Torchbox

Carbon footprinting results & strategy

Created by Inhabit

Contents

About this report

This report provides transparency on your operational carbon footprint. Measuring and reporting this baseline enables you to set climate targets, take action to reduce your footprint and become carbon neutral. The purpose of this report is to:

- Measure and report on your operational carbon footprint
- Outline opportunities to reduce your footprint
- Explore wider opportunities to offset emissions and achieve carbon neutrality

Embedding climate measurement into your business can enable clear outcomes:

- Long-term resilience
- Employee and customer engagement
- Business value
- Competitive advantage
- Proactive alignment with regulation

Key terms

Definitions of key terms that will be used throughout this report

GHG Protocol
The world's most widely used greenhouse gas accounting standards to measure and manage emissions. It is developed by the World Resources Institute and WBCSD.

Scope 1 emissions
Direct GHG emissions from owned or controlled sources. E.g heaters, boilers, furnaces, vehicles, etc.

Scope 2 emissions
Indirect GHG emissions from the generation of purchased electricity, occurring at the facility where electricity is generated, but consumed by the company.

Scope 3 emissions
Other indirect GHG emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company.

GHG Intensity
The level of GHG emissions per unit of activity, measured with an appropriate business metric or financial indicator. For example, by either revenue or by headcount.

Operational carbon footprint
An organisations carbon footprint covering Scope 1 and 2 emissions, as well as select Scope 3, in line with Streamlined Energy and Carbon Reporting (SECR).

Carbon neutral
A claim made by a company when, during a specified period, there has been no net increase in the emission of greenhouse gases as the result of activity associated with a company.

Net zero
Achieving emissions reductions across the value-chain in line with climate science that limits warming to 1.5C, offsetting any residual emissions that remain through avoided emissions and GHG removals from the atmosphere.

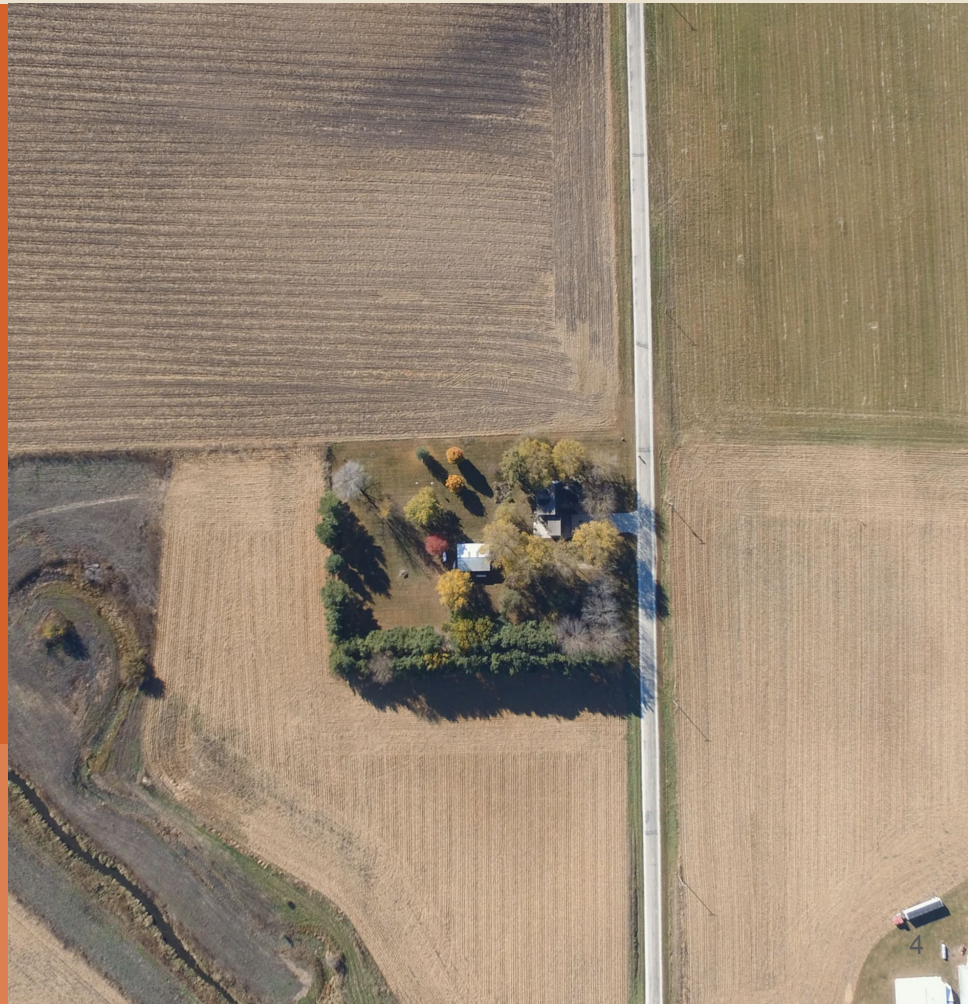
Carbon compensation
Funding the avoidance of emissions elsewhere to compensate for your own emissions (carbon offsetting).

