[*Clarasys*]

Carbon Reduction Plan

2023

[**Foreword**]

At Clarasys, we are purpose-driven in the way that we deliver our consultancy services. For us, this means *making a lasting difference to the way people work, live and grow*.

We believe that the most impactful way that we can deliver on our purpose in the context of the climate crisis is to leverage our skills and experience to shape our clients' people, organisations, products and services and wider system to ensure the ongoing success of society, the planet and the economy.

We are also committed to ambitious action on climate within our own operations and supply chain. At the start of 2024, we had our net-zero target validated by the Science Based Targets initiative (SBTi), covering scope 1, 2 and 3.

This Carbon Reduction Plan provides an overview of our latest greenhouse gas (GHG) inventory, progress against our targets and our focus for next steps. GHG emissions are measured in tonnes of carbon dioxide equivalent (tCO2e)

We are *science-based*

Our near-term commitment

Clarasys 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.

Our net-zero commitment

Clarasys commits to reach net-zero by 2040. As part of this, Clarasys commits to reduce scope 1+2+3 emissions 90% by **2040** from a 2022 base year.

[**Contents**]

1.

Our 2023 emissions

An overview of our emissions for the 2023 reporting year (January - December) and breakdown across scope 1-3 and key activities.

[Key Takeaways]

- **The majority of our emissions fall under scope 3 (90%)** - specifically, business air travel and purchased goods and services (furniture, food and drink, facilities management).
- **Our scope 3 emissions have increased by 66% between 2022 and 2023**, from 219 tCO2e to 364 tCO2e. **Over 80 tonnes of this increase is associated with one-off activities for our London office move**, including furniture, electrical equipment and stationary. We have also seen a 39 tonne increase in emissions from food and drink due to hosting more events in our new office space.
- **Business air travel has increased by 28%** due to project demand, predominantly flights between our London and Boston (US) offices.
- **Our scope 1 emissions (gas consumption at our offices) has fallen by 21%**, which is assumed to be due to our new London office having more efficient heating and hot water systems.
- The most significant reduction is in our **scope 2 emissions (electricity consumption at our offices), which has decreased by 87%** owing to a switch to 100% REGO-backed renewable electricity supply at our new London office and improvements in the energy mix of our Boston office tariff. We expect this to decrease further next year as we still accounted for January and February electricity from our previous London office in 2023.

[Methodology]

We have calculated our carbon footprint for 2023 in accordance with the Greenhouse Gas (GHG) Protocol Standard for scope 1 and 2 emissions, as well as the Corporate Value Chain (Scope 3) Standard and Scope 3 Calculation Guidance for Scope 3 emissions. We have accounted for emissions within our operational boundary using the Operational Control methodology, as this best reflects Clarasys' actual ability to influence carbon emission reductions.

To calculate our emissions, we have used the CompareYourFootprint (CYF) tool, which adheres to the GHG Protocol and uses the UK Government's latest carbon factors for our UK-based operations and the GHG Protocol average data method for our US-based operations. Emissions are measured in tonnes of carbon dioxide equivalent (tCO2e).

