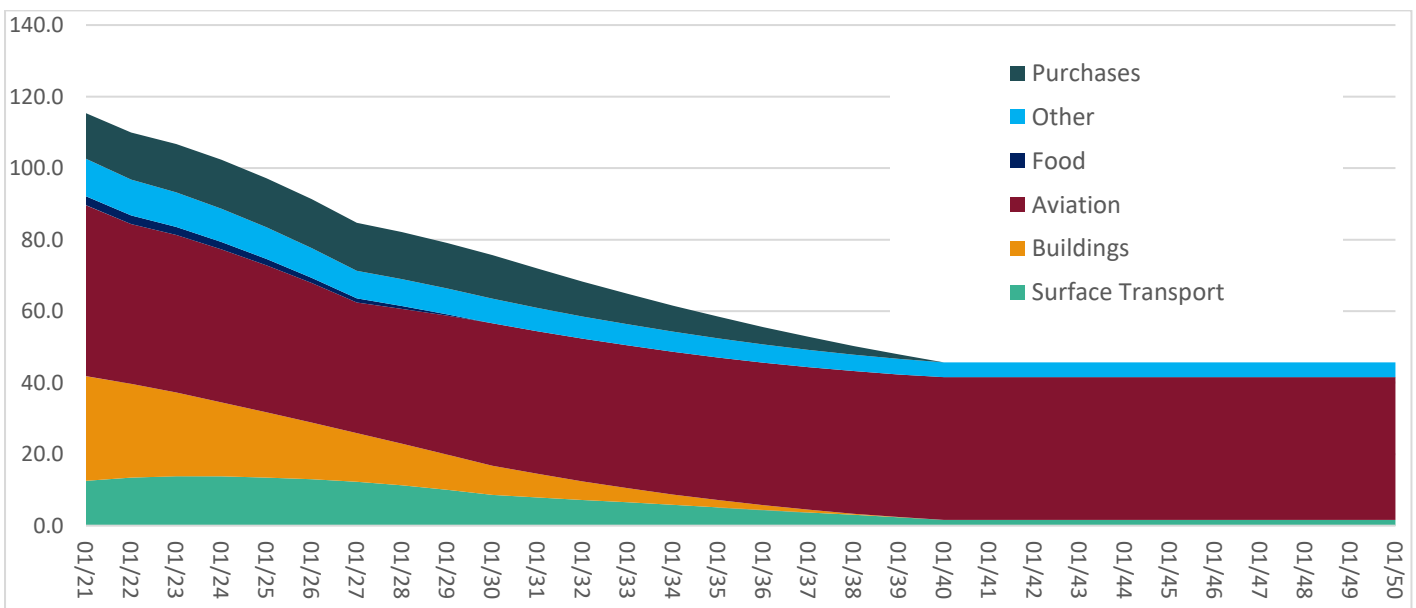


Figure 2: Emission Profile – tCO₂e

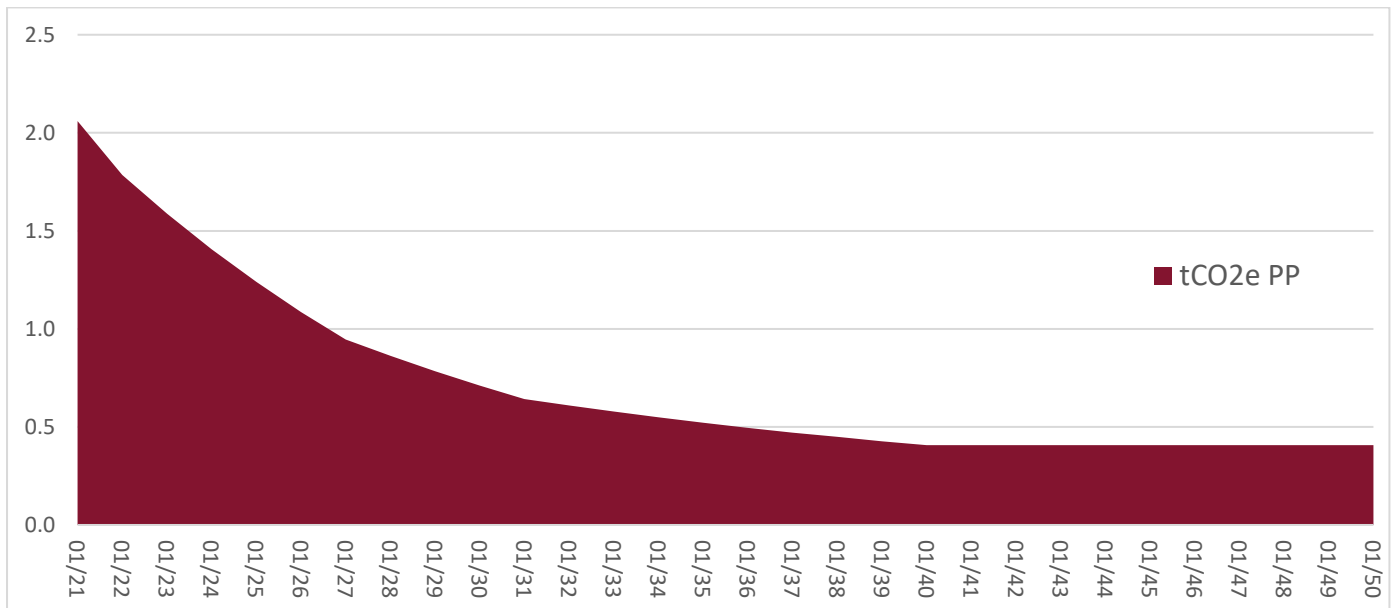


Figure 2: Emission Profile – tCO₂e/Per Person

CONCLUSIONS

The potential carbon reduction pathways of the Everoze business have been assessed, taking into consideration the estimated 2019 emissions baseline, anticipated and achievable behaviour and strategy decisions within the company and wider market influences. Discussion highlighted that some targets and likely action points to achieve them may include an underlying cost or risk to the business; on balance Everoze felt that the final profile provided an acceptable balance of ambition and cost.

The process of review and analysis highlighted that:

- Everoze expects to be able to minimise emissions to 60% of 2019 levels by 2030 and 36% of 2019 levels by 2040.
- The 2019 emissions levels included a significant drop in year-to-year flights from 2018. Everoze has already taken steps to reduce other available areas of emissions. Using a 2018 baseline for assessment would suggest that no other immediate action is required. The company is however selecting an approach to moving as quickly as is reasonable, rather than as quickly as needed to meet the minimum certification requirements.
- There is a strong desire in the Everoze business to align its emissions strategy with its company strategy. The positive reinforcement of the values inside the business has been critical in achieving measures to date.
- Further internal behaviour and policy work on purchasing and other carbon reduction efforts is being taken forward with and internal 'scrum' on the topic, and priority agenda time given to this topic in regular strategy and tactical meetings.

In deriving the profiles, key observations included:

- Easy wins for flights and small nudges in behaviour have already been used. A rapid and significant drop in near-term emissions will require the focus on emissions cutting to become embedded in decision making.
- Scope 2 emissions for power and heating in offices is a challenge in the UK, where Everoze does not have sub-metering or control over purchasing. This will be a focus for the new office in Bristol, with efforts made to work with other tenants to manage a green supply contract and review new equipment installation (generation, heat pump, etc). A review of the options will be conducted in 2021.

Everoze has taken a conservative approach to pricing carbon removal offsets or carbon sequestration, due to its preferred solutions. For modelling purposes, pricing of between £500-£1000 per tonne has been used to assess the cost to the business for carbon removal offsets and carbon sequestration. Further analysis of the sequestration profiles is not reported here, but available in the background analysis.

