Carbon Reduction Plan

Epimorphics commitment to reducing our carbon footprint and achieving net zero

Supplier name: Epimorphics Ltd

Publication date: 2nd June 2025

Document version: 1.0

Commitment to achieving Net Zero

Epimorphics Ltd is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2020/21	
Additional Details relating to the Baseline Emissions calculations.	
2020/21 (financial year Oct 2020 - Sept 2021) was our first independently verified GHG footprint[1] and we have chosen that year as our baseline year. We started systematically footprinting the previous year, 2019/20, using the same methodology. That year, being partly pre-covid this was significantly higher in the PPN 06/21 reporting categories (20.91 tCO2e/year) than our chosen baseline year of 2020/21 (16.94 tCO2e). However, as that was not independently verified, hence our choice of 2020/21. We have provided both location-based and market-based emissions.	
Baseline year emissions:	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	0.98 tCO2e
Scope 2	0.83 tCO2e (location-based) 0.0 tCO2e (market-based)
Scope 3 (Included Sources)	Category 4. Upstream transportation and distribution = 0.00 tCO2e Category 5. Waste generated in operations = 0.22 tCO2e Category 6. Business travel = 0.38 tCO2e

[1] Verified, as being in accordance with the GHG Protocol, by Carbonfootprint Ltd, Belvedere House, Basing View, Basingstoke, Hampshire, RG21 4HG, UK

	Category 7. Employee commuting = 0.00 tCO2e (Covid meant home working) Category 7. Home Working (HW) = 14.53 tCO2e Category 9. Downstream transportation and distribution = 0.00 tCO2e Total Scope 3 (categories 4,5,6,7 & 9) = 15.13 tCO2e
Total Emissions	16.94 tCO2e 16.11 tCO2e (market-based)

Current Emissions Reporting

Reporting Year: 2023/24 *Our GHG Footprint Verification has been undertaken by Carbon Footprint Ltd.*	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	1.61 tCO2e
Scope 2	0.24 tCO2e (location-based) 0.0 tCO2e (market-based)
Scope 3 (Included Sources)	Category 4. Upstream transportation and distribution = 0.00 tCO2e Category 5. Waste generated in operations = 1.27 tCO2e Category 6. Business travel = 0.01 tCO2e Category 7. Employee commuting = 1.29 tCO2e Category 7. Home Working (HW) = 6.08 tCO2e Category 9. Downstream transportation and distribution = 0.00 tCO2e Total Scope 3 (categories 4,5,6,7 & 9) = 8.64 tCO2e
Total Emissions	10.50 tCO2e (location-based) 10.26 tCO2e (market-based)

Emissions reduction targets

Our scope 1 and 2 emissions have reduced to zero as of Aug 2024 as we transitioned to fully remote working.

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. We recognise that for a growing SME, medium term projections are complex. However, we project that our remaining Scope 3 carbon emissions will decrease over the next five years in line with UK grid, heating and transport emission reductions. We currently expect that to result in a reduction to below 6.0 tCO_2e by 2035.

Progress against these targets can be seen in the graph (Figure 1) below:

