

# EDW Group Carbon Reduction Strategy

**Including:** EDW Technology Holdings Limited  
EDW Technology Limited  
Energy Auditing Agency Limited (TEAM)

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# Contents

1	Executive Summary .....	3
2	Progress Updates .....	4
2.1	August 2022.....	4
2.2	January 2023.....	4
3	Scope of Carbon Reduction Strategy for EDW Group.....	5
3.1	Organisational Boundary .....	5
3.2	Operational Boundary .....	6
3.3	Not in Scope .....	10
4	Baseline Emissions .....	11
5	Current Emissions.....	13
5.1	Annual Carbon Emissions Baseline To-Date.....	13
5.2	Year on Year Carbon Emissions.....	13
6	Emission Reduction Targets.....	15
6.1	Overall EDW Group Emission Reduction Trajectory .....	15
6.2	Emissions Reduction Initiatives Summary .....	16
7	Carbon Offsetting .....	20
7.1	Offset Strategy .....	20
8	Strategy Next Steps .....	22
9	Declaration and Sign Off .....	23
10	Emission Calculation Methodology .....	24

# 1 Executive Summary

The EDW Group, comprising of EDW Technology Holdings and its trading companies EDW Technology and Energy Auditing Agency (TEAM), is a market leader in delivering carbon management solutions. We passionately believe that reducing carbon emissions to limit global warming should be a priority for all – individuals and businesses alike. We are proud that our energy consultancy team has been helping our customers reduce carbon emissions for many years, even before the net-zero term became so widely used. As a pioneer in this field, we believe it is important to lead by example with a carbon reduction strategy which delivers our commitment to be net zero by 2030.

As an employee-owned business, we know that many of the people who work for us do so because they believe in our environmental values and recognise that we can make a real difference to carbon emissions in the UK. Indeed, we believe that we should aim to beat the Government's 2050 net-zero target. By setting an example, we hope to encourage businesses throughout the UK to set more ambitious carbon reduction targets, which is increasingly expected by their customers, employees, and shareholders.

Our Environmental Policy commits us to setting out and following a Carbon Reduction Strategy to deliver Net Zero emissions by 2030 (ahead of the UK Government 2050 target). This will be achieved by employing best practice in energy and carbon management, as well as by reducing our energy consumption and improving our energy efficiency wherever possible.

**Our Carbon Reduction Strategy sets out how we intend to deliver these commitments.**

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*As part of our Carbon Reduction Strategy, as a first step we will offset all carbon emissions associated with the EDW Group to become **Carbon Neutral by 2023**. This approach enables us to immediately show positive action and commitment and is an important public step on our journey. Then we will commence initiatives to deliver our commitment to **Net Zero Emissions by 2030**.*

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To be Net Zero, an organisation must be reducing its emissions along a 1.5°C trajectory, and only when this is achieved can any residual emissions be offset using greenhouse gas removals that result in carbon sequestration from the atmosphere. We will publicly validate our commitments through the Science Based Target Initiative (SBTi), again leading by example.

The Carbon Reduction Strategy initiatives are based on best practice in energy management for our type of business, ensuring we maximise our opportunities for energy efficiency and carbon emission reduction. This is coupled with initiatives to remove barriers which currently prevent our employees reducing their own carbon emissions associated with commuting and home working.

## 2 Progress Updates

### 2.1 August 2022

EDW Group published this Carbon Reduction Strategy which was verified by the UK Crown Commercial Services (CCS) to be completed in accordance with PPN 06/21, associated guidance and reporting standard for Carbon Reduction Plans.

### 2.2 January 2023

Work has now been completed on calculating EDW Group emissions for 2022. During this process additional data for Purchased Goods and Services was made available, collated and included in the scope following emissions calculations. The resulting change in scope and emissions, verses that previously included and estimated, resulted in the need to review and re-baseline all historic emissions. It has also been decided to align the emission reporting period used with the EDW Group financial year (1<sup>st</sup> November – 31<sup>st</sup> October) to assist in the collation of the Purchased Goods and Services data in the future. Additional emissions categories have also been added to those listed as Not in Scope in section 3.3. This Carbon Reduction Strategy for EDW Group now uses updated data for all reported years from 1<sup>st</sup> November 2018 to 31<sup>st</sup> October 2022.

Initiatives in this plan are underway and the current status is now shown in section 8 Strategy Next Steps.

Following the confirmation of the actual EDW Group 2021/22 emissions we are now in the process of securing the correct number of carbon offset credits to become **Carbon Neutral** as soon as possible.

### 3 Scope of Carbon Reduction Strategy for EDW Group

The scope of this Carbon Reduction Strategy for EDW Group has been defined by setting both the organisational boundary and operational boundary in line with GHG Protocol Corporate Accounting and Reporting Standard.

In setting organisational boundaries, a company selects an approach for consolidating Greenhouse Gas (GHG) emissions and then consistently applies the selected approach to define those businesses and operations that constitute the company. The selection of a consolidation approach affects which activities in the company's value chain are categorised as direct emissions (scope 1), and which are categorised as indirect emissions (scope 2 and 3).

After a company has determined its organisational boundaries, in terms of the businesses and operations that it owns or controls, it then sets its operational boundaries. This involves identifying emissions associated with its operations, categorising them as direct and indirect emissions and choosing the scope of reporting for indirect emissions.