Measure

You can’t manage what you can’t measure.

Measuring emissions is the first step to an effective climate strategy.

This section outlines your operational carbon footprint.



2021

Carbon Footprint

49.6 tCO2e

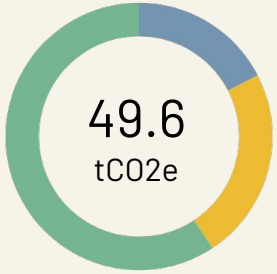
GHG Intensity (/staff)

0.58 tCO2e

Staff no.

85 employees

Breakdown by scope



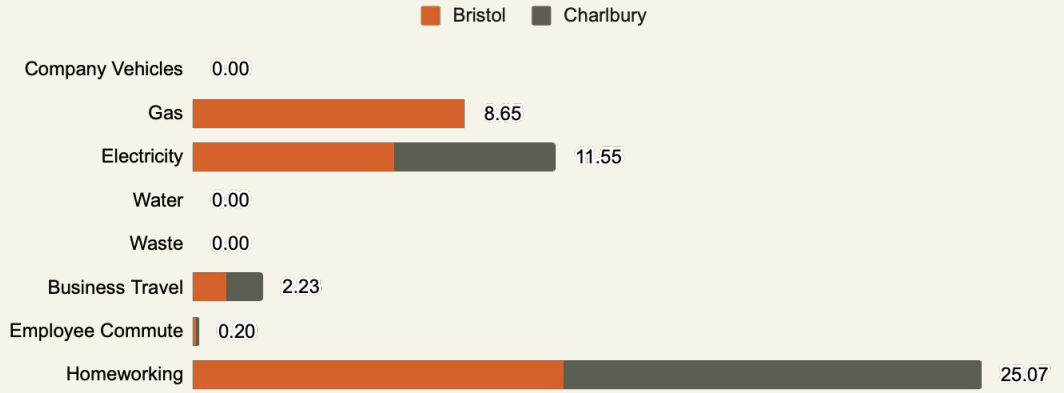
8.65 Scope 1 tCO2e

11.6 Scope 2 tCO2e

29.4 Scope 3 tCO2e

Scope 1 emissions account for 17% of emissions.
Scope 2 emissions drive 23% of emissions.
Scope 3 emissions account for the remaining 60%.

Emissions breakdown



Bristol

Carbon Footprint

28.8 tCO2e

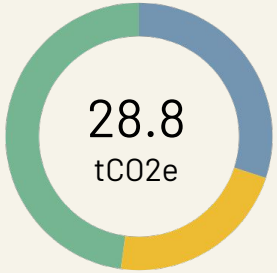
GHG Intensity (/staff)

0.72 tCO2e

Staff no.