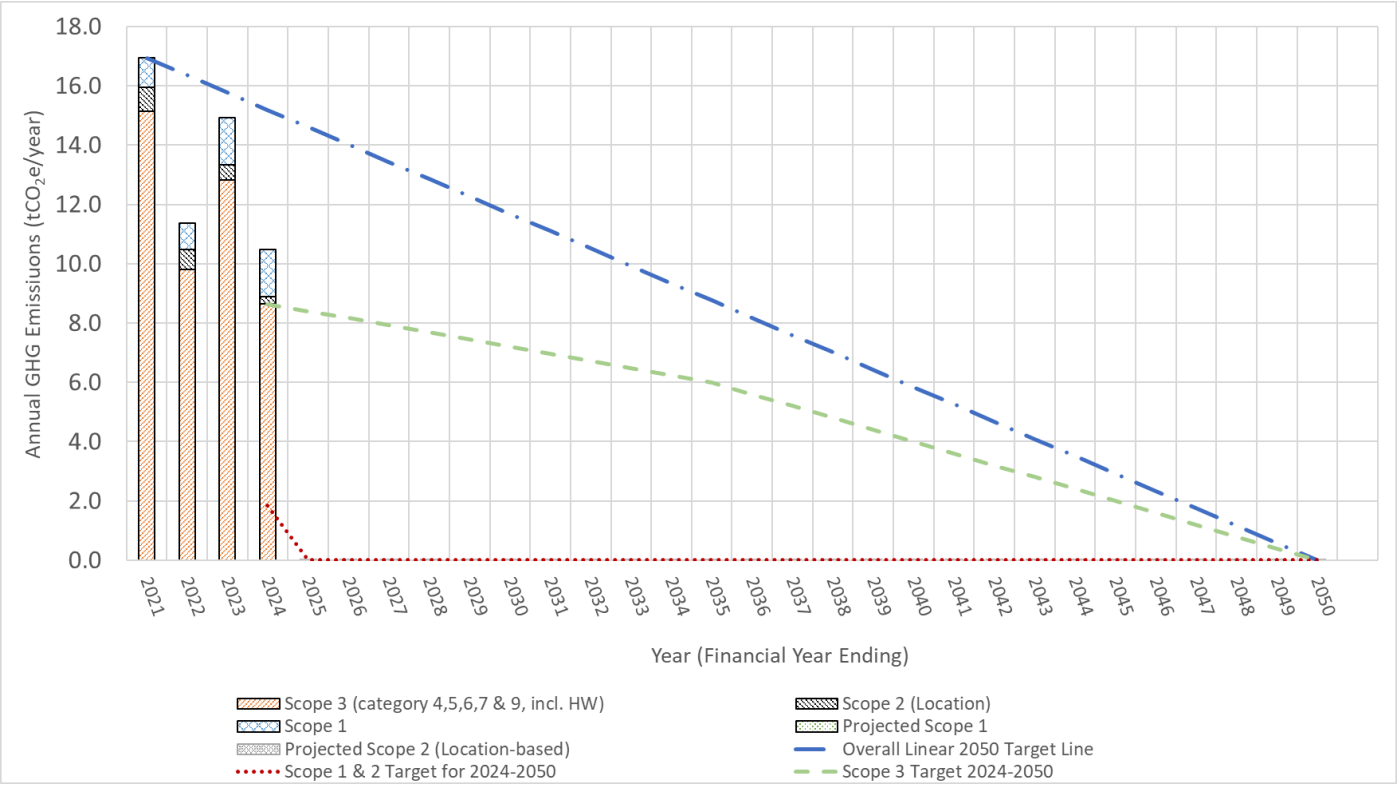

Figure 1: Actual Scope 1 , 2 & 3 Emissions[2] and Projected/Target GHG Location Based Emissions and Linear Target Illustration 2021-2050 (tonnes CO2e/year)

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

We have been conducting GHG footprinting since 2019 to quantify our emissions, built on previous work to actively monitor and model our energy (electricity and gas) use since 2017. We have worked with Carbonfootprint Ltd[1] to verify our assessments from 2020/21, so that we were sure our assessments were valid.

We have procured 100% renewable electricity (Scope 2) as a company from Good Energy from Aug 2016 to July 2024, when we ended our rental of office space. During that period we reviewed that decision on a regular basis. We chose Good Energy because they are a supplier that has "exemptions from the price cap [for domestic customers] on default energy tariffs because they proved to energy regulator Ofgem that they have higher costs because … they support renewables beyond existing subsidies, …"[3]. However, we have chosen to use location-based (rather than market-based) emissions as our primary reporting method for our verified reporting, since we are not sure that purchases of renewable electricity are currently appropriately reflected in real-world emissions reductions, even when purchased from a reliably verified supplier.

[2] Note: our financial year is 1 October - 30 September. The chart x-axis is for the year end, e.g. 2024 is for our financial year 2023/24

[3] goodenergy.co.uk/our-energy and which.co.uk/reviews/energy-companies/article/green-energy-suppliers/differences-between-green-energy-suppliers-aN19W0B8B2Mc Also see also Ofgem website ofgem.gov.uk/decision/decision-issue-good-energy-limited-and-good-energy-gas-limited-enduring-derogation-renewable-standard-variable-tariffs-default-tariff-cap

We also choose Good Energy because they provided a proportion of their Gas (our heating fuel to July 2024) supply as Biogas (currently 10%) and offset the remainder with a scheme that appears to be reliable and accredited[4]. Although as required, we use the standard UK Government carbon intensity for Gas in our reporting.

While it is not reported within the PPN 06/21 Scope 3 reporting categories we also quantify and report[5] (and have been verified by Carbonfootprint Ltd) our supply chain GHG emissions (Category 1: Purchased Goods and Services) using the spend based methodology as per Streamlined Energy and Carbon Reporting (SECR).

