

# CAG's Pledge to Net Zero

February 2022

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## The pledge to net zero

- 1.1 By becoming a signatory to the Pledge to Net Zero, CAG has committed to setting a science-based carbon reduction target which is in line with the 1.5°C scenario (the goal of the Paris Agreement).
- 1.2 In addition to setting the target, we have committed to:
  - 1) Report the company's footprint against this target year-on-year
  - 2) Play an active role in advancing the industry's progress towards a net zero carbon economy – this is delivered through *"publishing one piece of research/thought-leadership each year in practical steps to delivering an economy in line with climate science and in support of net zero carbon."*
- 1.3 This report:
  - Provides our baseline carbon footprint
  - Provides our footprint for the most recent reporting year
  - Provides details of our target
  - Describes the process we have gone through in estimating our footprint and setting our target. We hope that such information will be useful in informing the approaches taken by others, particularly those with relatively limited footprints and relatively limited opportunities for reducing emissions

## Our footprint

### Baseline

- 1.4 The baseline year and reporting years align with the financial year for the business (1 April – 31 March). The generally accepted protocol is that businesses should use the most recent year for which a full dataset is available. However, making an exception to this because of the effects of Covid on business activity was considered to be important. 2019/20 has been selected as the baseline year for this reason. Data has also been collected and processed for 2020/21 for the purposes of our first annual reporting. The results are shown below.

### Operational boundary

- 1.5 Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol.
- 1.6 Scope 1 covers direct emissions from owned or controlled sources. Since CAG is entirely home-based and owns no vehicles, CAG has no Scope 1 emissions.
- 1.7 Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Although electricity is used in home offices, the purchase of this electricity is not by CAG. CAG therefore has no Scope 2 emissions either.

1.8 Scope 3 includes all other indirect emissions that occur in a company's value chain. CAG is unusual in having no significant company assets or leased facilities. All of CAG's emissions would be within Scope 3.

## Footprint

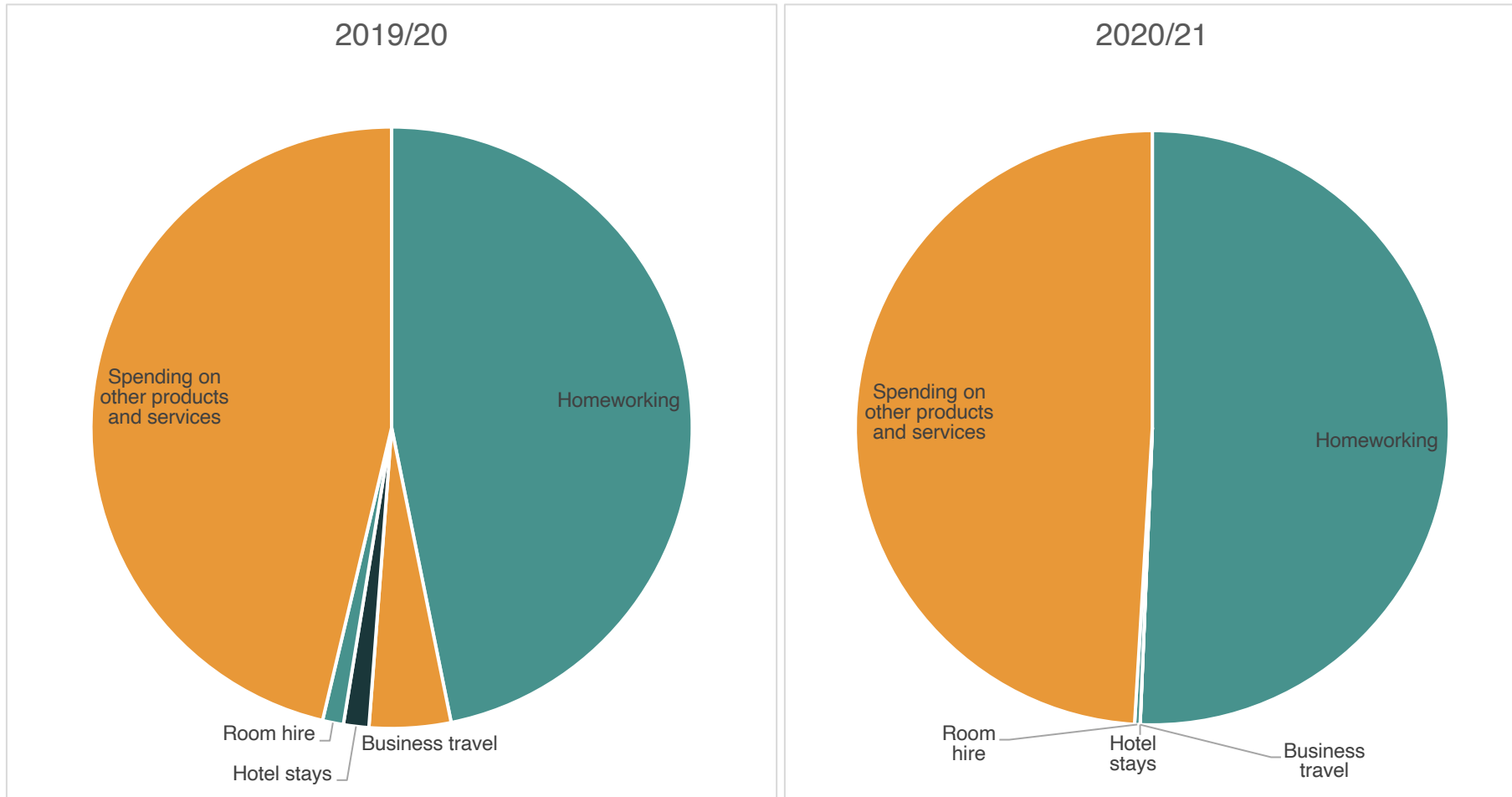
**Table 1: Emissions by scope**

Emissions	2019/20		2020/21	
	tCO2e			
Scope 1	0.00		0.00	
Scope 2	0.00		0.00	
Scope 3	15.06		11.34	