The cost to the business in achieving an effective net-zero position from 2020 to 2050 is expected to range from £50,000 to £75,000 per annum on average. At less than 1% of revenues, this cost is supported by the wider company, despite the relatively conservative pricing levels (compared to wider offset purchases available). Everoze will however only claim net-zero once it has comfort that the carbon removal offsets and carbon sequestration are effective.

Early investment in the carbon removal offsets and carbon sequestration is expected to lead to a net-positive contribution to carbon removal in between 2030 and 2040.

EVEROZE COMMITMENT

Everoze commits to achieving net-zero GHG emissions by 2025 and will make strong efforts to achieve this earlier if possible.

Achievement of this goal will focus on active removal or sequestration rather than purchase of reduction offset credits. Some investment (<20% of annual levels) may be made towards future projects with uncertain timelines if the investment is considered to have strong potential return on carbon sequestration or where the funding has strong enabling or additionality benefits.

The Everoze target is in excess of the requirements needed to achieve certification under a Science Based Targets initiative (SBTi) or equivalent – whether under a 1.5° or 2° temperature rise case. Everoze supports the SBTi process of setting targets, but has chosen to move faster than would be required under currently available certification schemes and to report progress annually and openly. As such, Everoze does not plan to seek 3rd party certification associated with confirming its target and ongoing progress.

Everoze Interim Action 1: Reduce emissions to minimum viable level by 2040 and continue to seek opportunities to accelerate this plan.

Everoze will implement:

- 40% reduction in aviation emissions per-person by 2040
- 50% reduction in non-aviation emissions by 2030
- Monitor emissions against a budget
- Aim to achieve this without negative impact on our core areas of work
- EveroZERO will become a functional team to manage the process

Everoze Interim Action 2: Mitigate residual emissions effectively and responsibly

Everoze will mitigate emissions annually through projects that sequester or offset emissions effectively and responsibly. Funding and projects will be confirmed annually after audit. This will be an operational cost to the business with impact on dividends and profit share.

Everoze Interim Action 3: Invoice clients for a flight levy

Everoze will introduce a flight levy on new client work proposals involving flights. The levy will initially be £80/each way for a <1500 km flight, and £80/1000 km for longer flights. The levy will share the costs of reducing emissions with the client that is asking for Everoze to undertake the travel on their behalf. Everoze will also engage with our clients to consider the most effective ways to reduce the carbon intensity of project related travel.