40 employees

Breakdown by scope



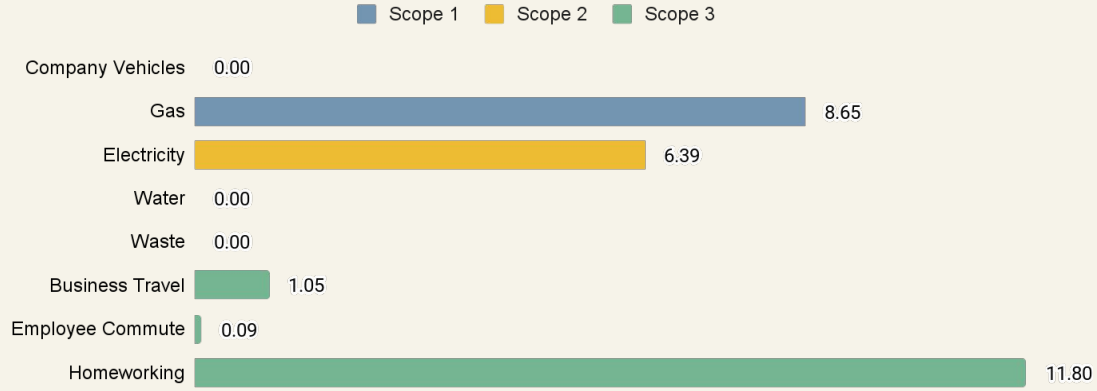
8.65 Scope 1 tCO2e

6.39 Scope 2 tCO2e

13.8 Scope 3 tCO2e

Scope 1 emissions account for 30% of emissions.
Scope 2 emissions drive 22% of emissions.
Scope 3 emissions account for the remaining 48%.

Emissions breakdown



Charlbury

Carbon Footprint

20.8 tCO2e

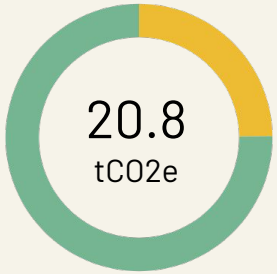
GHG Intensity (/staff)

0.46 tCO2e

Staff no.

45 employees

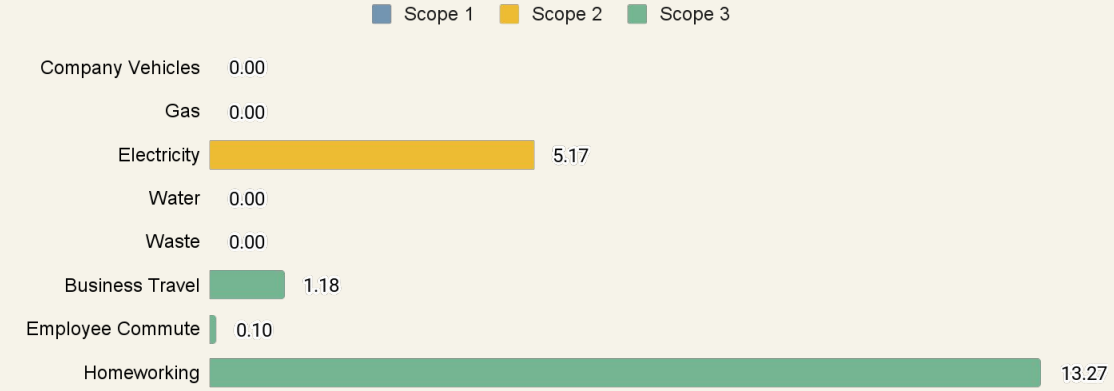
Breakdown by scope



0	Scope 1 tCO2e
5.17	Scope 2 tCO2e
15.6	Scope 3 tCO2e

Scope 1 emissions account for 0% of emissions.
Scope 2 emissions drive 25% of emissions.
Scope 3 emissions account for the remaining 75%.