#### 3.1 Organisational Boundary

The organisational boundary for a Carbon Reduction Strategy should be established using one of three GHG Protocol methodologies: Financial Control, Operational Control, or Equity Share. The EDW Group has two trading companies: EDW Technology Limited, and TEAM (Energy Auditing Agency Limited). EDW Technology Holdings Limited acquired TEAM in July 2017 to create a combined organisation providing a range of energy related software and service solutions to UK energy suppliers and consumers. In December 2019, EDW Technology Holdings Limited moved into employee ownership, with EDW Employee Ownership Trustees Limited (EDW EOT) as its sole shareholder.

The subsidiaries of EDW EOT are wholly owned, and therefore the choice of organisational boundary approach will not affect the businesses and operations to be included or excluded from the Carbon Reduction Strategy and the EDW Group can be considered as one, therefore **Operational Control** has been defined the applied methodology.

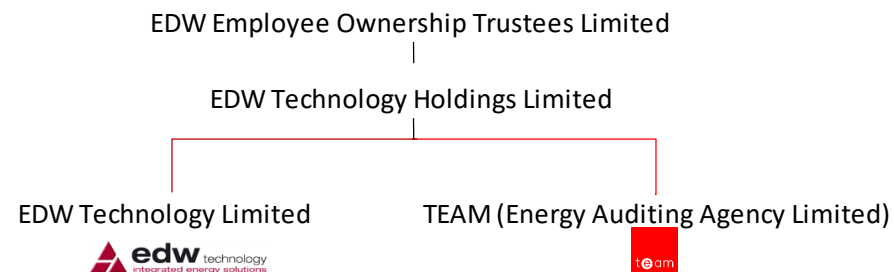


Figure 1 – EDW Group structure chart including subsidiaries

## 3.2 Operational Boundary

The EDW Group Carbon Reduction Strategy covers:

1. **Scope 1** – All Direct Emissions from the activities of EDW Group or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.
2. **Scope 2** – Indirect Emissions from electricity purchased and used by EDW Group. Also included are the generation or consumption of heat or steam. Emissions are created during the production of the energy and eventually used by EDW Group.
3. **Scope 3** – All other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, outsourced activities, waste disposal, etc.
4. All buildings occupied by EDW Group during reference periods
5. All operations

The EDW Group currently occupies one office building, Radiant Court in Milton Keynes, England. TEAM previously occupied another office in Milton Keynes (Linford Forum) until June 2021, when we joined EDW Technology at the Radiant Court office.

Using the organisational boundary as defined in section 3.1 and operational boundary in section 3.2 above, the following activities are within scope of EDW Group's Carbon Reduction Strategy:

### 3.2.1 Scope 1

- **Diesel (fuel)**
    - *Consumption for Back-up Diesel generator*
  - **Refrigerant gas\***
    - *F-gas top-ups or leaks at air handling units of occupied buildings during reference period*
- \* Currently have zero emissions but are included here for completeness and validation in future years

### 3.2.2 Scope 2

- **Electricity (includes office heating and cooling)**
  - *Electricity consumption at occupied buildings during reference period*

### 3.2.3 Scope 3 (Upstream)

#### (1) Purchased Goods and Services

- **Advertising**
  - *All advertising costs, print and online*
- **Building Maintenance**
  - *Maintenance of Radian Court offices*
- **Business Services**
  - *All professional business services not categorised elsewhere*
- **Car Leasing**
  - *Leasing of cars for employees*
- **Cloud Services**
  - *Use of IBM Cloud (which hosts our energy management software, Sigma, on behalf of our customers and our bureau team) and Oracle Cloud (which hosts our ERS software for some clients)*
- **Courier/Post Services**
  - *Use of Courier and Postal Services*
- **EDW Trustees**
  - *Professional fees for the EDW Employee Ownership Trust*
- **Entertaining**
  - *Food, drink and other cost for employee and customer entertaining*
- **Equipment Rental**
  - *Equipment Rental, includes printers*
- **Financial Services**
  - *Accountancy and banking services*
- **Food**
  - *Food and drink purchased for Radian Court offices*
- **Food & Drink Expenses**
  - *Food and drink expenses purchased at restaurants, cafes, and shops, by employees during business travel*
- **Framework Fees**
  - *Services related to framework and tender agreements*
- **Gardening**
  - *Ground and office plant maintenance*
- **Google**
  - *Advertising services through Google*

- **Insurance**
  - *Business insurance fees*
- **Internet Domains**
  - *Internet domain registration fees*
- **IT Equipment**
  - *Cradle-to-gate production of IT equipment purchased for the office (i.e. laptops, monitors)*
- **IT Services**
  - *Outsourced professional IT services and support*
- **Medical Insurance**
  - *Provision of medical insurance cover for employees*
- **Microsoft 365**
  - *Microsoft 365 services for all EDW Group*
- **Recruitment**
  - *Fees for professional recruitment services*
- **SaaS**
  - *Emissions associated with the usage of SaaS cloud software such as Kayako, Zendesk, VTiger etc. (excluding Microsoft 365)*
- **Software Purchase**
  - *Software licenses purchased during reporting period*
- **Software Subscription**
  - *Annual software support subscriptions purchased during reporting period*
- **Stationary**
  - *All general stationary purchases*
- **Subscription**
  - *Professional non-IT subscriptions for membership and other services*
- **Telephone**
  - *Cloud based telephone system, fixed lines, call charges and mobile phone costs*
- **Training**
  - *Online and face-to-face training provision by external providers*
- **Water Supply**
  - *Water supply to Radian Court*
- **Web Hosting**
  - *Hosting for marketing websites*



