



# Carbon reduction plan

## 2023



# Commitment to achieving net zero

Freshwave is committed to achieving net zero emissions no later than **2050**, with an aim of reaching net zero by **2030**.

In accordance with the UK Government's net zero strategy, Freshwave Group (Freshwave) intends to achieve net zero for its scope 1, 2 and 3 emissions by no later than 2050, relative to a 2021 baseline year. Moreover, to meet the ambition of our investor (DigitalBridge), we are striving to reach net zero across all scopes by 2030. Importantly, these efforts are aligned with the goal of the international, legally binding climate change treaty, the Paris Agreement: to limit global warming to well below 2 degrees Celsius ( $^{\circ}\text{C}$ ) above pre-industrial levels, preferably to  $1.5^{\circ}\text{C}$ .



# Baseline emissions footprint

**Baseline emissions are a record of the greenhouse gases (GHGs) that have been produced in the past and prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emission reductions can be measured.**

## Baseline Year: 2021

**Additional details relating to the baseline emissions calculations:**

We calculated our carbon footprint (including scope 1, 2 and 3 emissions) for the first time in 2021, serving as our baseline year. We will use our 2021 baseline year to track progress against our carbon reduction targets. We also initiated the development of our ESG strategy in 2021, setting out our key focus areas for pursuing positive change across the business and within the communities where we operate.<sup>1</sup>

We have calculated our scope 1, 2 and 3 emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard,<sup>2</sup> which is international best practice in carbon accounting and reporting. We have used consumption data where available to ensure the highest accuracy for our emissions calculations, with estimates derived from industry-standard benchmarks used where not available. Our emissions have been reported under three scopes, as per the GHG Protocol.

<sup>1</sup> <https://freshwavegroup.com/about-us/sustainability/>

<sup>2</sup> <https://ghgprotocol.org/corporate-standard>



# Current emissions reporting

**We expanded our scopes 1 and 2 emissions reporting in 2022, relative to the 2021 baseline year,** to include emissions associated with the energy consumed by leased offices, homeworking<sup>5</sup> and refrigerant leakage from air conditioning units. The data also reflects the impact of the move of our London-based head office.

**In addition, the quality of data used to calculate scope 1, 2 and 3 emissions significantly improved from 2021 to 2022,** owing to the greater availability of consumption data associated with our business activities. By obtaining a more accurate and complete understanding of our emissions, we will be better able to drive year-on-year reductions to meet its net zero target.

**The change in calculation methodology to a more robust and accurate approach has resulted in an increase in our emissions relative to 2021.** However, we are committed to defining our net zero roadmap in 2024 and to ambitious, short-term decreases to enable us to meet our targets.

	Baseline year emissions: 2021 (1 Jan 2021 – 31 Dec 2021)		Current reporting year emissions: 2022 (1 Jan 2022 – 31 Dec 2022)
EMISSIONS	TOTAL (tCO <sub>2</sub> e)	EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	15.23	Scope 1	25.76
Scope 2	15.55	Scope 2	79.19
Scope 3	111.49	Scope 3	175.83
Business travel	39.80	Business travel	28.22
Employee commuting	28.97	Employee commuting	40.38
Waste generated in operations	28.23	Waste generated in operations	1.34
Upstream transportation and distribution	14.49	Upstream transportation and distribution	105.89
Downstream transportation and distribution	0.00 <sup>3</sup>	Downstream transportation and distribution	0.00 <sup>3</sup>
<b>Total emissions</b>	<b>152.28<sup>4</sup></b>	<b>Total emissions</b>	<b>280.78<sup>4</sup></b>

<sup>3</sup> Freshwave is assessing all transportation and distribution emissions but is not able to separate upstream and downstream emissions. This report therefore combines all transportation and distribution emissions into the upstream total.

<sup>4</sup> Due to rounding, total emissions do not equal the sum of the listed line items.