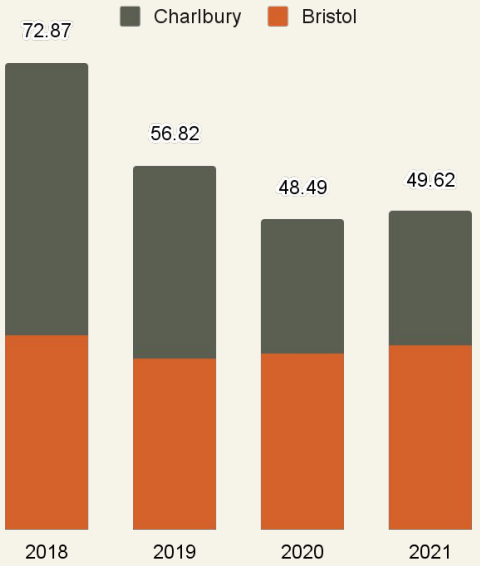
Emissions breakdown



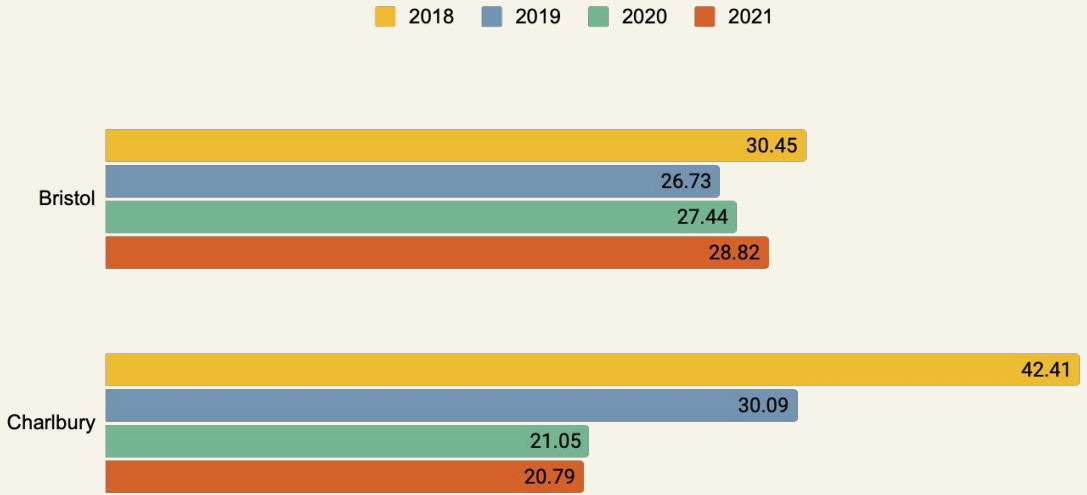
Historic

Comparing like for like categories enables us to see the trajectory that Torchbox is on. With most of 2020 being spent in national lockdowns it is promising to see 2021 maintain a similar level of emissions and not return to pre-pandemic levels seen in 2018 & 2019.