- **Website Development**
  - *Outsourced website development services during reporting period*
- (2) Capital Goods
- **Capital goods purchased in reporting year**
  - *Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year*
- (3) Fuel- and energy related activities (not included in scope 1 or scope 2)
- **Electricity transmission & distribution losses**
  - *Electricity generation losses through transmitting and distributing from source to occupied buildings during reference period*
- **Electricity Well-to-Tank**
  - *Well-to-tank (WTT) for UK electricity emissions from extraction, refining and transportation of primary fuels before their use in the generation of electricity. Also including the separate WTT emissions from electricity generation, transmission and distribution losses*
- (4) Waste generated in operations
- **Wastewater treatment**
  - *Emissions from wastewater treatment*
- **General waste**
  - *The disposal of general waste at landfill sites from occupied buildings during reference period*
- **WEEE waste**
  - *The disposal of WEEE waste from occupied buildings during reference period*
- **Dry Mixed recyclable waste (Including cardboard waste)**
  - *The disposal and recycling of all dry mixed recyclable was including cardboard from Radian Court*
- **Paper waste**
  - *The disposal and recycling of paper from Radian Court*
- (5) Business Travel
- **Non-company owned vehicles**
  - *The miles covered by employees in their own vehicles for business purposes*
- **Business Travel**
  - *Business travel via public transport (rail, air or bus), in addition to accommodation for business purposes*
- (6) Employee Commuting (including Homeworking)
- **Commuting to office**
  - *Transportation of employees to occupied office buildings during reference period*
- **Homeworking**
  - *Electricity and gas usage directly related to homeworking of employees*

### 3.2.4 Scope 3 (Downstream)

There are no emissions to include in this category.

## 3.3 Not in Scope

The following activities have been deemed out of scope for our Carbon Reduction Strategy. Activities out of scope will be reviewed on a regular basis to understand if data improvements or emissions-significance has changed.

Activity	Exclusion Reason
<b>Upstream: Purchased Goods and Services</b>	
Office cleaning	Negligible expected carbon emissions due to local contracted cleaning service who walk to site
Reseller Fees	Software license cost of passed through for re-sale only.
Rates	Local Government rates emission factor unavailable
Sundry Expenses	Negligible value purchase category
Bike to Work Scheme	Pass-through cost for employee bicycle purchase
Childcare Vouchers	Pass-through cost for employee childcare purchase
<b>Upstream Transportation &amp; Distribution</b>	
Supplier Deliveries	Negligible when estimated, actual data not available

*Table 1 EDW Group Out of Scope activity*

## 4 Baseline Emissions

A baseline period of 01/11/2018 – 31/10/2019 has been selected. This is the most accurate, recent, 12-month period with typical business activity.

During the baseline period, the EDW Group is estimated to have been responsible for 409 tonnes of CO<sub>2</sub>e (using Location Based accounting for scope 2 electricity emissions). Figures 2 and 3 highlight the percentage breakdowns of baseline emissions per scope, and **Error! Reference source not found.** s hows the breakdown of emissions per GHG Protocol category.

EDW Group Baseline Carbon Emissions (tCO<sub>2</sub>e)

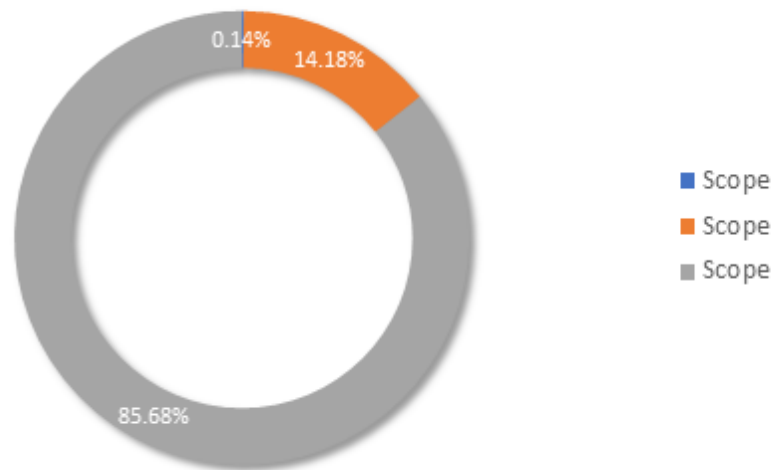


Figure 2 - EDW Group baseline Scope 1, 2, 3 emissions

EDW Group Baseline Scope 3 Carbon Emissions Breakdown (tCO<sub>2</sub>e)

