CARBON | COST | COMPLIANCE

EECO2 Greenhouse Gas Emissions 2024-2025

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1. INTRODUCTION

1.1. PURPOSE

This document provides an overview of rationale, background, guidance for developing a Greenhouse Gas (GHG) Emissions Inventory and GHG reduction efforts for EECO2. It outlines the reporting approach and inventory structure used and provides GHG emission estimates for the financial year 2024, for Scope 1 and 2 as well as selected Scope 3 categories.

1.2. RATIONALE FOR DEVELOPING A GHG INVENTORY FOR EECO2

ESG – short for Environmental, Social, and Governance – refers to a set of standards used to assess a business's impact on the environment and society, as well as its transparency and accountability. A key component of ESG is the reporting of greenhouse gas (GHG) emissions, which reflects an organisation's environmental footprint. Although it is not currently compulsory for all companies, there is a drive for progressive companies to be transparent about their emissions and reduction plans. Emissions reporting is increasingly required by our clients as they focus on reporting the emissions associated with their operations, including their supply chains.

However, de-carbonising the supply chain and putting reliable reporting in place is a challenging process that requires cooperation from all stakeholders. It is generally recognised that it can be difficult for SMEs to manage. Although, GHG reporting for SMEs is currently not compulsory, companies are encouraged to report at least their Scope 1 and 2 emissions. Despite these challenges, EECO2 remain fully committed to transparent reporting and proactive carbon reduction as part of our broader ESG goals.

The rationale to develop and improve GHG reporting capability despite the challenges is multi-faceted:

- Following our vision to be the go-to partner for quality driven sustainable solutions, EECO2 should respond to the supply chain de-carbonisation challenge and provide a report of Scope 1 and 2 GHG emissions and develop capability for a more in-depth analysis including Scope 3.
- GHG emissions reporting will help identify which areas contribute the most to overall emissions, allowing EECO2 to prioritize high-impact reduction opportunities. This data-driven insight will support the development of a targeted roadmap and the implementation of effective initiatives toward achieving net zero goals.
- EECO2 are already signed up to several ESG reporting schemes like EcoVadis and CDP (Carbon Disclosure Project) and will report under SBTi this year. All these schemes require understanding and reporting of GHG emissions as a basis for developing reduction strategies.
- Having our own GHG emission inventory and reporting process in place will serve as a good practice example for clients and other supply chain partners.
- In-depth understanding of the GHG reporting processes and associated challenges and solutions will allow us to support our clients, and potentially their supply chain partners, in their decarbonisation and GHG reporting efforts.
- Future proofing for if/when GHG reporting becomes a mandatory requirement.

EECO2 can build on their expertise regarding industrial sustainability and carbon reduction from consultancy activities, as well as the data capture and analysis capabilities that come with that.

2. GHG BACKGROUND

2.1. GHG REPORTING REQUIREMENTS

- In the UK, large organisations and quoted companies are required to share energy use and carbon emissions information in their annual reports, with Scope 1 and 2 mandatory, and Scope 3 voluntary but strongly recommended. Companies should use independent standards such as the GHG Protocol or ISO14064-1:2018. (UK Gov, 2019)
- Companies that are required to complete Carbon Reduction Plans (i.e. companies bidding for Government contracts) must report on Scope 1, 2 and selected Scope 3 categories (Upstream transportation and distribution, Waste generated in operations, Business travel, Employee commuting, Downstream transportation and distribution (UK Gov, 2021).
- There are currently no mandatory reporting requirements for UK SMEs. Various initiatives encourage companies to engage with carbon reporting and set climate targets, e.g. UK Business Climate Hub, SME Climate Hub, and there are supply chain requirements regarding CDP (Carbon Disclosure Project) and SBTi (Science Based Target Initiative). These require detailed carbon reporting, in line with independent standards such as the GHG Protocol.
- For reporting under the GHG protocol, Scope 1 and 2 are mandatory, with Scope 3 voluntary, but a rationale for not reporting (or plans to develop reporting) Scope 3 emission must be given.
- When reporting on Scope 3, companies must report on all categories or justify exclusions: '…should not exclude any activity that is expected to contribute significantly to the company's overall emissions' (GHG Protocol, 2011).

2.2. MAIN STANDARDS AND GUIDANCE

A wide range of documents and information sources were used to facilitate this study and inventory development. An overview of the main sources is given here and a comprehensive list of all sources and supporting documents will be included in the inventory documentation.

Corporate accounting and reporting standard (Revised) (GHG Protocol, 2004)

Main document used to understand the GHG Protocol. Explains what organisational and operational boundaries are, and how to set them up in an organisation's GHG Emission Inventory. A step-by-step guide for quantifying and reporting GHG emissions.

Scope 3 Corporate value chain accounting and reporting standard (GHG Protocol, 2011)

Provides requirements and guidance for companies and other organisations to prepare and publicly report a GHG emission inventory that includes indirect emissions resulting from value chain activities (i.e. Scope 3 emissions).

Technical Guidance for Calculating Scope 3 Emissions, 2013 (GHG Protocol, 2013)

This document provides thorough calculations and data collection information about each category and worked examples. Recommended to be used alongside the Scope 3 standard.

UK Government conversion factors for company reporting of GHG emissions (UK Gov, 2024)

3. EECO2 GHG EMISSION INVENTORY

3.1. BOUNDARIES AND SCOPE

For an emission inventory, there needs to be an organisational boundary established. This determines which aspects of operations are included in the emissions inventory.

The **Operational Control** approach is appropriate as EECO2 has control of all operations, and full authority to introduce and implement operating policies within the main office. See guidance on page 29 in (GHG Protocol, 2011).

For the feasibility study, focus was on operations from the two UK offices in Macclesfield and Manchester.

An emission inventory also needs operational boundaries in place. These boundaries label which emissions from our operations are direct and indirect, and which scope they are categorised under.

The EECO2 GHG emission inventory covers **Scope 1, 2 and selected Scope 3** category emissions (our operational boundaries). The selection of categories under Scope 3 is outlined in Section 3.3.

