



# UK Environmental Impact & Carbon Footprint Report



European Knowledge Centre Reception



# **About Eisai**

Our corporate philosophy is to give our first thought to patients and families and increase the benefits that health care provides to them. Under this philosophy, we endeavour to become a human health care (*hhc*) company and this principle guides all of our decision making.

In recent years, initiatives for enhancing a company's non-financial value, with a focus on environmental, social and governance (ESG) efforts, are attracting the attention of many stakeholders as an important theme for a company's sustainable growth. As we expand our business based on the *hhc* philosophy, we have been strengthening our ESG initiatives. This includes reducing the burden on the global environment (environmental), improving access to medicine (social), and ensuring fairness and transparency of management (governance).

We position these efforts as being consistent with the Sustainable Development Goals (SDGs) advocated by the United Nations which aim to bring attention to and alleviate the major issues facing humanity. We have chosen 7 of these goals to align with our *hhc* focus.



# **Scope of this Report**

This report measures and comments on the carbon footprint of Eisai UK for our 2020 financial year. This financial year we have also compared our footprint to the previous year. We will be communicating this report with our parent company and will ensure our strategy at Eisai UK aligns with and works alongside the strategies of Eisai's global operations.

In this report we have undertaken an exercise to determine our carbon footprint as extensively as possible to better understand the far-reaching environmental impact of our business. We have measured Scope 1, Scope 2, and partial Scope 3 emissions. Scope 3 emissions are indirect emissions and are split into 15 categories<sup>1</sup>. We have measured 6 categories as the starting point of our journey, with a view to including more Scope 3 categories in following years. We chose these categories, as shown below, dependent upon their materiality and the data available:

- Category 1 Purchased Goods & Services
- Category 3 Fuel & Energy-Related Activities
- Category 4 Upstream Transportation & Distribution
- Category 5 Waste
- Category 6 Business Travel
- Category 7 Employee Commuting

<sup>&</sup>lt;sup>1</sup> https://ghgprotocol.org/scope-3-technical-calculation-guidance



The Scope 3 categories measured include the emissions required to source our energy, the emissions created from commuting, and the transportation of our products. As this report covers the carbon footprint of Eisai UK, when measuring the emissions associated with the transportation and distribution of our products, we have included products distributed solely within the UK, with a view to including imports and exports in subsequent years. All emissions are reported in tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). The calculation methodology follows UK government guidelines and the GHG Protocol<sup>2,3</sup>.

## **Aim of this Report**

We have recently declared a Statement of Commitment for Carbon Neutrality by 2040 across all our global operations. We have also committed to achieving 100% renewable electricity by 2030, a target that Eisai UK has already reached and look forward to supporting our global operations in doing the same.

Beyond reaching Carbon Neutrality, building better futures through sound environmental management is important to all our stakeholders, including our employees, clients, and shareholders, and key to securing our future. This long-term vision comes to life in our commitment to saving, protecting, and restoring our natural environment – and we do this, together, by better managing our resources in operations and promoting environmental conservation in our communities and ensuring our supply chain also play their part.

In operating our business, we pursue a sustainability strategy that seeks to decouple company growth and profitability aims from our environmental impact. Finding innovative ways to power our business, lower our emissions, and reduce our waste, among other efforts, reduces our environmental impact at the same time as enhancing profitability, efficiency, and resiliency of our operations, as well as increasing our competitive advantage.

Outlined within this report are how we measured our carbon emissions, as well as the actions we have taken so far to reduce them, thereby contributing to both SDG 13 – Climate Action and our aim of Carbon Neutrality by 2040. The report shows and explains the changes between our 2019 and 2020 financial years, highlighting the impact of the COVID-19 pandemic upon our emissions. This will provide us with valuable insight into how changes made during the pandemic can be learned from as we return to a less disrupted work pattern.

Our next phase along this journey is to increase the Scope 3 categories we measure once we have put in place systems and processes to accurately gather the required base data. We will also define our approach to reducing our carbon emissions, creating an environmental action plan that sets out our Carbon Neutral Roadmap.