We are tracking progress against out SBTi target using market-based emissions, however we have provided our location-based emissions to the right for transparency.
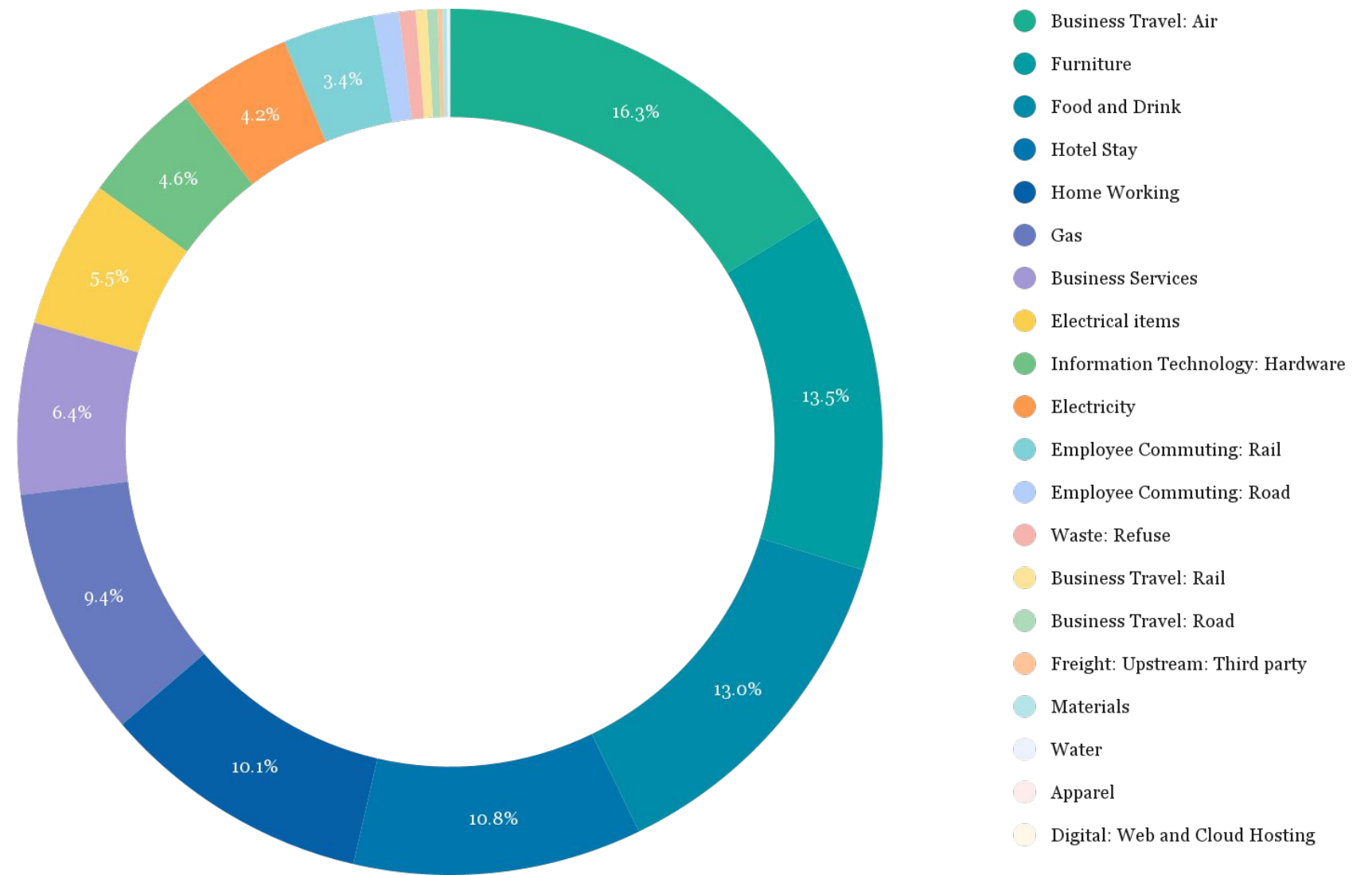
2023 emissions	Market-Based	Location-Based
Scope 1	32.55	32.55
Scope 2	8.32	81.51
Scope 3	364.21	378.82
TOTAL	**405.08**	**492.88**

[CLARASYS]

2.

Progress against targets

Where we are in relation to our science-based near-term and net-zero targets.

[*Progress against targets*]

Clarasys set the following science-based targets in 2022 which is guiding our action:

• **short-term**: to reduce operational (scope 1+2) emissions by 42% by 2030 against a 2022 baseline, and to measure and reduce scope 3 emissions;
• **long-term**: to achieve net-zero emissions covering Scope 1, 2 and 3 emissions by 2040 from a 2022 base year.

As shown on the timeline below, our **overall emissions have increased by 24%** - equating to 79 tCO2e. Within this change, our **scope 1+2 emissions have decreased by 62%** (66 tCO2e) and our **scope 3 emissions have increased by 66%** (145 tCO2e). As noted in the previous section, we estimate that roughly 82 tCO2e of the increase can be attributed to purchases associated with our London office relocation, however some increases are independent of this (e.g. business air travel, food and drink) and will be prioritised as emissions reduction hot spots in the next year to ensure we make progress towards our net-zero target.
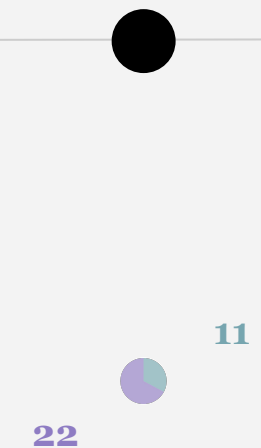
Scope 1+2   **Scope 3**