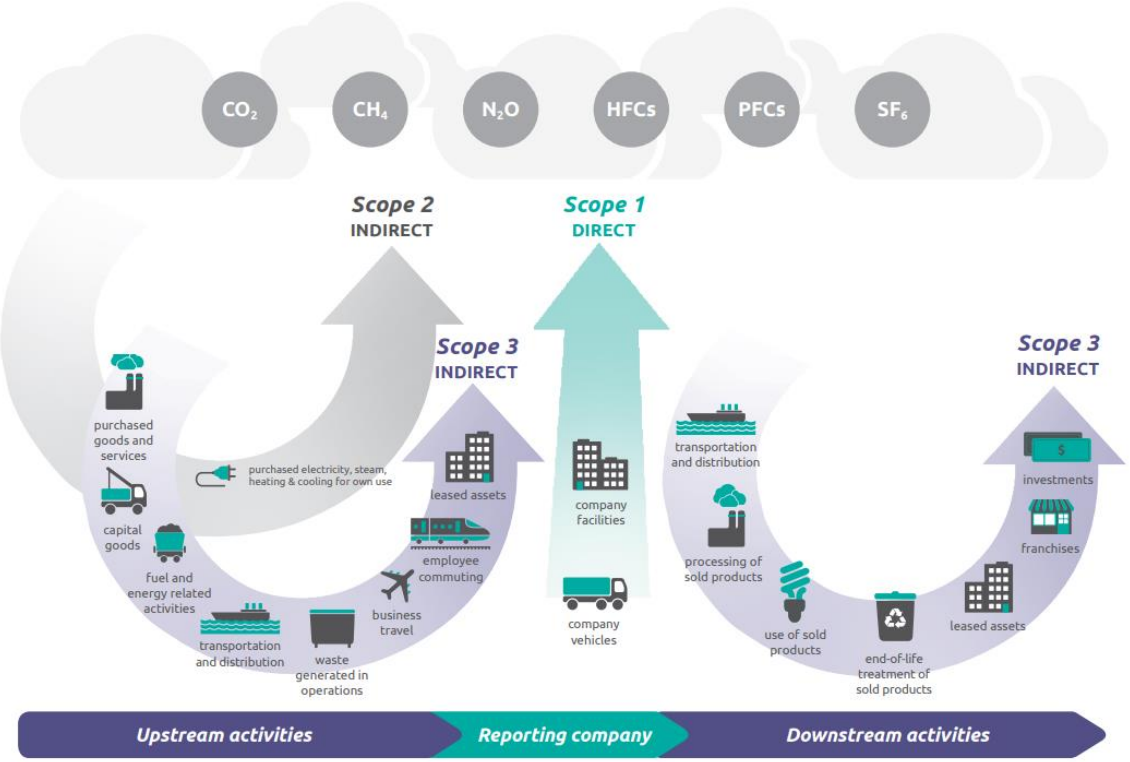


Figure 1: Overview of GHG Protocol emission categories (GHG Protocol, 2011)

3.2. CALCULATION APPROACHES

The emissions for the different Scope 1,2 and 3 are estimated by multiplying relevant activity data with an emission factor, e.g. electricity consumption [kWh] * emission factor [$kgCO_2e/kWh$].

The accuracy of the estimate will depend on the type of data used - primary or secondary data. A combination of approaches can be used across categories in order to balance accuracy of the emission estimate with the effort required for data collection and processing.

Best practice: Using data regarding emission generating activities that can be linked to specific emission factors, like provided by supplier, e.g. energy bills, mileage claims, type/volume of products bought.

Alternative: Where this is not available, a spend-based approach can be used to derive a rough estimate of emissions, e.g. using DEFRA emission factors for industry categories (Department for Environment Food & Rural Affairs, 2024) or other region based spend emission factors available.

Table 1 Comparison of data types

	Primary data (e.g. supplier-specific)	**Secondary data (e.g. industry average data)**
Definition	Data from specific activities within a company's value chain	Data that is not from specific activities within a company's value chain
Example	Electricity use from bills: kWh consumed * supplier-specific emission factor [$kgCO_2e/kWh$]	Spend-based analysis of purchased goods: £ spend on product * industry average emission (DEFRA) [$kgCO_2e/£$]
Advantages	- Emission estimates are more accurate - Better representation of the company's specific value chain activities - Enables performance tracking and benchmarking of individual value chain partners - Allows better tracking of progress towards reduction targets	- Can be more cost-effective and easier to collect (i.e. from existing company systems) - It is one way of determining rough emissions estimate for a category. - Provides understanding of the relative magnitude of various scope 3 activities - Can help to identify hot spots (e.g. main suppliers, product categories), and thus to prioritize efforts in primary data collection, supplier engagement, and GHG reduction efforts
Disadvantages	- May be difficult/costly to collect - May be difficult to determine or verify the source and quality of data supplied by value chain partners	- Data may not be representative of the company's specific activities - Does not reflect operational changes undertaken by value chain partners to reduce emissions - Could be difficult to quantify GHG reductions from actions taken - May limit the ability to track progress toward GHG reduction targets - Spend-based analysis using industry average: linear relationship between spend and emissions means that the more money is spent, the higher the emissions, regardless of actual product choice.

A mix of approaches and data types was used to compile the EECO2 GHG emissions inventory, responding to data availability and analysis efforts required.

3.3. SELECTION OF SCOPE 3 CATEGORIES

The GHG Protocol defines 15 Scope 3 categories covering indirect emissions related to upstream and downstream activities. Companies should focus on those categories that are expected to have the most significant GHG emissions, offer the most significant GHG reduction opportunities and are most relevant to the company's business goals.

Companies must report on all categories or justify exclusions. They *'…should not exclude any activity that is expected to contribute significantly to the company's overall emissions'* (GHG Protocol, 2011). However, given the challenges of gathering relevant data to allow a meaningful analysis, the decisions on what to include will also depend on data availability. Companies are advised to start with a screening process using rough estimates to determine the size of emission in each category and then refine the estimates using specific activity data and emission factors.

In line with EECO2 values, the aim is to review inclusion of all relevant emissions from Scope 3 categories, where possible, to facilitate comprehensive reporting of GHG emissions and progress towards targets. *Table 2* provides an overview of the Scope 3 categories and the rationale for inclusion or not in the EECO2 emission inventory.