<sup>5</sup> The additional scope 3 emission categories reported in 2022 (relative to the 2021 baseline year) were: homeworking (emissions form part of the 'employee commuting' category of the GHG Protocol), capital goods, fuel- and energy-related activities, and leased assets (upstream and downstream).

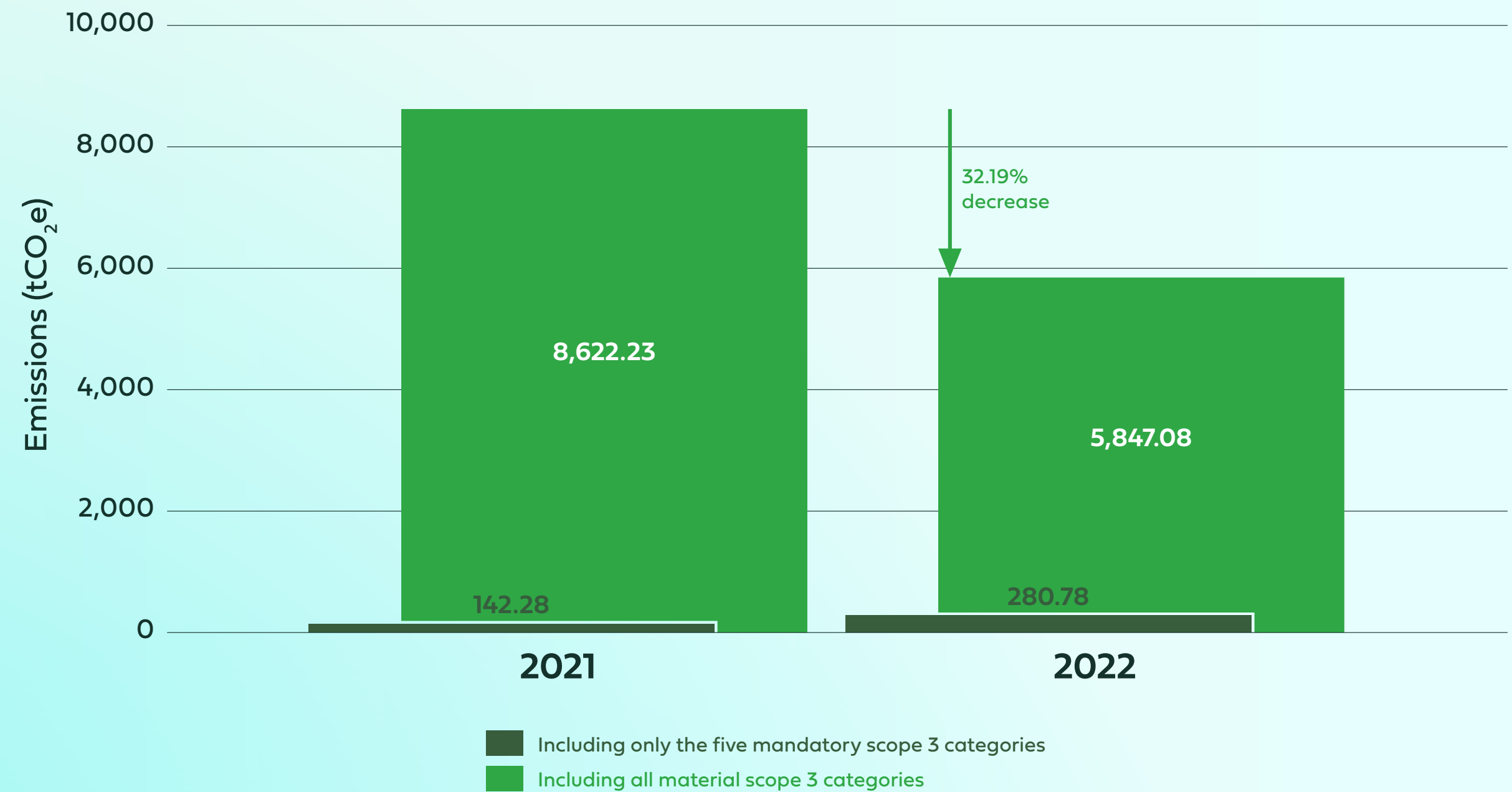


# Carbon footprint comparison: 2021 vs. 2022

As shown in Figure 1, our overall 2022 carbon footprint decreased by 2,775.15 tCO<sub>2</sub>e relative to the 2021 baseline year. This equates to a 32.19% reduction in total scope 1, 2 and 3 emissions from 2021 to 2022; the reduction was principally driven by the inclusion of the emissions associated with Freshwave’s upstream and downstream leased assets in the 2022 carbon footprint (see Appendix 1 for a comparison of Freshwave’s GHG emission inventories for the 2021 and 2022 carbon footprints).<sup>6</sup>

Despite the overall decrease in our emissions, when only the mandatory scopes and categories prescribed by PPN 06/21 are considered, Freshwave’s total emissions seemingly increase by 138.50 tCO<sub>2</sub>e from the 2021 baseline.

## Freshwave’s total scope 1, 2 and 3 emissions in 2021 and 2022



**Figure 1.** Change in Freshwave’s total scope 1, 2 and 3 emissions between 2021 and 2022. NB: The dark green bars show total emissions for scopes 1 and 2, with only the five mandatory scope 3 categories prescribed by the UK Government’s Procurement Policy Note (PPN) 06/21. The light green bars show total emissions for scopes 1 and 2, with all materially relevant scope 3 categories (see Appendix 1 for more information).