Over time

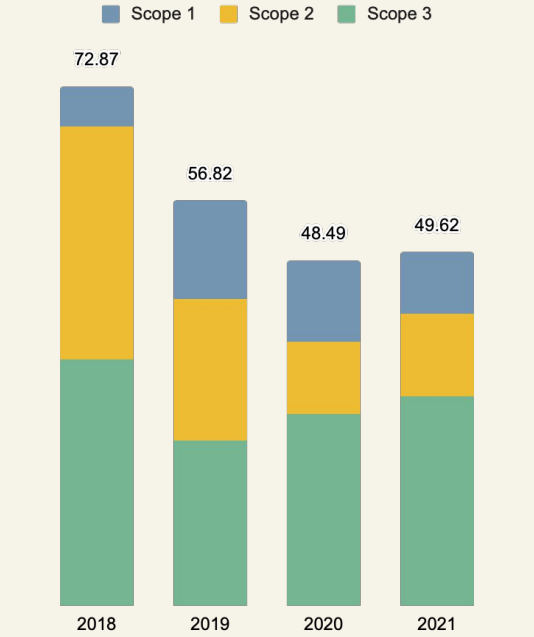


Office breakdown

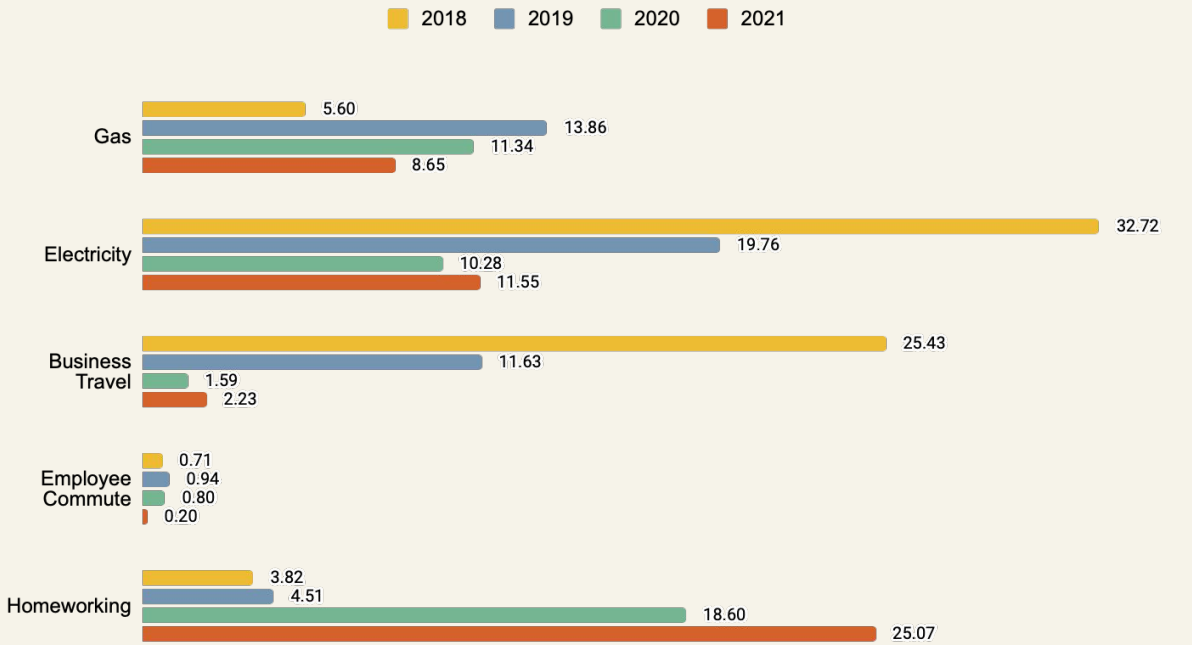


Historic

Over time

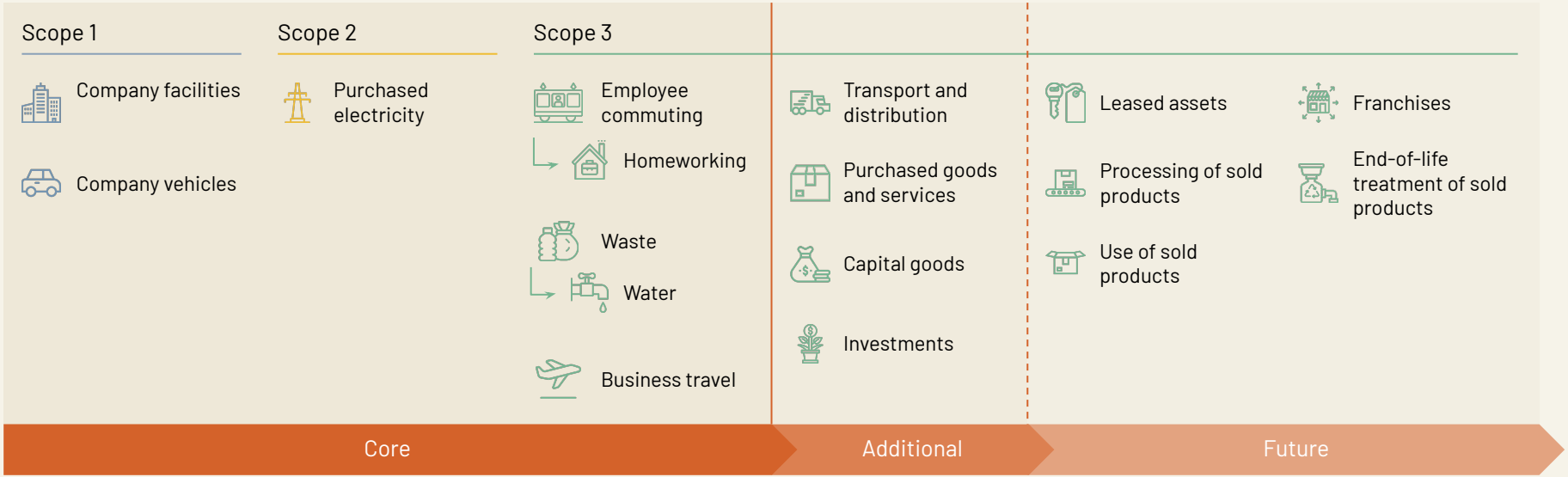


Emissions breakdown



Boundary

The below shows the full Scope 3 categories and where the boundary needs to be increased next:



Reduce

Once you have measured your footprint, the key next step is to reduce emissions.

This section explores key activities relevant to Torchbox to reduce your footprint

Strategy and target setting

SBTi SME Streamlined Pathway.

Targets:

SBTi aligned target: Reduce scope 1 and scope 2 GHG emissions by 42% by 2030 from a 2021 base year, and to measure and reduce its scope 3 emissions.

Compensate

It is not possible to reduce all carbon emissions immediately.

For those hard-to-abate emissions, you can use high quality carbon offset projects to compensate for residual emissions.

Carbon compensation

Our approach to carbon compensation

To ensure the credibility of offsets, Inhabit follow a set of offsetting principles:

- **Certified**
  Offset credits are independently verified by established certification bodies
- **Co-benefits**
  Project deliver co-benefits beyond carbon
- **Permanent**
  Project clearly defines monitoring approach to remove risk of future issues
- **Additional**
  Project reduces emissions beyond the baseline, with investment from offset key to development
- **Verifiable**
  Offset credit is transparently traded and retired within 12 months

Overview