Table 2 Scope 3 categories - Relevance to EECO2 and rationale for selection

Scope 3 Category	Relevant to EECO2?	Included in 2024-2025 inventory?	Reasoning:
1. Purchased Goods and Services	Y	Y	One of the major contributors to EECO2 emissions. Emissions estimates were derived with spend-based analysis.
2. Capital Goods	Y	N	Included in purchased goods and services.
3. Fuel and Energy-Related Activities	Y	Y	Estimated from gas and electricity consumption data, which is readily available.
4. Upstream Transportation and Distribution	Y	N	Likely to be small contribution to emissions. Currently no data collected.
5. Waste Generated from Operations	Y	Y	Estimated from bill data and bin size.
6. Business Travel	Y	Y	One of largest component of EECO2 emissions. TravelPerk data included emissions; remainder was estimated with travel spend data (QuickBooks)
7. Employee Commuting	Y	Y	This category is applicable, and data has been collected via a questionnaire
8. Upstream Leased Assets	Y	Y	Our company operates leased assets, cars and office space. Emissions were estimated from provided ESG report and consumption data.
9. Downstream Transportation and Distribution	Y	N	Likely to make a small contribution. Currently, we do not have the required data.
10. Processing of Sold Products	N	N	Not applicable as the assembling of parts for our products is external to the company.
11. Use of Sold Products	Y	N	No certified products were installed during the reporting year
12. End-of-Life Treatment of Sold Product	Y	N	Likely to be small contribution. Currently, we do not have the required data.
13. Downstream Leased Assets	N	N	Not leasing anything to companies or associates.
14. Franchises	N	N	Do not have any franchises.
15. Investments	N	N	No investments to consider.

3.4. COMPOSITION OF EECO2 GHG EMISSIONS

Table 3 Overview of Scope categories, for financial year 2024

Category	Emissions estimate Financial year 2024 (tCO_2e)	Percent of total calculated emissions Financial year 2024	Activity data used	Emissions factor used
Scope 1	14.8	2.9%	Primary data – Gas consumption, company car mileage data.	UK Gov's GHG emission factors
Scope 2	10.8	2.1%	Primary data – Electricity consumption, company car electricity use.	UK Gov's GHG emission factors, electricity supplier-specific emission factors
Scope 3.1 – Purchased Goods and Services	213	41.2%	Primary Data – QuickBooks purchases records.	DEFRA's conversion factors
Scope 3.3 – Fuel- and Energy-Related Activities not in Scope 1 and 2	3.6	0.4%	Primary data – Gas and electricity consumption data from utility bills.	UK Gov's GHG emission factors
Scope 3.5 – Waste Generated from Operations	0.5	0.1%	Primary – bin details, collection frequency, annual confidential waste weight, annual wastewater spend amount. Secondary data – maximum weight of our general waste and recycling bins.	UK Gov's GHG emission factors, DEFRA's conversion factors
Scope 3.6 – Business Travel	262.5	51%	Primary data – Data entries in TravelPerk, Pleo and QuickBooks.	UK Gov's GHG emission factors, EXIOBASE Emission factors and USD supply chain emission factors
Scope 3.7 – Employee Commuting	10	1.9%	Primary data – Employee questionnaire.	UK Gov's GHG emission factors
Scope 3.8 – Upstream Leased Assets	2.2	0.4%	Primary data – Company car usage. Primary data – Manchester office ESG Report for old office and consumption data provided for new one	UK Gov's GHG emission factors.
Scope 3.11 – Use of Sold Products	0	-	-	-

4. EMISSIONS REPORTING EXERCISE FOR 2024-25

4.1. SCOPE 1 AND 2 EMISSIONS

Scope 1 and 2 emissions were calculated using standard UK emission factors and supplier specific emission factors to derive location-based and market-based estimates, respectively. It is standard that the location-based emissions are used for GHG emission disclosure; with market-based emissions reported as additional information.

Location based: Emissions estimate based on regional or local emission factors, i.e. UK. The UK Government's 2024 emissions factors were used to determine location-based emissions.	Market based: Emissions estimate based on detailed information regarding energy supply. Emission factors from energy suppliers' fuel mix disclosures (utility bill or website) were used; the emission factors usually differ for each supplier.

These scopes include directly emitted emissions from gas and fuel use and indirect emission from electricity use. Company car use from petrol/diesel and electricity was estimated based on mileage claims and added to Scope 1 and 2 respectively. No refrigerant leaks were reported during the reporting period. For the market-based emission factors which couldn't be obtained from supplier directly or their website were assumed to be the same as location based.

Table 4 : Overview of the calculated Scope 1 and 2 emissions

	Source data	tCO_2e Location-based	tCO_2e Market- based
Scope 1 - Gas	Utility bills, QuickBooks	8.2	8.2
Scope 1 - Fuel from car use	Pleo mileage claims	6.6	6.6
Total - Scope 1		**14.8**	**14.8**
Scope 2 - Electricity (office)	Utility bills, QuickBooks	6.8	9.9
Scope 2 - Electricity (car use)	Pleo mileage claims	0.9	0.9
Total - Scope 2		**7.7**	**10.8**
Total - Scope 1 & 2		**22.5**	**25.6**

Scope 1 and 2 contribute on a very similar scale, adding up to close to 26 tCO2e. Most of the emissions come from natural gas use and company car use reported under scope 1. It is important to note that the market-based emissions currently appear slighter higher than location based as shown in *Figure 2*. This is because, although we are procuring green energy, we are still in the process of obtaining the relevant renewable energy certificates. As of now, the standard emission factor available on one of our major supplier's website was applied but will be replaced with lower green tariff in the near term.

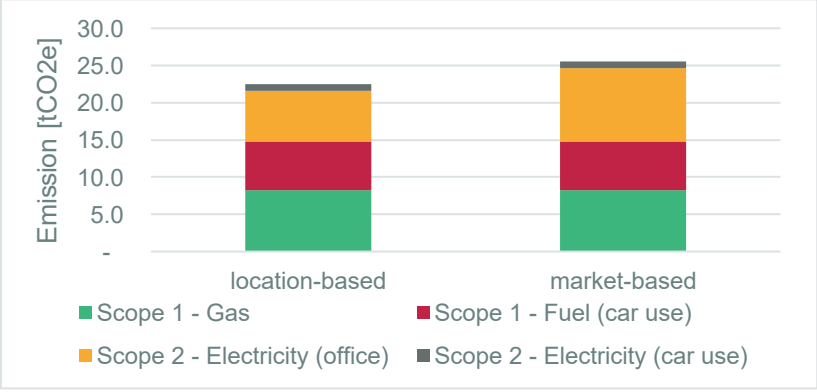


Figure 2 Comparison of Scope 1 and 2 emissions, location-based and market-based

4.2. SCOPE 3 – SELECTED CATEGORIES

As noted above, only selected Scope 3 categories are included in the inventory, based on their relevance to EECO2 operations, materiality and data availability see *Table 2*.