<sup>6</sup> Freshwave’s 2021 carbon footprint included seven scope 3 emission categories; eleven scope 3 categories were identified as materially relevant, and thus, reported on in the 2022 carbon footprint. This expanded scope 3 emissions coverage occurred following a more comprehensive GHG emissions screening analysis, which captured all material scope 3 emissions from our value chain.



## Scope 1

Direct emissions from the combustion of natural gas for heating our offices and the use of fuel by long-term leased company vehicles.

## Scope 2

Indirect emissions from the generation of electricity, heating and cooling purchased by us for consumption. These emissions have been calculated using the GHG Protocol's location-based methodology.

## Scope 3

Indirect emissions originating from our value chain. As per the UK Government's Technical Standard guidance,<sup>7</sup> this Carbon Reduction Plan (CRP) includes only the following subset of scope 3 emissions:

- ✓ business travel;
- ✓ employee commuting;
- ✓ waste generated in operations;
- ✓ upstream transportation and distribution; and
- ✓ downstream transportation and distribution.

# Our emissions reduction targets

We've adopted the following targets in pursuit of net zero GHG emissions.



Achieve carbon neutrality for scope 1 and 2 emissions by 2030.



Achieve net zero emissions across all scopes by no later than 2050.

<sup>7</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/991625/PPN\\_0621\\_Technical\\_standard\\_for\\_the\\_Completion\\_of\\_Carbon\\_Reduction\\_Plans\\_\\_2\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf)