We recommend to offset 1.2x your carbon footprint, to ensure full coverage as a result of some assumptions used in calculations.

Based on the Inhabit reduction and carbon compensation plan, a total volume of offsets equal to 43tCO2e will allow you to make a carbon neutral claim today.

Carbon neutrality has a minimum requirement of covering Scope 1 and 2, with Scope 3 encouraged. By measuring Scope 1, 2 and select Scope 3 categories relating to Torchbox's operations you are perfectly placed to go on and make these claims.

Offset vs removals

There are some key differences to note between carbon offsets and carbon removals.

Carbon offsets: These are emissions avoidance, essentially funding for carbon not to be released elsewhere and help limit future emissions. This can be a really helpful way to support underfunded, climate development and preservation projects. (Price guide: £8-15/tonne)

Carbon removals: Removals look to permanently remove the CO2 already in the atmosphere. The carbon removals market is nascent and evolving. With a limited supply and expensive technologies being utilised. There are existing natural carbon removals; such as afforestation and reforestation as well as soil carbon sequestration. (Price guide: £15+/tonne)

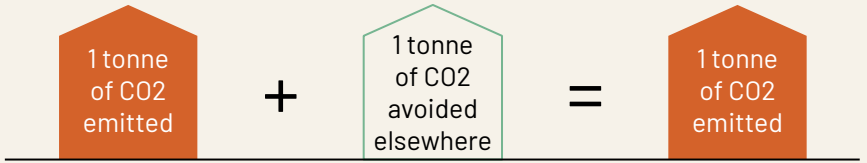
Both project types play a vital role in the climate ecosystem. A single origin project or blended portfolio containing both offsets and removals enable the funding of climate projects across a range of different types, with additional benefits, to make robust carbon neutral claims. See the next page for our recommendation.