**Table 2: Breakdown of Scope 3 emissions**

Breakdown of Scope 3 emissions	2019/20		2020/21	
	tCO2e		% of total	
Source				
Homeworking	7.05	5.75	47%	51%
Business travel	0.66	0.00	4%	0%
Hotel stays	0.21	0.00	1%	0%
Room hire	0.17	0.03	1%	0%
Purchasing of other products and services	6.97	5.56	46%	49%
<b>Total</b>	15.06	11.34	100%	100%

**Figure 1: 'Full' carbon footprint by named source**



## Our target

- 1.9 Our target has been set using the Science-Based Target Setting Tool for Scope 3 emissions. It is based on the absolute contraction method, with a base year of 2020 and a target year of 2030.
- 1.10 To align with the 1.5C scenario, we will achieve at least a 42% reduction in emissions by 2030. This will represent a carbon footprint of 8.7 tCO<sub>2</sub>e on that date.
- 1.11 Efforts to reduce emissions continue within the business. However, the opportunities for significant reduction are relatively limited because of the low emissions way in which the business operates. It is anticipated therefore that a reliance on offsetting to compensate for residual emissions may be necessary sooner rather than later. We anticipate that by 2030 at the latest, all significant opportunities for further reducing emissions will have been taken. At that point, if not sooner, the residual emissions will be offset in order to achieve net zero.

## Estimating our footprint

### Conversion factors

- 1.12 The sources used for conversion factors were:
- Activity-based factors - [Government conversion factors for company reporting of greenhouse gas emissions](#). These are updated on an annual basis.
  - Spend-based factors – e.g. from the conversion factors utilised in [UK's carbon footprint analysis](#), published by the UK Government.
- 1.13 The methodology for calculating emissions from homeworking has been taken from the [Homeworking Emissions Whitepaper](#), published by EcoAct.

### Emissions from energy used in the home workspace

- 1.14 The Homeworking Emissions Whitepaper provides standard assumptions for the calculation of these emissions.
- 1.15 Since these emissions are so significant in CAG's footprint, in future years we will seek to collect data that will allow the application of the enhanced approach described in the white paper. Unless this enhanced approach is adopted, future footprint calculations will not be able to reflect changes made to reduce emissions from homeworking. The enhanced approach will require a survey to gather data on equipment used, others within the home etc.

### Business travel

- 1.16 This category relates to the transportation of employees on business.

- 1.17 Our data relating to business travel was found to be incomplete. Some expenses claims were not itemised, some were too vague (e.g. not specifying the journey taken) and no detail was included on the fuel used in mileage claims. The latter is important in making a robust estimation of emissions.
- 1.18 Improvements in data collection will be implemented for more robust estimation in future years.

## **Emissions from disposal and treatment of waste generated in operations**

- 1.19 These emissions are not included in the footprint for the baseline year or the first reporting year since the waste arising from CAG's operations is not separated from household waste.
- 1.20 Assuming that the vast majority of CAG's waste is paper, in future years this could be accounted for by tracking the quantity of paper purchased. Data could also be collected on other waste, e.g. IT equipment and furniture. However, given that emissions from this source are likely to be very low indeed, we consider it proportionate to continue excluding them from the footprinting calculations.

## **Emissions from hotel stays**

- 1.21 These emissions can be calculated relatively easily using the emissions factors for hotel stays published by BEIS.
- 1.22 The emissions factors are based on 'average' hotels in different locations. Reductions in emissions could be reflected in future years through:
- Selecting hotels on the basis of carbon/environmental performance – emissions factors for better performing hotels are included in the factors published by BEIS and could reasonably be utilised if carbon/environmental performance was taken account of in the selection of hotels.
  - Gathering data from the hotels used – a minority of hotels provide carbon data which could be utilised within the carbon footprint and the number doing so is likely to grow.

## **Emissions from room hire**

- 1.23 These emissions can be calculated relatively easily using the emissions factors for room hire published by BEIS. Emissions factors are based on room size (sq m), which has been estimated for the purposes of this reporting. Accuracy could be improved in future years by collating data on the sizes of the rooms hired.
- 1.24 The emissions factors are based on 'average' rooms in different locations. Reductions in emissions could be reflected in future years through:

- Selecting rooms on the basis of carbon/environmental performance – emissions factors for better performing rooms are included in the factors published by BEIS and could reasonably be utilised if carbon/environmental performance was taken account of in the selection of hotels.
- Gathering data from the rooms used – a minority of meeting room providers provide carbon data which could be utilised within the carbon footprint and the number doing so is likely to grow.

## **Use of other goods and services**

- 1.25 These emissions can be estimated using spend-based emissions factors. These were published routinely by the UK Government until 2011. Some conversion factors are available from the analysis of the UK's Carbon Footprint in 2018.
- 1.26 There is considerable uncertainty associated with these emissions estimates, largely because of the broad categorisations used for the calculations. However, they are included in spite of this, largely so that the relative significance of Scope 3 emissions can be more fully appreciated.
- 1.27 The availability of emission factors will be monitored annually. Where new activity-based factors emerge, they will be utilised. It is also anticipated that more comprehensive and robust spend-based factors will emerge over time which could also be utilised.