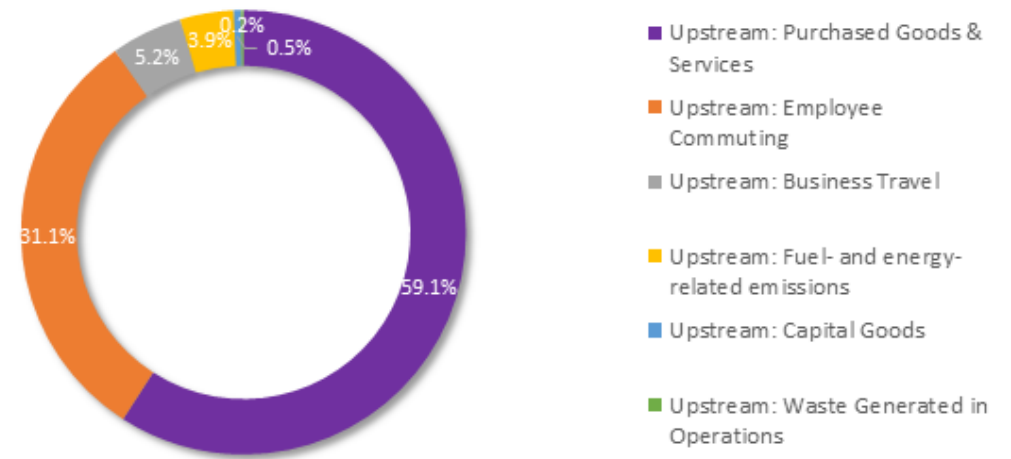


Figure 3 - EDW Group baseline Scope 3 emissions breakdown



EDW Group Emissions - Baseline Year 2018/19		Emissions (tCO <sub>2</sub> e)
<b>Scope 1</b>		
Diesel		0.57
Refrigerant Gases		0.00
		<b>0.57</b>
<b>Scope 2</b>		
Electricity		58.35
		<b>58.35</b>
<b>Scope 3</b>		
Upstream: Purchased Goods & Services		208.38
Upstream: Employee Commuting (inc. Homeworking)		-
<i>Employee Commuting</i>		109.67
<i>Employee Homeworking</i>		0.00
Upstream: Business Travel		18.26
Upstream: Fuel and Energy Related Emissions		13.78
Upstream: Capital Goods		1.82
Upstream: Waste Generated in Operations		0.63
		<b>352.54</b>
<b>Total Emissions</b>		<b>411.47</b>

Table 2 EDW Group baseline emissions per category

## 5 Current Emissions

### 5.1 Annual Carbon Emissions Baseline To-Date

#### 5.1.1 Carbon Emissions 2019/20 and 2020/21

2020 and 2021 emissions have been calculated based on business activity impacts during these years compared to the baseline 2019 year, and updated UK carbon emissions factors for the respective years. Activity data sources have been included as follows:

- Actual data includes electricity, water supply and treatment, waste in operations, employee commuting (including homeworking)
- Estimated data with apportionment method has been used for hotel stays, business travel and purchased goods & services

#### 5.1.2 Carbon Emissions Current Reporting Year 2021/22

2021/22's carbon emissions have been calculated using actual data from all sources. EDW Group were responsible for a predicted **362 tCO<sub>2</sub>e** emissions in the 2021/22 reporting year. Totals by scope for the most recent reporting year are shown in Figure 4.

2021/22 Carbon Emissions	Total (tCO <sub>2</sub> e)
Scope 1	0.57
Scope 2	29.99
Scope 3	331.58
<b>Total</b>	<b>362.15</b>

Figure 4 The total emissions for 21/22

### 5.2 Year on Year Carbon Emissions

There has been a significant drop in year-on-year carbon emissions since the baseline year of 2019 as shown in Figure 5 (which includes the estimated 2022 emissions). This is due to two main factors: the move to home working from the end of March 2020 at the start of the COVID-19 pandemic, and the closure of the Linford Forum office.

However the COVID pandemic resulted in staff homeworking for a large proportion of 2020 and 2021. In 2022, we elected to change working patterns, moving to a new hybrid working model of approximately 60% of the week working from home. This move to homeworking has resulted in a significant reduction in emissions associated with commuting.

These have largely been replaced by the emissions associated with homeworking itself (i.e. home heating in the winter months and power) which are now a significant proportion of overall EDW Group carbon emissions. Homeworking was responsible for almost 10% of our total carbon emissions 2021/22.

The change year on year in Employee Commuting and Homeworking Emissions is shown in Figure 6 Upstream Employee Commuting & Homeworking Emissions. The vast majority of homeworking during the 2019/20 reporting year (1<sup>st</sup> Nov 2019 to 30<sup>th</sup> Oct 2020) was in the summer months. This explains

why emissions from homeworking were much smaller than in the 2020/21 reporting year, when all employees were homeworking for the whole winter heating season in November to April.