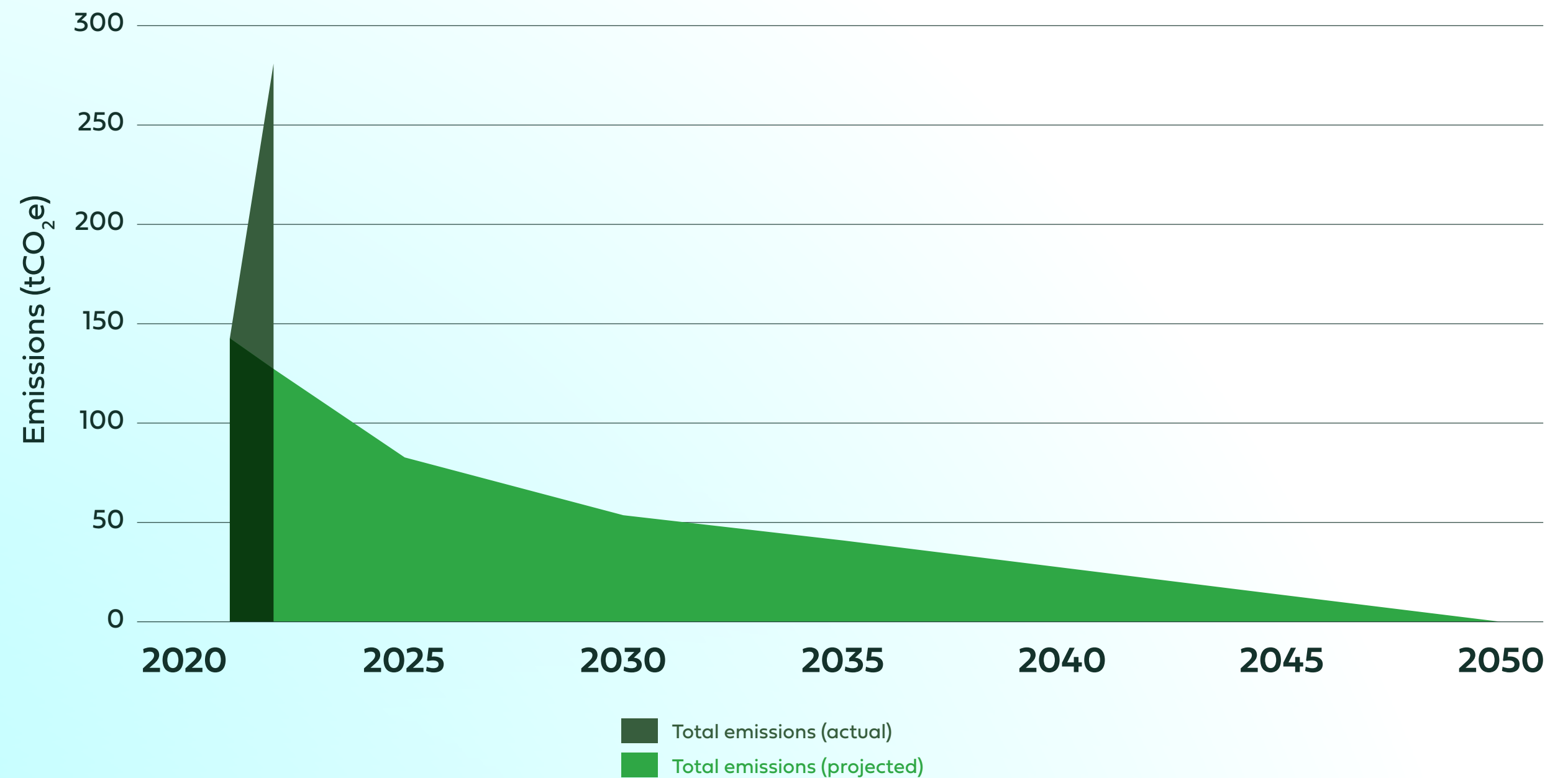


# Emission reduction targets

We project that our total scope 1, 2 and 3 emissions will decrease over the next seven years to 53.5 tCO<sub>2</sub>e by 2030. This is a reduction of 81% relative to our current reporting year (2022). Critically, this projection includes only the five mandatory scope 3 emission categories to be reported in a company's CRP, as per the UK Government's Technical Standard guidance.

These projected emission reductions, which are in line with our targets, are illustrated in Figure 2. Refer to Appendix 2 for our projected emission reductions from 2021 to 2050, which include all the scope 3 emission categories that Freshwave identified as material in the 2021 and 2022 carbon footprints.<sup>8</sup>

## Freshwave's emissions reduction in line with PPN 06/21: Projected vs. Actual



**Figure 2.** Freshwave's actual and projected emission reductions across scopes 1 and 2, and the UK Government's five mandatory scope 3 categories, from 2021 to 2050.