- Purchased Goods and Services
- Fuel and energy related activities
- Waste generated from operations
- Business travel
- Employee commuting
- Upstream leased assets
- Use of sold product

The calculation approach, activity data, emission factors and emissions estimate for the different categories are summarised in *Table* 3.

Overall, the emissions estimate for 2024-2025 for the Scope 3 categories add up to 492tCO_2e, accounting for approximately 96% of EECO2's overall emissions as shown in *Figure 3.*

The Scope 3 categories with the largest contribution to overall emissions are Business travel and purchased Goods and services, with approximately 53% and 43%, respectively, whilst Employee commuting contributes around 2%.

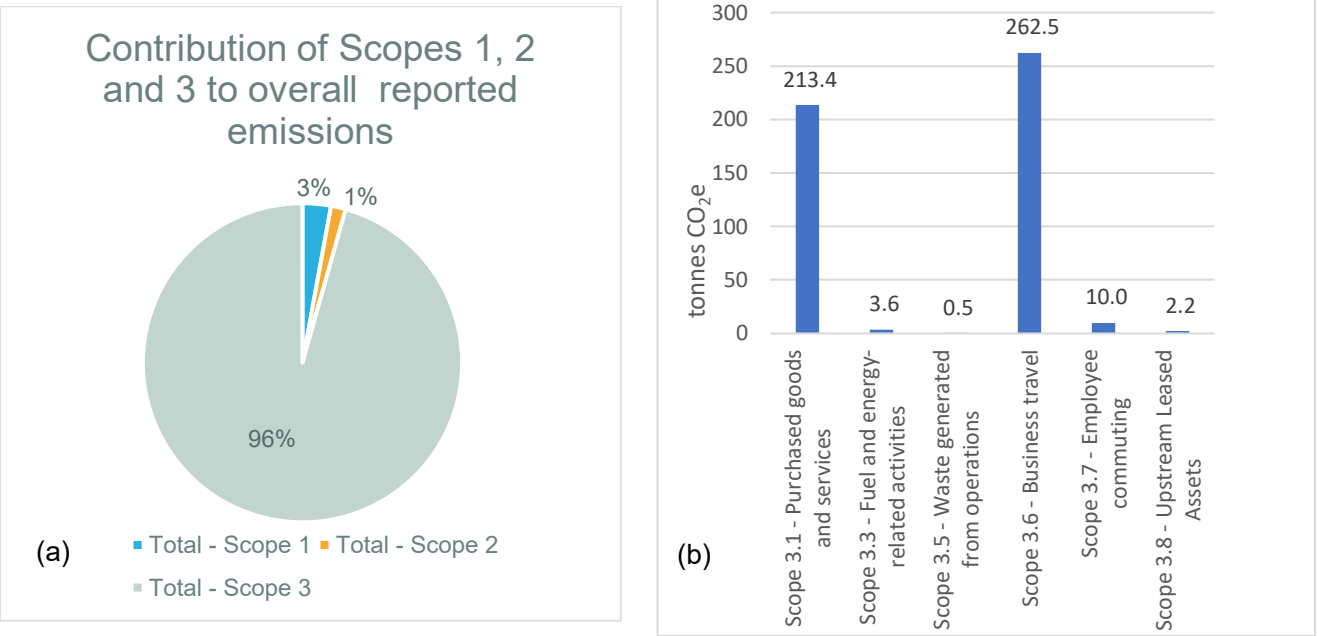


Figure 3: Visualising Scope 3 emission – (a) contribution to overall emissions and (b) estimates for different categories.

The following sections provide an overview of the results the included Scope 3 categories in order of importance, i.e. % contribution to overall emissions.

4.2.1. Business travel

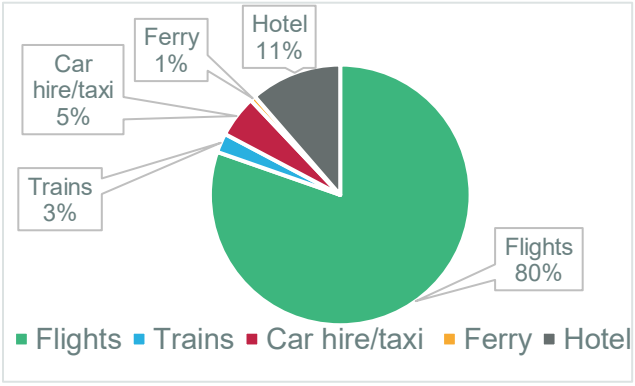
Emissions from this category add up to approximately **262 tCO_2e**, representing about half of all calculated EECO2 emissions and 53% of calculated Scope 3 emissions.

Emissions estimates are based on travel booking data and QuickBooks data. As travel booking data came from a range of sources (TravelPerk, QuickBooks,) various processing approaches were needed, resulting in varying levels of accuracy.

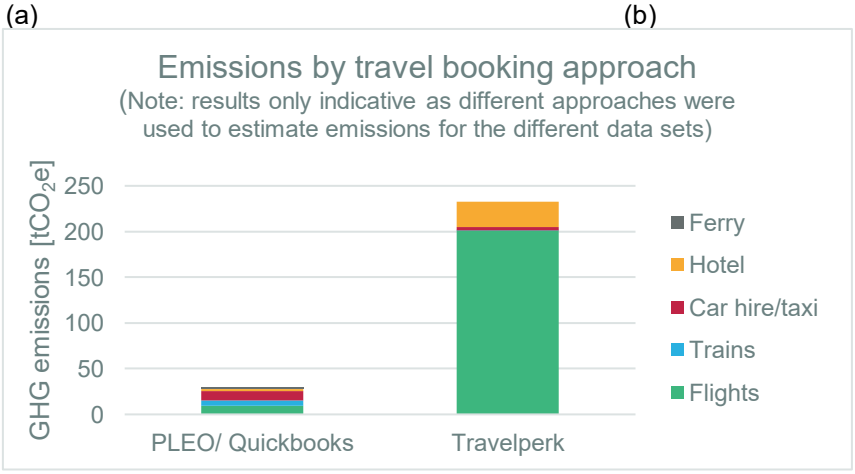
The total emissions estimate is 262 tCO_2e illustrated in *Figure 4* with approximately 80% coming from flights, which shows the impact of site visits on EECO2 emissions. While site visits are crucial to the company's operations and cannot be entirely eliminated, EECO2 is focused on increasing site visit efficiency as a key part of their emission reduction strategy.