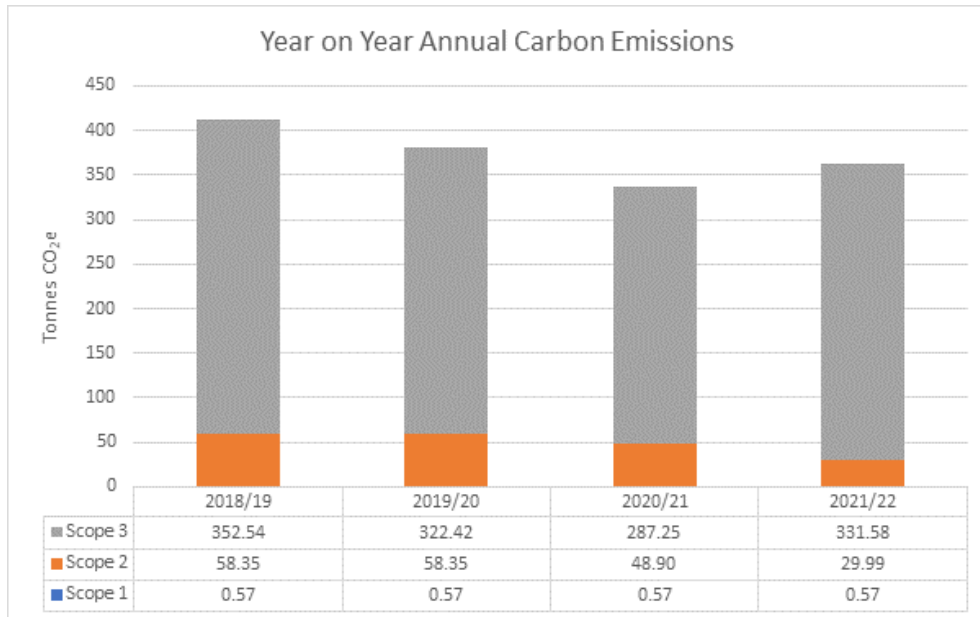


Figure 5 Year on Year Annual Carbon Emissions 2018/19-2021/22

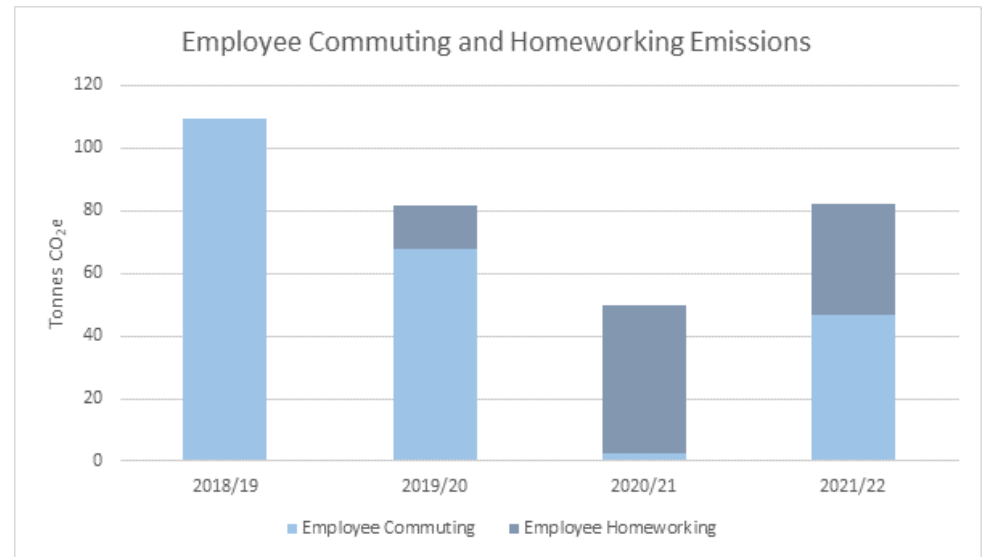


Figure 6 Upstream Employee Commuting & Homeworking Emissions



## 6 Emission Reduction Targets

### 6.1 Overall EDW Group Emission Reduction Trajectory

To meet our target of Net Zero Emissions by 2030 a number of initiatives have been proposed to progressively drive down overall emissions. Figure 7 below displays Target carbon emissions we will aim to achieve through the implementation of proposed carbon-saving initiatives (in orange). If the EDW Group was to carry out business as usual and **not** implement any carbon-reducing actions, then its resultant carbon emissions are still expected to decrease to some extent due to external decarbonisation policies and changes in national electricity generation and public transport networks. We project that emissions will decrease over the next five years to 200 tCO<sub>2</sub>e by 2026/27, this is a reduction of 42% compared to our 2018/19 baseline. By the end of our 2029/30 reporting year emission will have reduced 73% to only 95 tCO<sub>2</sub>e.