<sup>8</sup> Freshwave's 2021 carbon footprint included seven scope 3 emission categories; eleven scope 3 categories were identified as materially relevant, and thus, reported on in the 2022 carbon footprint. This expanded scope 3 emissions coverage occurred following a more comprehensive GHG emissions screening analysis, which captured all material scope 3 emissions from our value chain.



## **Carbon reduction projects Completed carbon reduction initiatives**

**Since the 2021 baseline year, numerous environmental management measures and projects have been completed or implemented. By improving efficiencies and reducing GHG emissions in the process, these initiatives support our drive to achieve net zero across scopes 1, 2 and 3 by no later than 2050.**

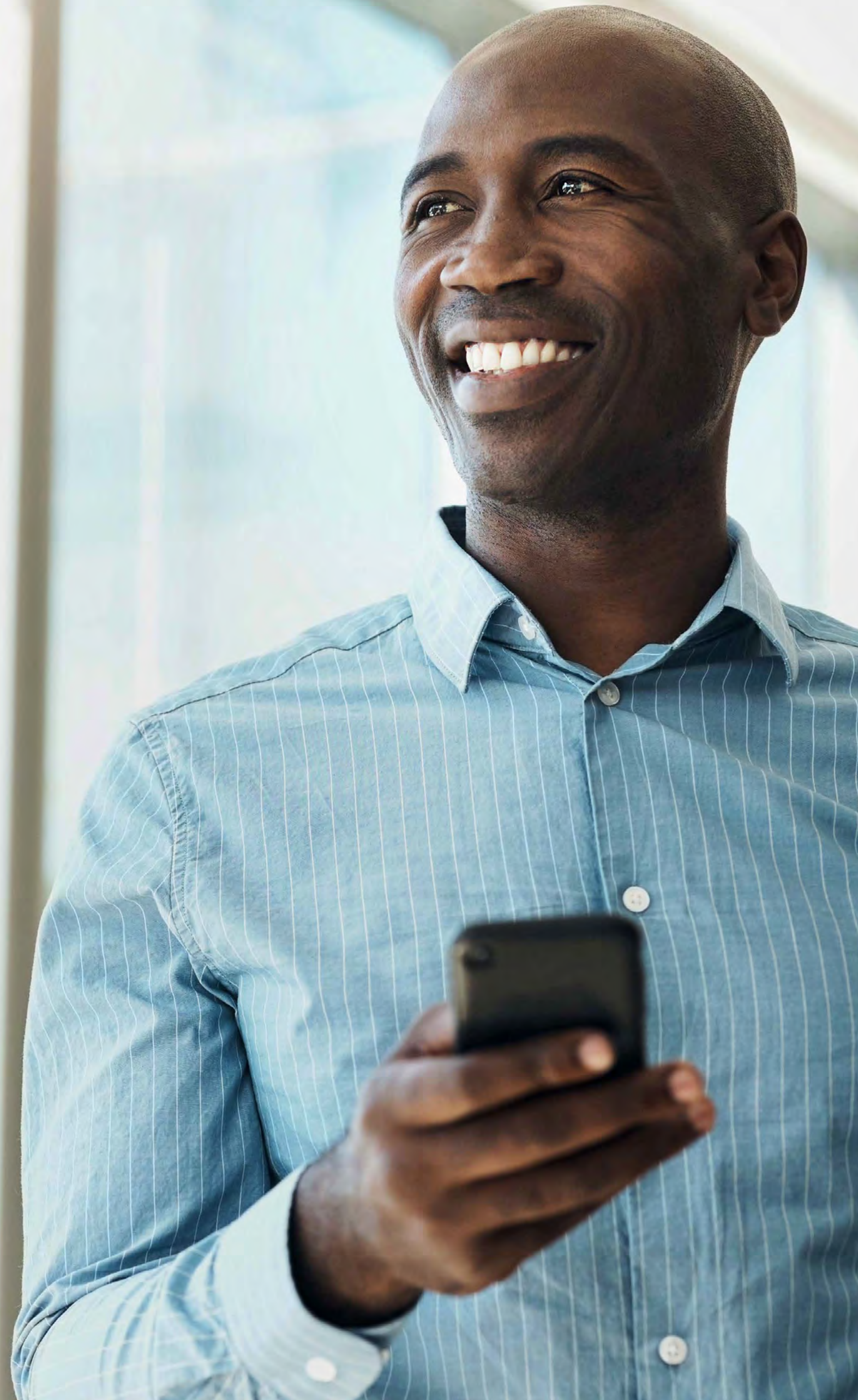






## ISO 14001:2015 Environmental Management System (EMS)

We operate an Environmental Management System (EMS) certified to the ISO 14001:2015 international standard. With this system in place, we have identified waste generation and energy use as environmental aspects under our control and within our sphere of influence. As a result, we have introduced objectives and targets to minimise the environmental impact from the production of waste and consumption of energy.



## EcoVadis accreditation

We were proud to receive the EcoVadis sustainability gold medal for our most division in 2022.<sup>9</sup> Aside from serving as a testament to the quality of our EMS, this accreditation reflects the implementation of operational processes and procedures embedded within the EMS that are specifically related to the management of GHG emissions and waste. Our procedures account for the lifecycle of products and services and exemplify our commitment to continuously reducing our environmental impact.

<sup>9</sup> <https://freshwavegroup.com/about-us/legal-and-accreditations/>