As a further demonstration of our commitment in this area we have sought external specialist advice from Sustainable Advantage who provide guidance and where possible validate our data and calculations.

 $<sup>^2\</sup> https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/850130/Env-reporting-guidance_inc_SECR_31March.pdf$ 

<sup>&</sup>lt;sup>3</sup> https://ghgprotocol.org/sites/default/files/standards/Scope3\_Calculation\_Guidance\_0.pdf



Carbon	<b>Footprint</b>	<b>Summary</b>
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		FY 19 tCO <sub>2</sub> e	FY 20 tCO <sub>2</sub> e	% Change
	Scope 1 & 2	3,635.1	3,670.2	+1%
	Scope 1	1,949.6	2,052.7	+5%
	Scope 2*	1,685.6	1,617.6	-4%
	Scope 3	4,068.6	808.9	-80%
	Cat 1. Purchased Goods & Services	8.3	7.7	-7%
	Cat 2. Capital Goods <sup>+</sup>	-	-	-
E	Cat 3. Fuel & Energy-Related Activities	412.6	392.1	-5%
trea	Cat 4. Transportation & Distribution	6.8	8.3	+22%
Ups	Cat 5. Waste	20.9	20.9	0%
	Cat 6. Business Travel	2,360.3	19.7	-99%
	Cat 7. Employee Commuting	1,259.8	360.4	-71%
	Cat 8. Leased Assets <sup>+</sup>	-	-	-
	Cat 9. Transportation & Distribution <sup>+</sup>	-	-	-
c	Cat 10. Processing of Sold Products <sup>+</sup>	-	-	-
rean	Cat 11. Use of Sold Products <sup>+</sup>	-	-	-
wnst	Cat 12. End-of-Life Treatment of Products <sup>+</sup>	-	-	-
Do	Cat 13. Leased Assets <sup>+</sup>	-	-	-
	Cat 14. Franchises <sup>+</sup>	-	-	-
	Cat 15. Investments <sup>+</sup>	-	-	-
	Gross Total	7,703.8	4,479.2	-42%
	Renewable Electricity	(1,829.1)	(1,756.7)	-4%
	Net Total	5,874.7	2,722.5	-54%
	Gross Scope 1 & 2 Emissions per m <sup>2</sup>	0.14	0.14	+1%
	Gross Scope 1 & 2 Emissions per FTE	6.3	6.3	-1%
Gr	oss Scope 1 & 2 Emissions per £M Revenue	7.0	-	-
	Gross Scope 3 Emissions per m <sup>2</sup>	0.16	0.03	-80%
	Gross Scope 3 Emissions per FTE	7.1	1.4	-81%
(	Gross Scope 3 Emissions per £M Revenue	7.8	-	-
	Electricity Usage (kWh) per m <sup>2</sup>	258.1	266	+3%

\*Location-based approach. †Excluded for FY 2019 and FY 2020.



## **Our Carbon Footprint**

Our gross emissions for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 are 4,479.2 tCO<sub>2</sub>e, down 42% from the previous year. However, as the electricity we purchase is renewable, both our Scope 2 electricity emissions, and Scope 3 – Category 3 emissions, totalling 1,756.7 tCO<sub>2</sub>e, are deducted from this figure to give us our net carbon footprint of 2,722.5 tCO<sub>2</sub>e, 54% less than the previous year.



Our carbon footprint for FY 2020 shows a large reduction of over 3,000 tCO<sub>2</sub>e in our Scope 3 emissions, meaning over three quarters of our footprint for FY 2020 is made up of our direct Scope 1 and 2 emissions. This dramatic decrease in Scope 3 emissions is largely due to the effects of the COVID-19 pandemic, which resulted in minimal air travel and the move to homeworking, rather than commuting, for the majority of our employees. In emerging from the pandemic, we will endeavour to learn how to make greater use of this fundamental change to our business practice so as to preserve some of these environmental benefits. We



will also look in greater depth at Scope 1 and 2 emissions, as we seek to minimise our footprint from all aspects of our business.