Removals vs Avoidance

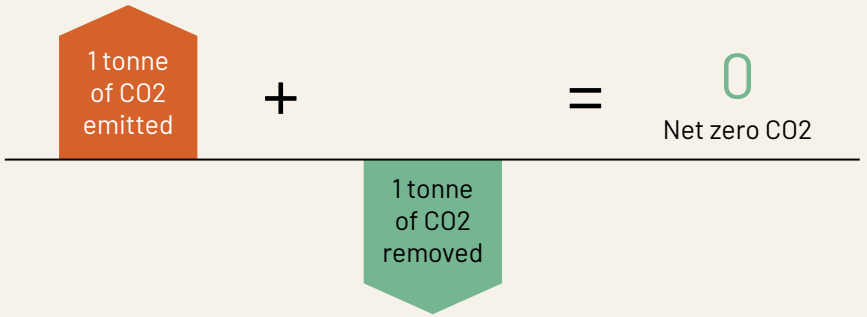
Carbon compensation will always form part of a credible, robust climate strategy.

There are two distinct categories of carbon offsetting to be aware of.

Traditional offsets (emissions avoidance)



Carbon removals



Carbon removals

Type	Description	Price/tonne (£)	Permanence (years)	Availability
Forestry	Restoring natural carbon sinks - tree planting (reforestation, afforestation), peatlands etc.	15-30	100	Immediate
Biochar	The process of turning forestry waste, crop residues etc. into biochar - a carbon rich material produced through pyrolysis. To be used as a soil amendment.	150	1,000	1-3 months
Enhanced Weathering (Mineralization)	Accelerating the natural process by which various minerals absorb CO2.	300-500	100,000	3-6 months
Direct Air Capture	Captures CO2 directly from the air with an engineered, mechanical system through a series of chemical reactions.	700+	100,000+ (Permanent)	Unavailable

Recommendation

When deciding the correct compensation approach many variables and motivations should be considered. Such as:

- Strategy going forward - carbon neutrality relates to a defined period of time. Taking a consistent approach to aid with messaging should be applied.
- Narrative - we would recommend considering storytelling and carbon accounting separately and marry the two if if fits. What we mean be this is carbon neutrality has a clear definition that is widely known. It sends a strong message to your community that you are committed to paving the way for a sustainable future. Going beyond this there are other powerful vehicles, such as in-country tree planting, that are not quantifiable in carbon accounting terms but resonate within the community. We can discuss this further.

See Inhabit platform for all robust, vetted projects.

Conclusion

Act as force for good

Becoming a climate leader means using your company network and wider sphere of influence to support and accelerate climate action.

Whilst their needs to be a strong focus on quantitative actions and tracking the impact of our decisions, there are many ways to have a positive impact and demonstrate climate leadership.

The following slides highlight our selection of initiatives and policies to consider with the purpose of embedding climate considerations at the heart of your organisation.

Better Business Act

Becoming a climate leader means using your company network and wider sphere of influence to support and accelerate climate action.

A great first step for this is to sign up to the Better Business Act. Whose mission is to change UK law to make sure every single company in the UK, whether big or small, aligns the interests of their shareholders with those of wider society and the environment. This will be achieved through an amendment to Section 172 of the Companies Act.

There's a pack for signatories on how to disclose, talk about and communicate being part of Better Business Act Coalition. It takes less than 10 minutes to sign up and is a great way to showcase your values and commitments on climate.

https://betterbusinessact.org/

Climate perks

Lead on climate. Empower your staff. Kickstart a movement for clean travel.

The Climate Perks pilot programme is open to any employer ready to boost their staff offer and lead on innovative solutions to the climate emergency.

Climate Perks found that 50% of people are ready to reduce the amount they fly in response to climate change - but only 3% of us do. There's a key barrier: time.