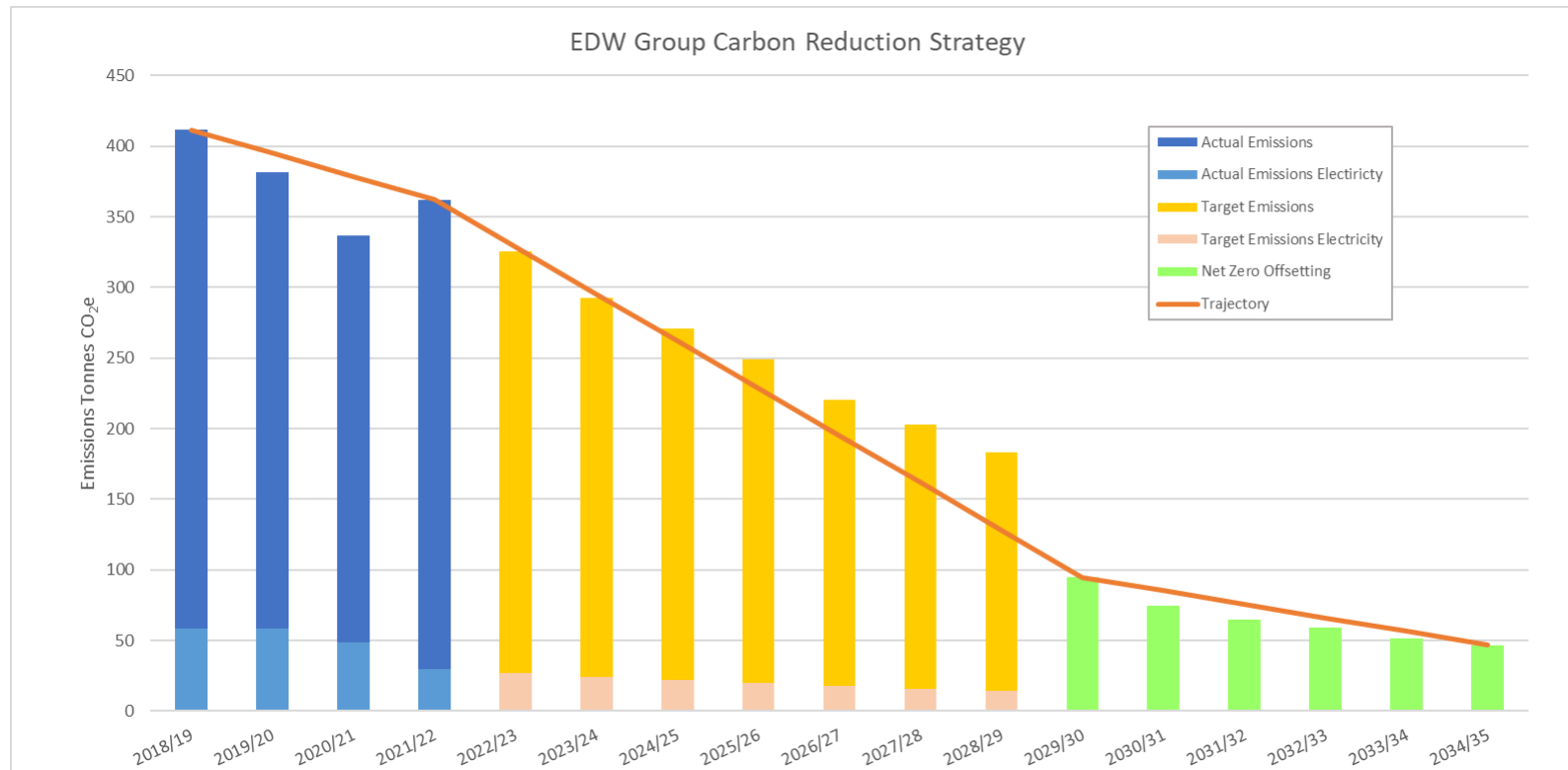


Figure 7 EDW Group Carbon Emissions Target Forecast

## 6.2 Emissions Reduction Initiatives Summary

The following high-level initiatives have been identified as potential opportunities to reduce EDW Group's carbon emissions.

Activity	Short Term 0-3 Year		Medium Term 3-5 Years		Long Term 5+ Years	
	Initiative 1	Initiative 2	Initiative 1	Initiative 2	Initiative 1	Initiative 2
<b>Diesel</b>	HVO biodiesel drop-in replacement fuel				Replacement backup power solution	
<b>Electricity</b>	Office energy efficiency	Solar PV repairs	Renewable PPA		Additional 3 <sup>rd</sup> party hosting solutions	Replacement office heating and cooling system
<b>Cloud Services</b>					Net Zero suppliers	
<b>IT equipment</b>	Local suppliers		Longer life products		Net Zero suppliers	
<b>IT services</b>			Net Zero suppliers			
<b>Office suppliers</b>	Local suppliers	Reduced consumable purchasing			Net Zero suppliers	
<b>Water consumption &amp; Wastewater treatment</b>			Automated sensor taps	Modern dishwashers	Rainwater harvesting	
<b>Office waste</b>	Relaunched recycling policy	Recycling incentives/penalties				
<b>Non-company owned vehicles</b>	Use remote meeting technology for client meetings where appropriate	EV charging/salary sacrifice scheme			Extra Electric vehicle charging	Other Travel incentives
<b>Employee commuting</b>	WFH energy efficiency	EV charging/salary sacrifice scheme	Public transport incentives		Extra Electric vehicle charging	Other Travel incentives
<b>Hotel stays</b>			Net Zero hotel recommendations			

Table 3 Suggested EDW Group carbon-reducing initiatives Key Emission Reducing Initiatives

As identified in Section 5, the significant contributors to EDW Group emissions are employee commuting, employee homeworking, and electricity used to power Radian Court. The EDW Group will prioritise reducing emissions in these areas, and the achievable short to medium term reduction activities in other areas.

Regardless of strategy approach, obtaining better quality activity data (particularly in relation to commuting and purchased goods) will also be a focus. Steps have already been taken to improve the data access within the EDW Group Finance team, and surveys will be sent out to employees to better quantify travel behaviours.

## 6.2.1 Employee Commuting and Homeworking

Employees at EDW Group are based in England, with most commuting to the Radian Court office regularly once or twice a week using multiple modes of transport. Currently, assumptions have been made for the mode and type of vehicle used for commuting, and therefore better-quality activity data will help to identify more specific steps to reduce emissions related to office travel.

For staff who travel to the Radian Court office by car or motorbike, the barriers in place for employees to switch to greener commuting will be assessed.

We will consider how to incentivise employees to swap petrol or diesel vehicles for electric vehicles (EVs) or public transport. Incentives to use local public transport will be investigated as well as the introduction of a salary sacrifice scheme with a third-party organisation to supply electric cars to staff supported with office-based EV charge-points. A refresh and relaunch of the cycle to work scheme will also be done.