We believe as a leading pharmaceutical and life sciences company it is key that we are aware of what leading industry players are doing and have thus also benchmarked our emissions against them. Across industries there is no set range of Scope 3 categories companies report upon and as such it is important to benchmark Scope 1 and 2 separately to Scope 3, as these measures can be used to directly compare our emissions to other organisations. We have measured our Scope 1 and 2 emissions to be 0.14 tCO<sub>2</sub>e per m<sup>2</sup> of floor area, and 6.3 tCO<sub>2</sub>e per FTE. Our measure of tCO<sub>2</sub>e per m<sup>2</sup> will be used as an internal benchmark. However, it is worth noting that the measure of tCO<sub>2</sub>e per FTE compares favourably to other pharmaceutical companies (our analysis included both Japanese and global pharmaceutical companies). The benchmarks used are based on our UK data, which is compared to industry benchmarks based on global data, this geographic difference must be taken into account when considering like-for-like comparisons.

For our measure of 6.3 tCO<sub>2</sub>e per FTE, only Roche with 4.3 tCO<sub>2</sub>e per FTE out of the companies benchmarked against, is more efficient. Our benchmarked Scope 3 emissions will be used as an annual internal benchmark to track our year-on-year performance and measure 0.03 tCO<sub>2</sub>e per m<sup>2</sup> of floor area, and 1.4 tCO<sub>2</sub>e per employee. Finally, our electricity usage per m<sup>2</sup> of floor area is 266 kWh/m<sup>2</sup> which is within the average range of 250-300 kWh/m<sup>2</sup> for similar packaging and distribution sites.

Company	tCO₂e per FTE
Eisai UK	6.3
Roche	4.3
Novartis	7.1
GSK	10.6
Chugai	13.0

## Scope 1 & 2 Emissions

Scope 1 emissions consists of fuel that we burn directly and includes gas used on site, diesel and liquid petroleum gas (LPG) used for generators, and fuel used in company owned or leased vehicles. Scope 1 also includes a small usage of other greenhouse gases; carbon dioxide used for research, and fluorinated gases (F Gas) used in engineering. Scope 2 consists only of electricity used on site.

For our electricity and natural gas usage we have metered supplies, meaning we are able to obtain the exact kWh used for the financial year. We also measure the litres of diesel and LPG used and kgs of CO<sub>2</sub> and F Gas. When travelling with company-owned cars, employees either use fuel cards or submit mileage claims and have to record the exact miles travelled. We also record the type of each company car, both by fuel type and engine size. Accordingly, we can increase the accuracy of measuring our carbon emissions by grouping engines as small, medium, or large. Business travel in staff privately-owned vehicles is included in Scope 3 Category 6 – Business Travel.



Scopes 1 & 2	FY 2020 Usage	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO <sub>2</sub> e Change
Electricity	6,938,298 kWh	1,685.6	1,617.6	-68.0
Natural Gas	10,513,838 kWh	1,827.3	1,933.2	+105.8
Diesel	1,364 L	12.6	3.5	-9.1
Petrol	47 L	0.0	0.1	+0.1
LPG	2,505 L	2.7	3.9	+1.2
CO2 (R&D)	918 kg	1.0	0.9	-0.1
F Gas (R134A)	77 kg	0.9	110.1	+109.2
Cars – Petrol	195 miles	89.0	0.1	-88.9
Cars – Diesel	2,199 miles	16.0	0.7	-15.3
Cars – Hybrid	970 miles	0.0	0.2	+0.2
Total	-	3,635.1	3,670.2	+35.1

We used the government-provided greenhouse gas reporting figures to convert usage and mileage figures into tCO<sub>2</sub>e, which is shown in the table below.