Travel activity	Emissions [tCO_2e]
Flights	211
Trains	6
Car hire/Taxi	14
Hotel	30
Ferry	2
Total	262

(a)



(b)



(c)

Figure 4 Business travel emissions (a) emissions estimate [tCO_2e], (b) % contribution by booking category and (c) emissions by booking approach

As shown in *Figure 4,* bookings completed via TravelPerk make up the largest proportion of travel bookings (89%). Importantly, these bookings are associated with a carbon offset. Considering that TravelPerk also provide a comprehensive report detailing carbon emissions associated with each booking, it would be highly beneficial if TravelPerk was used for all travel bookings, ensuring that offsets cover all travel bookings and the reporting process is improved.

4.2.2. Purchased goods and services

The category of 'Purchased Goods and Services' has been incorporated into our inventory for the first time in the current reporting period. GHG emissions from this category is substantial and account for **213t CO_2e** which is responsible for the second highest emissions for scope 3. It accounts for 41% of overall GHG emissions.

Using data from QuickBooks, a spend-based approach was applied to estimate emissions, enabling an assessment of how different product and service categories contribute proportionally to this total. For this analysis, most spend records were mapped to broad industry categories aligned with DEFRA Scope 3 emission factors. Emissions were then calculated based on these factors. *Table 5* presents the categorisation of spend data. These categories can help prioritize supplier engagement, particularly for those contributing to the highest emissions

Table 5 Emissions contribution to Purchased goods and services emissions

SIC/DEFRA category	% of total spent	Emissions (tCO2e)
Architectural and engineering services; technical testing and analysis services	41%	92
Insurance, reinsurance and pension funding services, except compulsory social security	11%	11
Rental and leasing services	10%	19
Real estate services on a fee or contract basis	7%	8
Office administrative, office support and other business support services	5%	11
Services furnished by membership organisations	4%	9
Advertising and market research services	4%	5
Accounting, bookkeeping and auditing services; tax consulting services	3%	4
Employment services	3%	4
Electrical Equipment	3%	12
Education services	2%	4
Services to buildings and landscape	2%	4
Legal services	2%	1
Telecommunication services	1%	3
Food and beverage serving services	1%	5
Rest of repair, Installation	1%	3
Financial services, except insurance and pension funding	1%	1
Printing and recording services	0.4%	2
Computer Electronic and Optical Products	0.1%	1
Total	**100.00%**	**199 ***

Note: An additional 14 tCO_2e from food and drinks purchases via Pleo during site visits, bringing the total to 213 tCO_2e

4.2.3. Employee commuting

Employee commuting contributes almost 10 tCO_2e, approximately 2%, to overall calculated emissions. Note, this category also includes emissions generated by working from home.

The emissions estimate is based on data gathered via an employee questionnaire, which was custom designed for this purpose and rolled out in 2024. The data set includes information on which office employees attended, mode of transport, commuting frequency and distance travelled, as well as some comments on working from home arrangements. The response rate was 79%, providing a sample of 23 employees from which data was extrapolated for the whole company. All emission factors came from the UK Government data base (UK Gov, 2024).

Figure 5 shows how many employees use the different transports modes and the annual emissions associated with each mode of transport (calculated from distance and frequency of travel throughout the year).

- Almost 40% of employees walk or use an electric car, so do not contribute to emissions in this category.
- Modes with lower emission factors, including trains, bus and hybrid cars are used by around 50% of employees.
- The largest contribution comes from car use, although only 40% of employees use their car to commute, this contributes more than half of all employee commuting emissions.

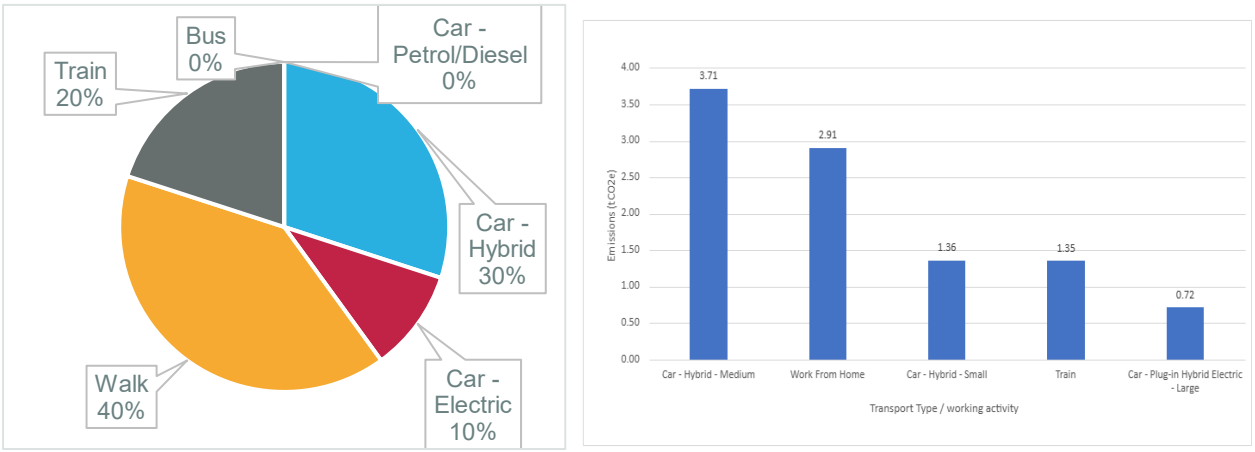


Figure 5: Employee commuting by transport mode (a) percentage of employees using mode (b) emission estimates, including WFH (working from home)

Working from home contributes close to 20% of emissions in this category calculated based on standard emission factors provided by UK Gov (2024).

4.2.4. Fuel and energy related activities

This category includes emissions due to upstream activities and transmission & distribution losses for gas and electricity use, estimated at **3.60 tCO_2e**, around 0.7% of overall calculated emissions. These are calculated based on the same utility bill data used for Scope 1 and 2 emissions, and relevant emission factors from the UK Government database (UK Gov, 2024).

Emissions in this category are split into three activities

- Activity A - upstream emissions from the extraction, production, and transportation of purchased fuels prior to combustion.

- Activity B - upstream emissions from the extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling, prior to the generation.
- Activity C - lifecycle emissions of electricity, steam, heating, and cooling consumed (i.e., lost) in a transmission and distribution (T&D) system.

4.2.5. Upstream leased assets

Emissions for this category are estimated to be around 2.2tCO_2e, representing less than 1% of overall calculated emissions. It is composed of emissions from the use of the Manchester Office and indirect emissions associated with company car use (fuel and electricity), with the latter making up the largest proportion (*Figure 6*).