### 6.2.1.1 Removing Barriers to Enable the Switch to EVs

*Upfront cost of EV purchase:* An electric vehicle salary sacrifice scheme lets an employee pay for an electric car each month using their gross salary (before tax and other contributions are deducted), with no upfront purchase cost. We will investigate opportunities to partner with known organisations such as LeasePlan, Octopus, Tesla, to set up the salary sacrifice scheme for employees. Savings of up to 40% on a typical electric car purchase can be claimed for employees.

*EV Charging:* Not all employees are able to install an EV charge-point at their home (e.g. they may only have access to on-street parking or are in rented accommodation or a flat). Installing EV charge-points at Radian Court would help remove this barrier and offer additional incentives to switch to an EV. The result of the Supply Capacity Optimisation analysis completed in 2021 showed there is spare electrical supply capacity available for up to five 7kW three phase EV fast chargers to be installed on site.

### 6.2.1.2 Reducing Homeworking Emissions

EDW Group has committed to a hybrid working model, and it is not expected that employees will be asked to change their work from home/office proportion as part of this Carbon Reduction Strategy. Therefore, initiatives will focus on assisting employees to reduce their own home emissions through



education, access to information and promotion of energy saving activities they can do themselves. This will have the added benefit of improving energy management awareness across the whole company which also helps reduce energy wastage in the office.

## 6.2.2 Electricity Consumption

Energy efficiency within the Radian Court office will be assessed, with a full building survey and appropriate, costed energy saving opportunities calculated. It is currently estimated that the office heating and cooling system uses a significant amount of electricity which could be better controlled by the EDW Group. IT equipment, and the server room, is another significant user of electricity. We will consider whether there are ways of reducing emissions in this area such as by using solutions hosted by third parties.

### 6.2.2.1 Office Energy Efficiency - Radian Court Heating and Cooling

The current heating and cooling system for the main office space is provided by a de-centralised Mitsubishi heating and VRF cooling system (5 units on ground floor and 7 on first floor). Each office/meeting room has its own independent control unit that can be locally operated independently of all other units. Full manual control is available with some limits set on maximum and minimum temperatures in place. Time based control is possible but must be manually set at each unit and must be changed through the year for different weather. This leads to poor control and lack of comfort for staff, with units being set too hot or too cold and left on when not needed etc.

There is an opportunity for a reduction in electricity consumption and improvement in staff comfort by upgrading the current units with a connection to centralised control.

### 6.2.2.2 Radian Court Solar PV Generation and Export

Radian Court has a 50kW solar array on the roof, these are split into five groups connected to five inverters, two located in the Ground Floor Lift Room and three located in the Ground Floor IT Store.

There were two types of inverters used in the system, there were two older types of units remaining, one of which had failed, and the others three units had already been replaced with new units as they failed in the past. The two older units were replaced in December 2022 and a new monitoring system was installed to measure and control the Solar PV Generation more closely.

## 6.2.3 Purchased Goods & Services

Currently the EDW Group procurement policies do not consider the 'green credentials' of our suppliers. To reduce carbon emissions related to purchased goods and services in future, we will update our procurement policy for products and services to include evaluation of the following criteria:

- The energy efficiency of IT equipment (purchasing)
- Expected lifespan of products
- Expected disposal methods of products (can the product be recycled at the end of its lifespan?)
- Product delivery distance
- Supplier's Carbon Reduction Strategy

If implemented effectively, a green procurement policy can also help to reduce carbon emissions from multiple other categories besides purchased goods and services (e.g. Emissions from electricity in offices, office waste etc.).

#### 6.2.4 Diesel Generator

The diesel generator at Radian Court, used for backup emergency power provision and regular monthly load testing, currently runs on white diesel. Shenton Group, the company contracted by EDW Group for maintenance and fuel supply of the generator, recommends that white diesel can be swapped for drop-in replacement fuel Hydrotreated Vegetable Oil (HVO) biodiesel. HVO is produced from 100% sustainable renewable feed stocks, which allows the fuel to be 100% Bio and FAME-free.

This will result in approximately 90% less greenhouse gas emissions from the diesel generator, with the only cost necessary being the more expensive purchase price of HVO biodiesel. This would result in a reduction of approximately 516kgCO<sub>2</sub>e per year.

## 7 Carbon Offsetting

Carbon credits are measurable, verifiable emission reductions from certified climate action projects. These projects reduce, remove or avoid greenhouse gas (GHG) emissions. But they can also bring a whole host of other positive benefits, for example, they empower communities, protect ecosystems, restore forests or reduce reliance on fossil fuels.

We will consider implementing a carbon offsetting strategy in the short term to offset all the scope 1, 2 and 3 emissions from the start of the 2021/22 reporting period onwards with good quality projects in conjunction with the emissions reduction initiatives outlined above.

### 7.1 Offset Strategy

#### 7.1.1 Carbon Neutral to Net Zero

Our intended carbon offset strategy is to buy carbon credits to cover 100% of our emissions (excluding electricity purchased from REGO backed renewable sources) from any of the applicable providers that offer their services to small to medium sized enterprise, to cover our emissions forecast from 2021/22 until 2029/30 in line with our Carbon Reduction Strategy. This is estimated to be equivalent to a total of 1,934 Tonnes CO<sub>2e</sub>, with an estimated offset cost of circa £25,000. Buying enough carbon credits now to cover us for this period will hedge against the expected increase in carbon credit prices over the next few years<sup>1</sup>.