Scope 1 and 2 emissions accounted for 3,670 tCO<sub>2</sub>e which is over 80% of our gross carbon emissions of the financial year. This is an increase of 1% since FY 2019. However, by investigating the differences in more detail, we see that large reductions in electricity and transport use were balanced by increases in natural gas and F gas. Both electricity and transport use decreased because of the pandemic, with less travel and less building use, as well as changes in how building systems were run. Natural gas increased due to changes in air handling because of the pandemic. The greatest increase was in F gas, which was due to a system leak that required a complete refill.

To reduce our energy use and resultant CO<sub>2</sub> emissions, the following initiatives and projects have been carried out within this financial year:

- A site chiller upgrade project initiated in FY 2019 was continued, this will improve the efficiency of chillers and is scheduled as a 2-to-5-year programme.
- Additional electric vehicle charging points have been installed on site, allowing staff to charge electric vehicles whilst at work.
- Burners were upgraded on boilers throughout the site which have produced greater efficiencies, reducing the gas required per boiler. This also began in FY 2019 and was completed this year.
- Lighting in the main building has been upgraded to more efficient LED lighting. There are further areas onsite that have not yet been upgraded to LED lighting, that will be looked at in subsequent years.

## **Scope 3 Emissions**

Scope 3 includes all other indirect emissions that occur in a company's value chain. The 15 categories in Scope 3 intended to provide companies with a systematic framework to measure, manage, and reduce emissions across a corporate value chain. The categories are



designed to be mutually exclusive to avoid double-counting emissions among categories. Scope 3 emissions are divided into upstream and downstream categories. Upstream emissions are those resulting from material inputs needed for the business, while downstream emissions are from products that are produced, distributed, and eventually end up as waste at end-of-use.

Our approach to Scope 3 carbon emissions was to evaluate where we have the greatest impact, along with what accurate and complete input data we have available. We plan on increasing the number of Scope 3 categories we measure year-on-year to build a more comprehensive picture of our carbon emissions. This financial year we elected to report on the following scope 3 categories:

- Category 1 Purchased Goods & Services
- Category 3 Fuel & Energy-Related Activities
- Category 4 Upstream Transportation & Distribution
- Category 5 Waste
- Category 6 Business Travel
- Category 7 Employee Commuting

#### Category 1 – Purchased Goods & Other Services

Category 1 emissions relate to the extraction, production, and transportation of goods and services purchased, that are not otherwise included in other categories (so they do not include the indirect emissions from our energy use). Whilst we have not fully measured this category and there are other purchased goods and services which we will include in following years, we had data available for water usage from our water bills. We were therefore able to calculate the associated emissions from our water usage, by converting the m<sup>3</sup> into tCO<sub>2</sub>e using the government-provided greenhouse gas reporting figures. This category does not include the treatment of wastewater and sewerage which are included in Category 5.

Scope 3 – Category 1	FY 2020	FY 2019	FY 2020	tCO₂e
Purchased Goods & Other Services	m <sup>3</sup>	tCO <sub>2</sub> e	tCO <sub>2</sub> e	Change
Water Supply	22,270	8.3	7.7	-0.6

In FY 2020 our water supply accounts for 7.7 tCO<sub>2</sub>e and 0.2% of our gross carbon emissions, a 0.6 tCO<sub>2</sub>e decrease on our FY 2019 emissions. We encourage only necessary use of water throughout site. During the year we upgraded our main building washroom which should further decrease water use.

In following years, we will expand this category, identifying other purchased goods and services for which we can obtain data and understand the carbon emissions.

#### Category 3 – Fuel & Energy-Related Activities

Category 3 emissions are emissions associated with the extraction, production, and transportation of fuels and energy we use and includes all the upstream emissions of the gas, diesel, LPG, fuel used for company cars, and the transmission and distribution losses of our electricity. By taking the emissions and usage of all our fuels and electricity we are able to apply standard factors which estimate the Category 3 emissions of each resource.