Emissions data for the old Manchester Office was provided by the building management by issuing a personalised customer emissions report while the new office shared the consumption data for the reporting year. Car related emissions were estimated using mileage claims for company cars and standard UK emission factors (UK Gov,2024).

Most of the emissions (92%) come from car use, with the greatest proportion due to use of fuel as petrol at 25% from use of petrol in PHEVs and 56% from HEVs.

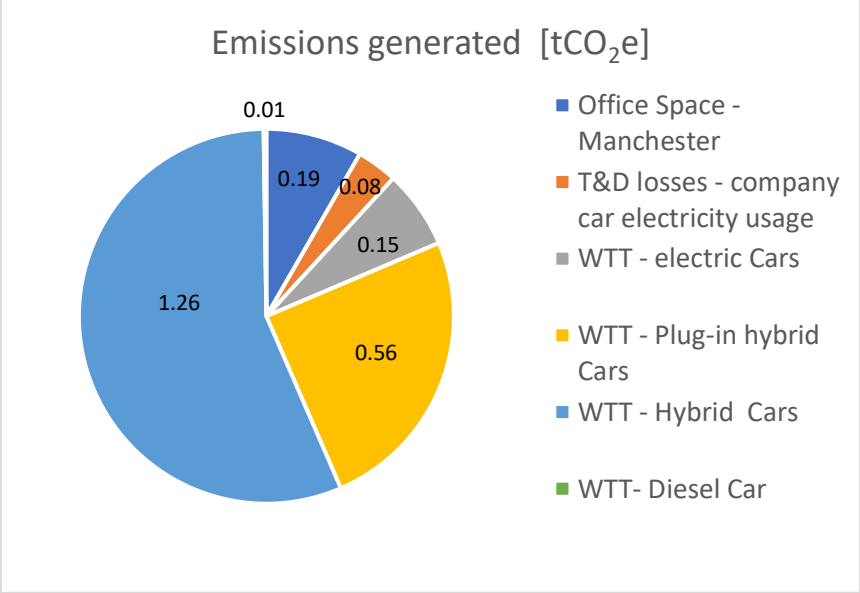


Figure 6: Upstream emissions for leased assets [tCO_2e]

4.2.6. Waste from operations

Emissions from waste associated with EECO2 operations are estimated to be around **0.5 tCO_2e**, contributing around **0.1%** to overall calculated emissions.

These are comprised of emissions from processing of general waste, recycled waste, confidential waste and wastewater treatment. Detailed data was available for confidential waste and wastewater (utility bills); amounts for other waste were estimated based on bin usage. Emission factors from UK Gov (2024) were used for waste processing, whilst emissions for wastewater treatment were calculated using a spend-based approach (emission factor from DEFRA (2024)).

Emissions are dominated by wastewater treatment (99%), with general waste processing contributing 1%. *Figure 7* illustrates emissions from different types of waste.

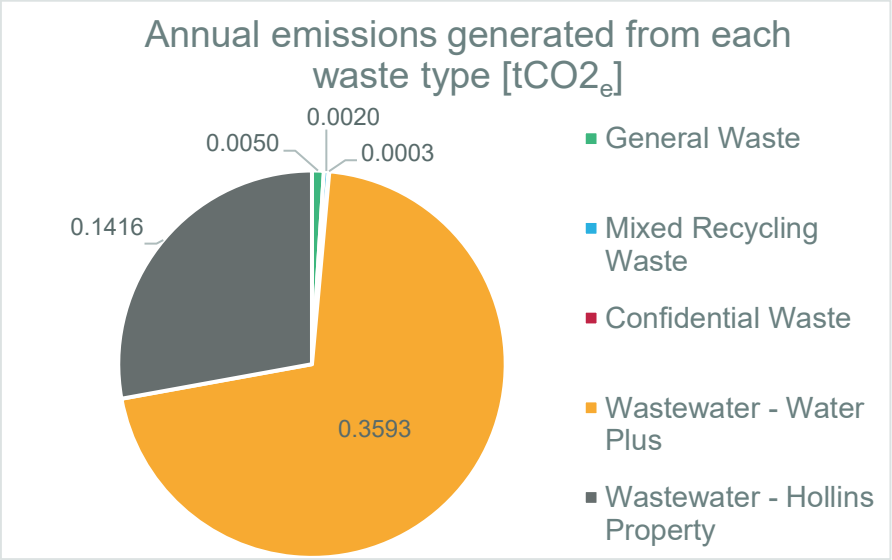


Figure 7: Emissions for 'Waste from operations' [tCO_2e]

4.2.7. Use of sold products

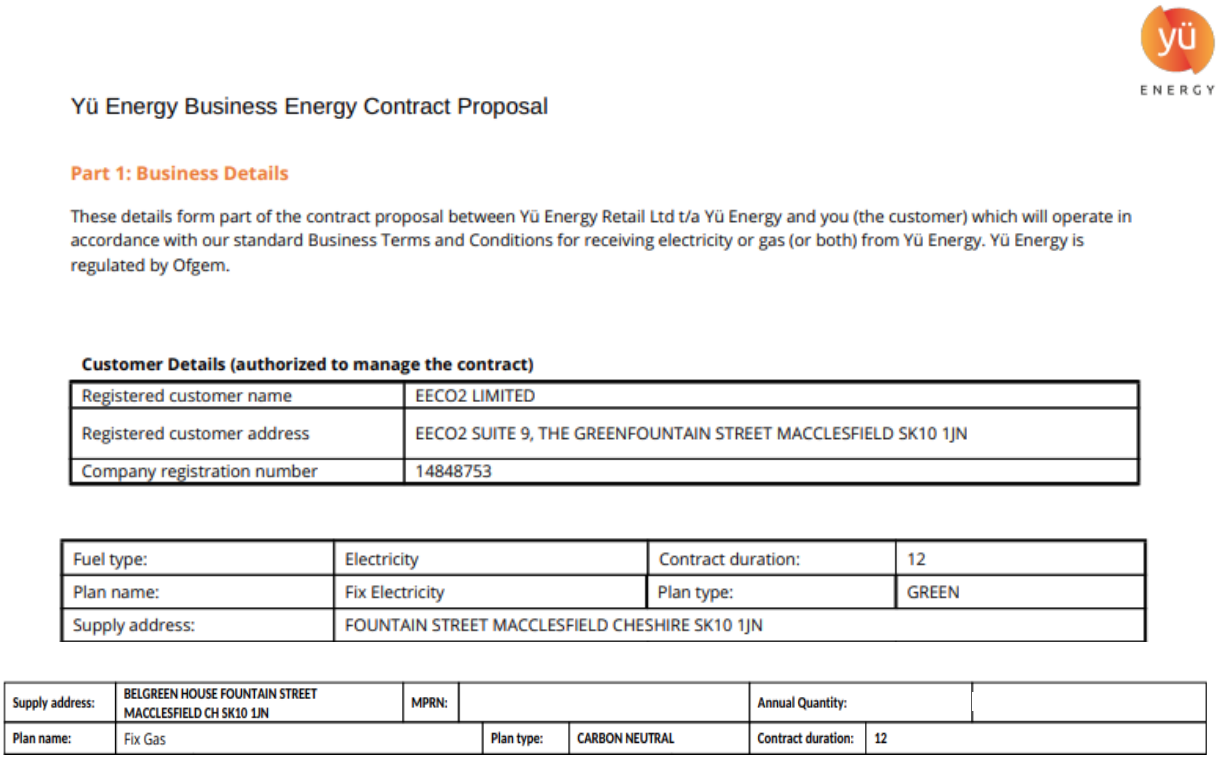
No MEMU or ICCS units were installed during the period considered for GHG emissions accounting.