## Employee engagement

We've adopted a strategic approach to engage with our employees on environmental matters and establish shared ownership to reduce carbon emissions. In 2021, we developed a carbon management policy and refined our environment policy to raise awareness of our wider commitment to achieving net zero GHG emissions. By communicating the policies to all employees, and helping them to understand how they can each contribute to reducing emissions, we have been able to engage and empower our workforce. We also encourage flexible and hybrid working among our employees, which reduces the need to commute to our offices and the energy consumed onsite throughout the day.



## Building Management Systems (BMS)

At the end of 2021, we relocated our head office to Bloom (Clerkenwell, London). A pivotal driver of this decision was the building's high energy efficiency and sustainable design; following the use of sustainable materials and processes in its construction, Bloom has achieved BREEAM 'outstanding' certification and an energy performance certificate (EPC) rating of 'A'. In addition, the building is connected to a low-carbon and energy-efficient district heating and cooling system supplied by Citigen; this natural-gas-fuelled system recovers waste heat from turbochargers, engine exhausts, lubricating oil and jacket cooling, and transfers it via heat exchangers to the network, increasing efficiency in the process. A turn-off policy for lights and other electrical appliances is in place in our older and smaller offices, which also helps to drive emission reductions.



# Future carbon reduction initiatives

**As the above initiatives focus mainly on scopes 1 and 2 emission reductions, we intend to implement additional measures to reduce emissions across all scopes, including scope 3.**



## Supplier engagement

We endeavour to work closely with our supply chain partners to drive energy efficiency and develop innovative solutions regarding the network infrastructure and the sourcing of materials. Prospective initiatives include masts powered by integrated small-scale wind turbines, solar photovoltaics and water-based cooling solutions.

We will strengthen our approach to managing our supply chain to complement and build on our EcoVadis supplier recognition. By transitioning our supplier code of conduct into a supply chain charter, we will take a stronger position towards integrating energy management into our supply chain and procurement processes.