Scope 3 – Category 3 Fuel & Energy Related Activities	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO₂e Change
Electricity	143.5	139.1	-4.4
Natural Gas	237.6	251.4	+13.7
Diesel	3.0	0.8	-2.2
Petrol	0.0	0.0	0.0
LPG	0.3	0.5	+0.1
Cars – Petrol	24.2	0.0	-24.2
Cars – Diesel	3.8	0.2	-3.6
Cars – Hybrid	0.0	0.0	0.0
Total	412.6	392.1	-20.5

Our Category 3 emissions total 392.1 tCO<sub>2</sub>e and make up 8.8% of our gross carbon emissions in FY 2020, down 20.5 tCO<sub>2</sub>e and 5% from our FY 2019 emissions. These changes reflect those of Scope 1 and 2 emissions, with higher associated natural gas emissions, and lower associated electricity and transport emissions.

By calculating Category 3 emissions, we get a fuller picture of all the emissions associated with our energy use. This way we are further incentivised to reduce the energy we use to subsequently reduce our carbon emissions. As follows all actions and initiatives we are undertaking to reduce Scopes 1 & 2 emissions, also reduce our Scope 3 Category 3 emissions.

#### Category 4 – Upstream Transportation & Distribution

Category 4 emissions include any emissions involved in the transportation and distribution of products purchased in vehicles not owned or operated by us. Category 4 emissions also include third-party transportation and distribution services purchased, for either inbound logistics, outbound logistics, or transport between our facilities. For this financial year, due to data available, we have only included transportation of purchased outbound logistics within the UK. We measured the total distance of all our products between the distribution centres they are sent to, and from the distribution centres to hospitals and pharmacies. We used the journey distances and the appropriate factors to determine the associated emissions and the upstream emissions associated with the extraction, products are transported by distribution companies, and each load contains both our products, and those of other companies, we applied a factor to reflect the proportion of each journey our products make up.

Scope 3 – Category 4 Transportation & Distribution	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO <sub>2</sub> e Change
Site to Distribution Centres	2.5	2.2	-0.3
Distribution Centres Onwards	4.3	6.1	+1.8
Total	6.8	8.3	+1.5

Our Category 4 upstream transportation and distribution emissions for FY 2020 total 8.3  $tCO_2e$  and 0.2% of our gross carbon emissions, this is 1.5  $tCO_2e$  more than FY 2019. Although



our journey numbers were similar to FY 2019, this increase is due to our products making up a larger proportion of the loads carried by our distributors, so for each journey made, a greater amount of fuel and emissions were associated with our products.

We will be looking to expand our calculations within this category. We will determine how to calculate our emissions from inbound logistics as well as including European and Worldwide distribution, which was not included in this financial year. We will also identify how to measure emissions associated with our products being stored in distribution centres.

#### Category 5 – Waste

Category 5 emissions include the disposal and treatment of waste generated from our operations. This includes standard waste as well as wastewater and sewerage. Our waste broker provides us with a quarterly report of waste generated from 16 different streams, as well as how each stream is disposed. Each waste stream and each disposal method have a separate associated carbon emission factor, and we used these factors to convert our waste tonnage into tCO<sub>2</sub>e. The same applies to our sewerage and trade effluent; by knowing the m<sup>3</sup> of each, which is available from our water bills, we can calculate the associated tCO<sub>2</sub>e.

Scope 3 – Category 5 Waste	FY 2020 tonnes	FY 2019 tCO₂e	FY 2020 tCO2e	tCO₂e Change
Recycling	145.3	3.1	4.7	+1.6
Waste-to-Energy	18.2	0.4	1.0	+0.6
Waste-to-Landfill	0.0	0.0	0.0	0.0
Total	163.5	3.5	5.6	+2.1



Scope 3 – Category 5 Water	FY 2020 m <sup>3</sup>	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO₂e Change
Sewerage	7,350	4.9	5.2	+0.3
Trade Effluent	14,174	12.5	10.0	-2.5
Total	21,524	17.4	15.2	-2.2



Our Category 5 emissions total 20.9 tCO<sub>2</sub>e and make up 0.5% of our gross carbon emissions, this is the same absolute emissions as FY 2019 but a 0.2% higher proportion. Of these Category 5 emissions, standard waste makes up 26.9% and 5.6 tCO<sub>2</sub>e, and sewage and water treatment accounts for 73.1% and 15.2 tCO<sub>2</sub>e. This represents an increase of 2.1 tCO<sub>2</sub>e for waste, which is due to waste generated from various site projects, such as an office reconfiguration, LED lighting implementation, and clearance of storage facilities. The reduction of emissions from sewerage and trade effluent totals 2.2 tCO<sub>2</sub>e and is due to the impact of the pandemic, and therefore the change in use of buildings.