5. EECO2 GHG EMISSION REDUCTION INITIATIVES

5.1. RENEWABLE ENERGY PROCUREMENT AND USE

Although EECO2 is transitioning from a small to a medium-sized enterprise, significant effort is devoted each year to carefully selecting and renewing energy contracts that align with our sustainability goals. We continuously seek improved agreements that support our low-carbon transition.

As a result, EECO2 has established green electricity contracts with Yu Energy and EON Next, along with the procurement of carbon-neutral gas from Yu Energy, which together cover the majority of our operational energy use. This demonstrates our strong commitment to reducing Scope 1 and Scope 2 emissions through market-based mechanisms and strategic supplier engagement. *Figure 8* illustrates some clauses of the contract highlighting energy plan type.



Yü Energy Business Energy Contract Proposal

Part 1: Business Details

These details form part of the contract proposal between Yü Energy Retail Ltd t/a Yü Energy and you (the customer) which will operate in accordance with our standard Business Terms and Conditions for receiving electricity or gas (or both) from Yü Energy. Yü Energy is regulated by Ofgem.

Customer Details (authorized to manage the contract)

Registered customer name	EECO2 LIMITED
Registered customer address	EECO2 SUITE 9, THE GREENFOUNTAIN STREET MACCLESFIELD SK10 1JN
Company registration number	14848753

Fuel type:	Electricity	Contract duration:	12
Plan name:	Fix Electricity	Plan type:	GREEN
Supply address:	FOUNTAIN STREET MACCLESFIELD CHESHIRE SK10 1JN		

Supply address:	BELGREEN HOUSE FOUNTAIN STREET MACCLESFIELD CH SK10 1JN	MPRN:		Annual Quantity:	
Plan name:	Fix Gas	Plan type:	CARBON NEUTRAL	Contract duration:	12

Figure 8 Energy Contracts

5.2. COMPANY VEHICLE FLEET AND ELECTRIFICATION STRATEGY

EECO2 operational fleet comprises electric and hybrid vehicles only, chosen to minimise Scope 1 emissions and align with our broader decarbonisation strategy across Scopes 1, 2, and 3 (fuel- and energy-related activities). Carbon emissions from electric vehicles are significantly lower than those from petrol and diesel cars.

To further reduce our footprint, we ensure electric vehicles are charged using renewable electricity wherever possible. For hybrid and plug-in hybrid electric vehicles (PHEVs), the use of electric mode is strongly encouraged wherever feasible for business-related travel.

EECO2 is actively transitioning its vehicle fleet to fully electric models, further reinforcing our long-term commitment to sustainable transport. This practical, values-driven approach reflects EECO2's dedication to addressing both direct and indirect emissions in a meaningful and measurable way.

5.3. SITE TRAVEL STRATEGY

Due to the nature of EECO2's consultancy and technical work, international travel is sometimes essential to support site decarbonisation and emissions reduction programs. However, EECO2 follows a sound travel policy that prioritises necessity, ensuring that travel is only undertaken when it adds clear value.

Travel is carefully planned to maximise efficiency and minimise environmental impact, with remote site visits and virtual engagement preferred wherever feasible. This policy not only reduces EECO2's own emissions footprint but also ensures that resources are used effectively in delivering client value.

Importantly, when travel does occur, it often results in the development of emissions reduction strategies and decarbonisation roadmaps for clients, creating a broader positive climate impact that extends beyond EECO2's own operations.

5.4. SUPPLY CHAIN STARTEGY

EECO2 follows a sustainable procurement policy which guides us to partner with suppliers who actively disclose and reduce their emissions. Preference is given to those with renewable energy contracts and demonstrated sustainability commitments.

This policy also supports the reduction efforts for Scope 3 emissions in the "Purchased Goods and Services" category and aligns with CDP and SBTi principles. This supplier engagement approach is an important part of our emissions strategy and wider ESG goals.

5.5. REDUCTION EFFORTS THROUGH OFFSET

The GHG Protocol and CDP require full emissions reporting regardless of offsets, emphasising that companies should prioritise direct reductions and use offsets only for residual emissions. In line with this, EECO2 remains focused on reducing its emissions particularly Scope 3 business travel while transparently reporting any offsets separately, as recommended (GHG Protocol, 2004).

Offsets are still recognised as contributing positively to global carbon reduction, and EECO2 includes them in its reporting narrative to reflect ongoing efforts. *Table 6* outlines key emission reduction and offset initiatives across scope 3 business travel.

Table 6 EECO2 efforts to reduce and offset emissions

Reduction or offsetting effort	Impact on reported emissions	Comments
Using TravelPerk with GreenPerk option, where all travel bookings are covered by carbon offsets	Scope 3 (Business travel)	GreenPerk offsets certain percentage of these emissions by supporting Verra certified projects

The TravelPerk offset is externally verified, through their GreenPerk scheme. EECO2 pays a 10% premium on bookings, which funds projects certified under the international Verified Carbon Standard (VCS) by Verra and further reviewed by the TravelPerk Sustainability Team, making it a credible offset mechanism. *Figure 9* shows the offset certificate provided to EECO2 from TravelPerk for the current reporting period.