## Waste reduction and recycling programme

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We seek to realise the objectives and actions set out in our waste minimisation policy as part of our commitment to decreasing scope 3 emissions. We will ensure our recycling and waste disposal expectations are effectively communicated within our offices, with a focus on waste electrical and electronic equipment (WEEE) recycling. Through our partnership with Switch on the Future,<sup>10</sup> we have connected children and facilitated the transition to e-learning. As part of the scheme, laptops and associated hardware are repaired and donated to those from deprived backgrounds, which helps to tackle digital inequality and reduces the amount of harmful waste sent to landfill. We made strong contributions in 2021 and 2022 and will continue with this initiative and investigate other partnerships and programmes to optimise recycling and cut electrical and electronic waste.



## Energy management

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We aim to align with the internationally recognised ISO 50001 Energy Management System to enhance our performance and carbon emissions analysis. We will also develop and implement an energy management policy, advance our processes and demonstrate an overall commitment to continual improvement as part of this system.

<sup>10</sup> <https://switchonthefuture.squarespace.com/>



## ESG strategy implementation

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We've recently further developed an ESG strategy. One strategy pillar, Embracing net zero, focuses on reducing our emissions across our value chain. Through the engagement of pillar leads, creation of KPIs and targets, and communication of this strategy to our stakeholders, we will drive progress on our emission reductions and communicate performance transparently and authentically over time.



## Net zero roadmap

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We're committed to near and long-term emissions reduction targets. To ensure these targets are informed by science and reflect the broader decarbonisation landscape along with our operational opportunities and challenges, we will create a net zero roadmap. This roadmap will further model the trajectory of our emission reductions, the drivers and actions enabling decarbonisation, and enhance the credibility of our net zero ambitions. From here, we aim to have our net zero target validated through the Science Based Targets initiative, further strengthening our commitment and credibility.

# Declaration and sign-off

This **Carbon Reduction Plan** has been completed in accordance with PPN 06/21 and the associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for CRPs and the GHG Reporting Protocol Corporate Standard.<sup>11</sup> The appropriate UK Government emission conversion factors for GHG company reporting have been used.<sup>12</sup>

Scope 1 and 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (SECR) requirements, and the required subset of scope 3 emissions has been reported in accordance with the published reporting standard for CRPs and the Corporate Value Chain (Scope 3) Standard.<sup>13</sup>

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on behalf of  
Freshwave Group.**



Simon Frumkin CEO

Date: 21 07 2023

<sup>11</sup> <https://ghgprotocol.org/corporate-standard>

<sup>12</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>13</sup> <https://ghgprotocol.org/standards/scope-3-standard>



# Appendices

## Appendix 1

Freshwave's 2021 and 2022 GHG emission inventories for scopes 1, 2 and 3.

	2021	2022
<b>Scope 1 categories</b>		
Vehicle fuel consumption	Not included	Included
Refrigerants	Not included	Included
Fuel and gas consumption	Included	Included
<b>Scope 2 categories</b>		
Purchased electricity	Included	Included
Purchased heating	Not included	Included
Purchased cooling	Not included	Included
<b>Scope 3 categories</b>		
Purchased goods and services	Included	Included
Capital goods	Not included	Included
Fuel and energy-related activities	Not included	Included
Upstream transportation and distribution	Included	Included
Waste generated in operations	Included	Included
Business travel	Included	Included
Employee commuting	Included	Included
Upstream leased assets	Not included	Included
Downstream transportation and distribution	Included	Included
Processing of sold goods	Not included	Not included
Use of sold products	Included	Included
End-of-life treatment of sold products	Not included	Not included
Downstream leased assets	Not included	Included
Franchises	Not included	Not included
Investments	Not included	Not included