Last year we changed our external waste management partner, they provide us with waste reports detailing our waste streams and how our waste is disposed of. Our 16 separate standard waste streams range from cardboard and paper to kitchen oil and pharmaceutical waste. We ensure that all of these streams are disposed of correctly following the UK waste hierarchy whereby re-use and recycling is prioritised over landfill. We proudly have no waste going to landfill. Only waste streams such as hazardous and pharmaceutical waste that cannot be recycled are sent for incineration where the waste is burned to produce energy. Due to no waste going to landfill our carbon emissions from our solid waste are relatively small, however we will continue to minimise the waste we produce, reducing our emissions even further.

#### Category 6 – Business Travel

Category 6 emissions are all emissions resulting from business travel in vehicles not owned or leased by the company. This also includes the upstream emissions associated with the extraction, production, and transportation of the fuel used in business travel.

For personal vehicle business mileage, as when travelling with company cars, staff must submit a mileage claim and record the exact miles travelled. We also record the fuel and engine types of their cars, increasing the accuracy of measuring our carbon emissions by grouping engines by fuel type and as small, medium, or large. For taxis, rental cars, trains, and flights booked through our travel company the carbon emissions are recorded for each journey, calculated depending on the manufacturer data from each vehicle. Taxi emissions include "dead" running, where taxis are not occupied but are going to pick up passengers. For other journeys that are not booked through our travel company, the distance travelled, and mode of transport is recorded. We use with data along with appropriate factors to calculate the emissions of each journey, and the associated upstream emissions.

Scope 3 – Category 6 Business Travel	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO <sub>2</sub> e Change
Personal Vehicle Mileage	66.9	0.1	-66.8
Taxis	52.6	11.0	-41.6
Trains	14.1	0.0	-14.1
Short-Haul Air Travel (Economy)	345.1	0.3	-344.8
Long-Haul Air Travel (Business)	1,881.6	8.3	-1,873.3
Total	2,360.3	19.7	-2,340.6

Our Category 6 emissions represent the greatest decrease in emissions from FY 2019 to FY 2020, with a large reduction of 2,340.6 tCO<sub>2</sub>e, representing just 0.4% of our gross emissions,



as opposed to 30.6% from FY 2019. All reductions were a direct result of how the pandemic affected travel, with all modes of transport being significantly affected.

The greatest changes were in air travel, with just 11 flights in FY 2020, both short and longhaul, compared to 3,326 in FY 2019. All flights in FY 2020 were either essential or a seat was bought but our employee did not actually take the flight. This meant long-haul flight emissions decreased by 1,873.3 tCO<sub>2</sub>e, and short-haul flights decreased by 344.8 tCO<sub>2</sub>e. Furthermore, there were significant reductions in use of personal vehicles (66.8 tCO<sub>2</sub>e), taxis (41.6 tCO<sub>2</sub>e), and trains (14.1 tCO<sub>2</sub>e). This reduction in carbon emissions shows the positive effects the changes in business practice have led to, will allows us to make an informed business decision around the continuation of meeting virtually.

As we return to pre-pandemic business practices, we will try to ensure that lessons we have learnt are carried forward with us. We will continue to use virtual meeting services where possible, and where it is not, we will look at implementing best practice travel guidelines, particularly around air travel. For other methods of travel, we encourage public transport where possible, however will also provide guidance to our employees on how to change their driving behaviours to become more eco-friendly. In coming years, we will also be looking to identify the emissions associated with staying in hotels for business travel. These will be included within Category 6 and were not included in either FY 2019 or FY 2020 due to a lack of necessary data.