2022 *(baseline)*

107
219
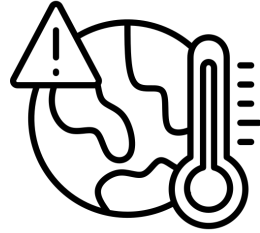
2023 *(current)*

41
364

2040 *(net-zero)*

11
22
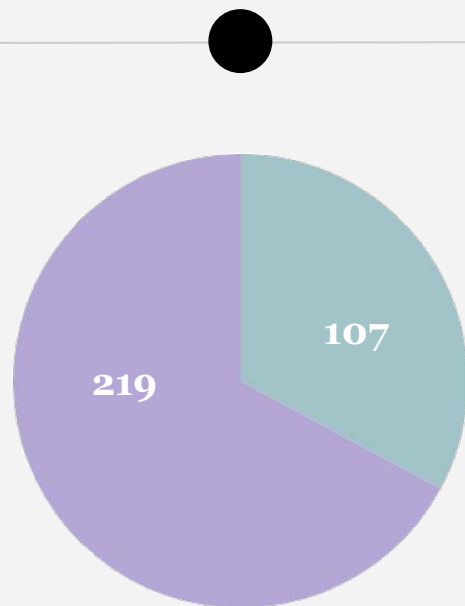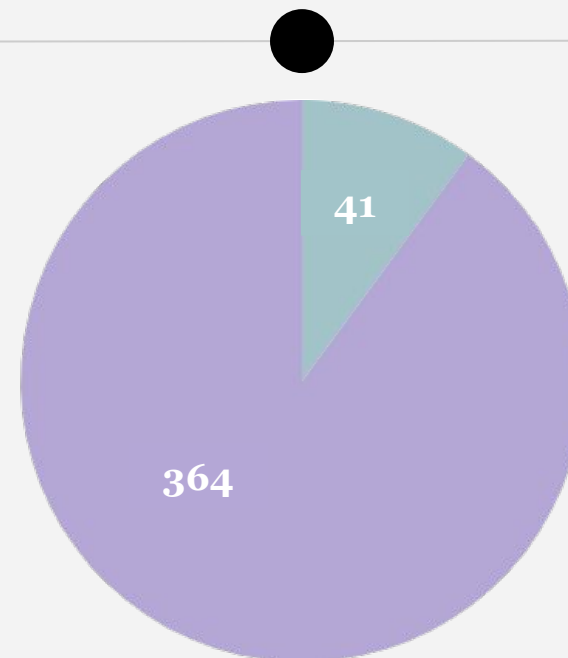
3.

Emissions reduction and governance

Summary of the governance of our carbon reporting and net zero strategy, as well as the focus areas for emissions reduction.

[Emissions reduction priorities]

We believe that reducing the impact of our own activities to mitigate the effects of the climate crisis is central to being a truly purpose-driven company. To this end, we will continue reviewing and developing our net-zero actions based on increasingly accurate data and insights. As it stands, the priority measures we will be implementing in the future include:

- **Sustainable travel policy** - we will develop and embed a sustainable travel policy that equips our people with the right knowledge and tools to make better choices on their business travel.
- **Food and drink** - we will review the potential emissions savings from switching to vegetarian and / or vegan only options for events we hold in our offices and identify 'hot spot' events where we can trial this.
- **Purchasing decisions** - we will evaluate how we can better embed our sustainable purchasing policy in our procurement decisions to avoid or reduce emissions where feasible. This approach already helped to mitigate the emissions impact of our office move by directly reusing the majority of our furniture and equipment.
- **Improving data quality and automation** - we will continue to align our carbon data requirements with our internal systems to optimise data quality and automate the collection of this where possible.

[Governance]

This Carbon Reduction Plan has been created in accordance with Procurement Policy Note (PPN) 06/21 Technical standard for Completion of Carbon Reduction Plans. As per PPN 06/21, it will be provided when responding to in-scope Central Government procurement (subject to the Public Contracts Regulations 2015 and contracts in excess of £5 million per annum).

Greenhouse gas emissions, reductions of greenhouse gas emissions and removals of greenhouse gas from the atmosphere have been measured in tonnes of carbon dioxide equivalent (CO_2e) using the appropriate conversion factors published by the Department for Business Environment and Industrial Strategy (BEIS). A "tonne of carbon dioxide equivalent" means one metric tonne of carbon dioxide or an amount of any other greenhouse gas with an equivalent global warming potential.

The CRP will be reviewed and updated annually, and uploaded to a prominent location on the Clarasys website for public scrutiny. This will be owned by a new operations function in Clarasys with formal accountability to deliver on our targets. The CRP has also been approved by Clarasys' CEO, Matt Cheung, to demonstrate a clear commitment to emissions reduction at the highest level.