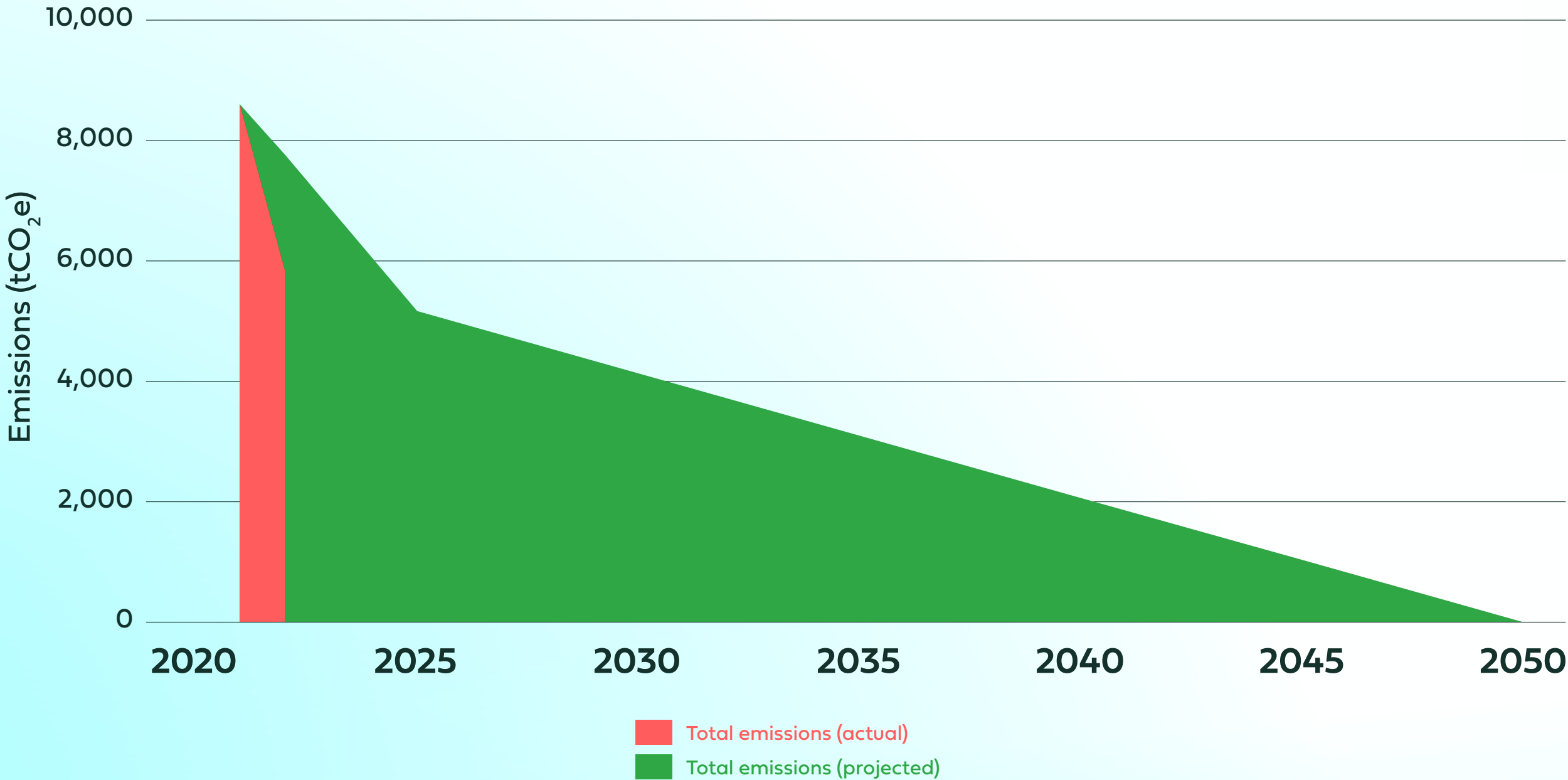
■ Included  
■ Not included



# Appendix 2

Freshwave's actual and projected emission reductions across scopes 1 and 2, and all materially relevant scope 3 categories, from 2021 to 2050.

## Freshwave's overall emissions reduction: Projected vs. Actual





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