EECO2 offset **232 tons** of carbon emissions on work travel this year. Nonetheless, EECO2 does not view offsets as a substitute for emissions reduction. Instead, the company continues to work tirelessly to cut emissions at source. However, contributions to voluntary carbon markets, particularly those aligned with beyond value chain mitigation (BVCM), remain a positive step that EECO2 supports as part of a broader climate commitment.

Figure 9 Offset Certificate

6. EECO2 GHG EMISSIONS REPORTING INITIATIVES

The main purpose of developing the inventory is also to support EECO2's efforts in ESG and emissions reporting.

6.1.1. CDP – Carbon Disclosure Project

In 2023 the company reported emissions for the first time – using the CDP scheme. Reporting included Scope 1 & 2 emissions, as well as a rough estimate of Scope 3 emissions for the Business travel category. The submission also stated that a target would be set within two years, and a transition plan developed and was stated to achieve Net Zero for Scope 1 and 2 by 2030 and the intention to develop capabilities for more comprehensive Scope 3 reporting going forward. The submission received a score of 'C'. CDP submission demonstrated intent of EECO2 to support a clear strategy and narrative for emission reduction efforts.

The results from this work will support the next submission, by helping to provide a clear reporting rationale and methodology as well as emission estimates for additional Scope 3 categories. In addition, the approach and calculation results will also support strategy development and reporting narrative, thus further strengthening subsequent CDP submissions.

6.1.2. EcoVadis

EECO2 has been reporting to EcoVadis since 2021 and have achieved silver as a highest score. This shows EECO2 efforts and commitment it puts towards sustainability.

Developing Scope 3 reporting capability further should strengthen EECO2's 2025 submission. EECO2, will further refine its Purchased goods and services category to help gain a better understanding of the EECO2 supply chain, and thus

- inform further development of our sustainable procurement policy
- and facilitate target setting and monitoring
- support targeted engagement with suppliers and customers to reduce emissions.

6.1.3. Science Based Targets Initiative-SBTi

Target setting through the Science Based Targets initiative (SBTi) is widely encouraged as a robust and credible way to align corporate climate goals with the latest climate science and the objectives of the Paris Agreement. For small and medium-sized enterprises (SMEs), a streamlined validation route is available to simplify the process. However, the requirement to set absolute emissions reduction targets for Scope 1, 2 and 3 can present a significant challenge for growing companies like EECO2, where business expansion may naturally lead to increased operational emissions.

Despite these challenges, EECO2 recognises the urgency of climate action and the importance of aligning with science-based frameworks. We will therefore commit to setting science-based targets through the SBTi this year, ensuring our emissions reduction goals reflect our responsibility to support global climate goals. This commitment underscores our dedication to sustainable growth, balancing our ambition to expand with a clear strategy to decouple growth from emissions through efficiency improvements, innovation, and low-carbon solutions.

7. INFORMING POLICY AND GHG STRATEGY

EECO2 has developed a detailed GHG emissions inventory, categorising emissions into Scopes 1, 2, and 3. This exercise not only fulfils reporting obligations but also offers meaningful insights into the company's operational impact across its value chain.

The emissions inventory has significantly strengthened EECO2's understanding of where emissions are generated and where reduction efforts will be most effective. It provides a data-driven foundation to inform and refine company policies particularly and strategy as EECO2 progresses toward its Net Zero targets for Scope 1, 2 and 3.

The following key insights from the GHG inventory have directly informed EECO2's emissions reduction strategies and strengthened its broader sustainability policies:

- **Improved Scope 1 and 2 Calculation Transparency:** Emissions calculations for Scope 1 and Scope 2 have been refined. Documentation is now more transparent and repeatable, supporting clearer internal review and external reporting in line with our policy.
- **Dual Focus on Location- and Market-Based Emissions:** Both location-based (grid-average) and market-based (supplier-specific) emissions are now being considered. This reinforces the importance of driving energy efficiency in both office buildings and company vehicle use, while maintaining our emphasis on procuring renewable or low-carbon energy contracts.
- **Progress in Scope 3 Emissions Mapping:** EECO2 has made notable strides in defining Scope 3 emissions by establishing clear boundaries, identifying key categories, and estimating emissions from indirect activities in line with our policy. This forms a baseline for tracking future progress and developing targeted interventions.
- **Targeting High-Impact Categories in Scope 3:** Among all Scope 3 categories, 'Purchased Goods and Services' and 'Business Travel' have emerged as the most significant contributors. These areas have now become priorities for reduction planning, supplier engagement, and internal behavioural change campaigns.
- **Procurement Policy Integration:** Insights from the 'Purchased Goods and Services' category are directly informing EECO2's emerging sustainable procurement policy.
- **Supporting a Holistic Net Zero Strategy:** The emissions inventory is not only supporting the setting of reduction targets but also helping to prioritise the policies and initiatives likely to have the greatest impact. It is informing decision-making across procurement, energy use, travel, and external partnerships, ensuring that EECO2's Net Zero strategy remains evidence-based and aligned with frameworks such as the Science Based Targets initiative (SBTi).

8. CONCLUSION

The development of EECO2's Greenhouse Gas (GHG) Emissions Inventory for 2024–2025 marks a significant milestone in our sustainability journey. This report reflects our commitment to transparency, accountability, and continuous improvement in environmental performance. For the first time, we have incorporated the "Purchased Goods and Services" category into our Scope 3 reporting, offering a more comprehensive view of our emissions landscape.

The process of compiling this inventory has required extensive collaboration across departments, the integration of diverse data sources, and the application of both primary and secondary methodologies. While challenges remain, this work has equipped us with the tools and insights necessary to refine our approach in future reporting cycles.

Our efforts to reduce emissions are already underway, from transitioning to renewable energy contracts and electrifying our vehicle fleet, to implementing sustainable procurement policies and offsetting emissions through verified programs. These initiatives demonstrate our proactive stance in addressing both direct and indirect emissions.

Looking ahead, EECO2 is committed to deepening its emissions analysis, enhancing data quality, and expanding Scope 3 coverage. We will continue to align our strategies with leading frameworks such as CDP, EcoVadis, and SBTi and others, ensuring that our targets are science-based and our actions impactful. As we evolve, our emissions will guide our decisions, inform our clients, and reinforce our role as a leader in sustainable consultancy.

Together, we are building a resilient, low-carbon future laying the groundwork today for a sustainable tomorrow

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	Name / Job Title	Signature	Date (day-month-year)
Signed on behalf of EECO2	Nicholas George Bancroft Board Executive Director		10/07/2025