This will allow us to be **Carbon Neutral** right away while we work towards **being Net Zero by 2030**.

**Carbon Neutral** typically refers to a policy of not increasing carbon emissions and of achieving carbon reduction through offsets. **Net Zero** means making changes to reduce carbon emissions to the lowest level and including all greenhouse gases – and offsetting any residual emissions that are not otherwise possible to remove.

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#### ***What is the difference between Carbon Neutrality and Net Zero?***

*Boundary - Carbon neutrality has a minimum requirement of covering Scope 1 & 2 emissions with Scope 3 encouraged. Net Zero must cover Scope 1, 2 & 3 emissions.*

*Level of ambition - there is no requirement for a company to reduce its emissions on a certain trajectory in order to be carbon neutral. To be Net Zero, an organisation must be reducing its emissions along a 1.5°C trajectory across Scopes 1, 2 & 3.*

*Approach to residual emissions - to achieve carbon neutrality, an organisation must purchase carbon offsets that either result in carbon reductions, efficiencies or sinks. For Net Zero, an organisation must purchase greenhouse gas removals that result in carbon removal from the atmosphere.*

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<sup>1</sup> <https://www.ucl.ac.uk/news/2021/jun/ten-fold-increase-carbon-offset-cost-predicted>

## 7.1.2 Next Steps to Source Carbon Credits From Voluntary Market

EDW Group will select a provider of projects that adheres to a rigorous set of criteria to pass verification by third-party agencies and a review by a panel of experts at a leading carbon offset standard like Verra or Gold Standard. We will develop our own set of criteria based on input from our employee owner stakeholders to meet our cost and carbon objectives.

## 7.1.3 Market Based Renewable Energy Contract

The electricity supply contract for Radian Court with Smartest Energy is a REGO backed 100% Renewable generation supply until the end of October 2023. This provides zero carbon emission electricity when using a Market Based assessment of emissions. However, it should be noted that to reach Net Zero Emissions, purchased electricity from the grid must have carbon emissions calculated using a Location Based emission grid average factor and as such emissions for electricity calculated in the Baseline above and Current Emissions below use this methodology.

## 8 Strategy Next Steps

EDW Group's Carbon Reduction Strategy next steps are as follows, with current status:

Action	Status
1. Commitment to SBTi Net Zero Target - submit SBTi Target Validation Application for Small and Medium-Sized Enterprises (SMEs) Near-term and net-zero SME validation for our strategy to be independently verified.	Scheduled Q2 2023
2. Investigate options for external validation of Carbon Neutral status.	In Progress
3. Conduct energy efficiency survey and upgrades to electricity-consuming equipment at the Radian Court office.	Scheduled Q1 2023
4. Survey colleagues to better understand commuting/homeworking trends, and barriers to 'greener' travel.	Completed September 2022
5. Survey colleagues regarding their home working energy use to inform development of support strategy to help them reduce associated emissions.	Completed September 2022
6. Investigate an Electric Vehicle salary sacrifice scheme for employees.	In Progress
7. Implement a Green Procurement Policy introducing the evaluation of energy efficiency criteria and reducing carbon emissions in EDW Group's value chain.	Scheduled Q1 2023
8. In future only purchase HVO biodiesel for the backup generator at Radian Court, once current white diesel in the tank has been exhausted.	Expected Q2/3 2023 as required
9. Select provider for our Carbon offset strategy – buy carbon credits to cover all our forecast carbon emissions from now until 2030.	In Progress
10. Replace older Radian Court Solar PV Generation Inverters and install monitoring system.	Completed December 2022

*Table 4 Strategy Next Steps*



## 9 Declaration and Sign Off

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

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>2</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>3</sup> (see section 10 Emission Calculation Methodology below).

Scope 1 and Scope 2 and the relevant subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>4</sup>.

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

Signed on behalf of the EDW Group

Including: EDW Technology Holdings Limited  
EDW Technology Limited  
Energy Auditing Agency Limited (TEAM)



Simon Miles, Chief Executive Officer

Date: 27<sup>th</sup> January 2023

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

<sup>3</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>4</sup> <https://ghgprotocol.org/standards/scope-3-standard>

## 10 Emission Calculation Methodology

Using the appropriate figures provided by The Department for Business, Energy and Industrial Strategy (BEIS) and The Department for Environment, Food and Rural Affairs (DEFRA), The EDW Group were able to convert the usable data into Tonnes of Carbon Dioxide equivalent (tonnes of CO<sub>2</sub>e). Carbon emissions conversion factors were taken from the 2019, 2020, 2021 and 2022 UK Government GHG Conversion Factors for Company Reporting.



Additional emission factors have been selected where appropriate for Scope 3 emission categories from data based on BEIS UK emissions reporting, the United States Environmental Protection Agency and Exiobase (<https://www.exiobase.eu>).

In line with the aforementioned scope of the Carbon reduction Strategy report, the data from the sources listed previously were categorised into Scope 1, Scope 2 and Scope 3 emissions.

Figures in the baseline/current emissions calculations are currently 'gross' CO<sub>2</sub>e – 'net'. When recorded in future, these figures will contain offset carbon credits purchased and avoided carbon emissions from Radian Court solar generation that is exported to grid when data is available.





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