Climate Perks works with climate-conscious employers to offer paid 'journey days' to staff who travel on holiday by train, coach or boat instead of flying - empowering them to act on their values.

In exchange, employers receive Climate Perks accreditation in recognition of their climate leadership.

https://www.climateperks.com/

Green handshake

A Censuswide UK survey found 65% of respondents said they were more likely to work for a company with strong environmental policies.

Statistics like this are easy to find online, and demonstrate the clear need to showcase your values.

A 'green handshake' is an easy way to display your commitment from the get-go, while actively contributing to an environmental solution.

Planting a set number of trees for any new team member who joins, is a great induction into your company's culture. With those trees going on to absorb CO2 for many years to come.

Through our partnership with One Tree Planted, we are able to accomodate this. Just let us know.

https://onetreeplanted.org

Appendix

Calculation methodology

The Greenhouse Gas Protocol sets a globally recognised methodology to calculate emissions.

GHG Protocol is a global standard framework for measuring and managing GHG emissions.

GREENHOUSE GAS PROTOCOL

WORLD RESOURCES INSTITUTE

wbcsd

The calculation, in simple terms is:

Activity Data
(relevant activity that contributes emissions
e.g. driving a car 20 miles)

X

Emission Factor
(average GHG emissions per unit from an activity
e.g. CO2 per mile)

=

Total GHG Emissions
(kgCO2e)

The calculation for emissions is relatively simple, once you have aggregated all of the component parts.

Activity Data, is collected through the data collection to kick off the project.

Emissions factors are the average emissions per unit of activity. Emissions factors relating to operational footprints are public information. Published by local governments. These can be updated and need to be maintained.

SBTi Target Setting

Based in...

United Kingdom

What do they do?

Science Based Target Initiative (SBTi) is internationally recognized in supporting companies to set emissions reduction targets that are aligned with the Paris Agreement to limit warming to below 1.5 degrees.

What frameworks do they align to?

SBTi aligned to the GHG Protocol and CDP

What needs to be measured?

SMEs are required to complete a recent, comprehensive greenhouse gas emissions inventory following the GHG Protocol guidance for scope 1 and 2 emissions. SBTi does not require SMEs to set targets for their scope 3 emissions; however, SMEs must commit to measure and reduce their scope 3 emissions. Companies are also required to describe the activities generating scope 1 and 2 emissions

How much does this cost?

$1,000

How relevant is it for SMEs?

Relevant and simplified for SME

SBTi Framework

1 Select a base year

- Base year is what the targets will be compared against
- Select a typical year profile that reflects normal business, ensuring its post 2015
- Calculate relevant emissions for Scope 1, 2 and 3 as appropriate

2 Calculate your company emissions

- Ensure your approach covers 95% of your scope 1 and 2 emissions
- Conduct a scope 3 screening to review which categories are suitable based on GHG Protocol, ensuring all scope 3 categories are included if they represent at least 40% of a company emissions
- Choose relevant approach: Operational control, Financial control or Equity share
- Aim to measure emissions across all 7 GHG classes

3 Set SBT boundaries

- Science-based targets must cover >95% of scopes 1 and 2
- For companies whose scope 3 emissions cover more than 40% of their combined scope 1, 2 and 3 emissions, targets must cover scope 3.

4 Choose a target year

- Set a near-term 5-10 years from date of submission
- All targets must cover a minimum of five years and a maximum of 15 years from the date the target is submitted to the Science Based Targets initiative

5 Calculate target type

- Absolute reduction aims to reduce GHG emissions by a set amount. For example, Company A has set an emissions target aiming to reduce their emissions by 20% by 2025.
- Intensity target is a normalized metric that sets a company's emissions targets relative to some sort of economic output. That output can be anything from number of employees or revenue, among others.
- In line with the latest climate science, companies must set targets aligned with either 1.5°C or well-below 2°C.

Inhabit

Net zero. Let’s go.