#### Category 7 – Employee Commuting & Homeworking

Category 7 emissions are those created by the transportation of employees between our site and their homes, as well as the upstream emissions associated with the extraction, production, and transportation of the fuel used for commutes. This year, due to the pandemic we have also elected to include the emissions related with homeworking, which come from incremental equipment and heating being used in homes. This allows us to determine the impact working from home has had upon our carbon footprint.

We conducted a survey asking our employees about their commutes before and after COVID-19, with only essential workers onsite during the pandemic. Questions included the number of days they visited site, if at all, the distance they live from work, their method of travel to work, and where employees drove, we also identified the fuel type used in their cars. The survey had a 50% response rate. Results were extrapolated to represent the whole employee population for both FY 2019 and FY 2020. The total distance travelled by each method of transport in the year was calculated and the government-provided greenhouse gas reporting figures were used to convert these distances into  $tCO_2e$ .

Additionally, we had exact figures for employees working from home, both part and full-time. This allowed us to calculate the total number of hours worked from home this financial year. By understanding this we can then use standard assumptions to determine the extra emissions associated with working from home, which include office equipment used, and apportion incremental home-heating emissions to each employee<sup>4</sup>.

<sup>&</sup>lt;sup>4</sup> https://info.eco-act.com/hubfs/0%20-

<sup>% 20</sup> Down loads / Homeworking % 20 emissions % 20 white paper / Homeworking % 20 Emissions % 20 White paper % 2020 20. pdf? hs Lang = enity of the standard standar



Scope 3 – Category 7 Employee Commuting & Homeworking	FY 2019 tCO <sub>2</sub> e	FY 2020 tCO <sub>2</sub> e	tCO₂e Change
Cars	1,238.6	288.1	-950.5
Buses	2.3	0.0	-2.3
Trains	12.0	0.7	-11.3
Planes (Short-Haul)	6.9	0.0	-6.9
Homeworking	-	71.6	-
Total	1,259.8	360.4	-971.0

This year our emissions from employee commuting and homeworking total 360.4 tCO<sub>2</sub>e and 8.0% of our gross carbon emissions. This represents a reduction of 971.0 tCO<sub>2</sub>e from FY 2019 to FY 2020, our second greatest reduction behind business travel. The figure does not account for emissions from homeworking in FY 2019 as this data was not recorded. It is significant that car journey emissions have decreased by 77%. Despite most employees working from home, homeworking accounted for only 20% of Category 7 emissions. As with business travel, we will look to learn from the changes we have made during the past year and will focus on reducing the significant emissions from car journeys. This involves encouraging eco-friendly driving behaviours, and the installation of EV charging points on site to further encourage the use of electric cars.

## **Going Forward**

In FY 2020, our carbon footprint measured 2,722.5 tCO<sub>2</sub>e, with gross emissions of 4,479.2 tCO<sub>2</sub>e. This is a reduction of 3,152.2 tCO<sub>2</sub>e, over half of our FY 2019 footprint, as well as a reduction of 42% of our gross emissions. The majority of this was from our Scope 3 emissions, and the lack of business travel and commuting throughout the pandemic.

We are determined to learn lessons from the pandemic and will explore opportunities to continue this reduction in our footprint as we work towards our target of Carbon Neutrality by 2040. Calculating our carbon footprint in this way will allow us to implement a carbon footprint management plan, which will be driven by a new sustainability committee, and will be accompanied by both internal and external promotions to raise awareness around sustainability and the effects business has upon the climate.

We are also evaluating each of the Scope 3 categories, identifying the data required for the remaining categories with a view to increasing the measured categories year-on-year. We will also be improving our methodologies for calculating each of the categories to obtain the most accurate carbon footprint measurement possible.

Our carbon footprint measurement has provided us with the foundations for our journey to reduce our emissions as much as possible, and we will build upon this to gain full control and understanding of our environmental impact, and how best to reduce it.