In addition we have practices and policies in place to reduce or maintain low emissions:

- Lower Carbon Cloud Services - we deliver support and host software on cloud services, chosen in-part for their carbon-reduction plans. We select data centre locations that optimise those reductions based on data and reporting available from our Cloud Service Provider (AWS). Our hosted services also show as running on 'green energy' by the green web foundation[6].

  We note that AWS also provide a AWS Customer Carbon Footprint Tool[7], which provides an estimate of the Scope 1 and 2 emissions of our services provided on the AWS infrastructure - these show our annual emissions as zero kgCO2e. This could in principle provide us with a more accurate Product Carbon Footprint (PCF) estimate of the carbon impact of our use of AWS services - rather than the less accurate spend-based Scope 3 methodology currently used. However, as there is no detailed published methodology for the assessments and it does not include AWS's own Scope 3 emissions, we do not use these values in our footprint assessment.

  We recognise the operational impact of our service/software design choices we make and aim to design efficiently. We deliberately scale services to meet the need, not adding additional resources that increase costs and energy use/carbon emissions. For example: We actively look to minimise costs for clients, with the engineering choices we make, this includes minimising the infrastructural footprint of the cloud infrastructure and turning off development infrastructure when it is not actively being used, we use cost as a proxy for the energy-use of these services.

- We use computer hardware and other equipment for as long as is practical which reduces the embodied carbon emissions of purchasing equipment, e.g. the average lifetime of our laptops is about 5-7 years where Life Cycle Assessments for laptops and desktops equipment generally assume 4 years[8]. Where possible equipment is gifted for continued use when replaced, e.g. laptops and other office equipment is generally gifted to staff, educational or voluntary organisations or others for continued use, following appropriate information-security assessments.

---

[4] goodenergy.co.uk/blog/carbon-offset-gas-good-for-environment and goodenergy.co.uk/wp-content/uploads/2024/01/GE-Assurance-Document-2022-23.pdf
[5] www.epimorphics.com/sustainability-summary-statement
[6] www.thegreenwebfoundation.org
[7] aws.amazon.com/aws-cost-management/aws-customer-carbon-footprint-tool
[8] e.g. (HP) h20195.www2.hp.com/v2/getpdf.aspx/4AA8-1898ENW.pdf, (Apple) Appendix A of apple.com/environment/pdf/Apple_Environmental_Progress_Report_2023.pdf, (Lenovo) static.lenovo.com/ww/docs/regulatory/eco-declaration/pcf-thinkpad-e15-2nd-intel.pdf

- Travel policy - our travel policy is designed to help minimise carbon emissions. Unless there is a specific business need for face to face meeting, meetings are held using video/audio conferencing technologies. Train is the preferred means of transport for UK based meetings and the use of air transport is kept to a minimum and used only where there are strong business reasons and alternatives (e.g. train) are not appropriate. Business travel is monitored and has been continuously reducing since 2019/20.

- Our Scope 1 and Scope 2 emissions have reduced to zero since Aug 2024 as we have transitioned to fully remote working. This means that our Scope 1 (Gas) and Scope 2 (Electricity) emissions will be reduced to zero kgCO2e/month as of August 2024, because we are closing our office in Portishead, this is a consequence of the trend to homeworking during and following the COVID 19 period.

In the future we plan to implement further measures including:

- We are aware that our move to fully remote working may mean an increase in business travel emissions due to travel to and from hired meeting and hot-desk venues. We will monitor business travel on a quarterly basis in order to understand and manage the possible increase in business travel emissions. Meeting and hot desk venue emissions will be tracked and reported as part of our Scope 3 Purchased Goods and Services assessment

- We have updated our business travel claim forms to provide detailed vehicle and journey specific information to enable more accurate emissions information.

- We plan to develop a more accurate and meaningfulful approach to estimating our home-working footprint and in particular home-heating footprint, since this is a major emissions hotspot (96%-70% of PPN 06/21 Scope 3 categories for years 2020/21 through 2023/24), and develop an approach to support staff so that we can work to reduce the associated emissions.

- We assess, manage our ESG (Environmental, Social and Governance) risk and compliance, and manage our corporate sustainability goals using the Ecovadis platform, which are available to other scheme members.

- While Scope 3 Category 1 (purchased goods and services) is not part of PPN 06/21 reporting it is approximately 70% of our overall validated carbon footprint. To improve our Category 1 reporting, we plan to move to using product carbon footprints (PCF) for supply chain purchases, where that's possible and reliable, rather than the highly inaccurate spend based method. We will work with our footprint verifiers to ensure that those used are appropriate and meet required standards.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21[9] and associated guidance and reporting standard for Carbon Reduction Plans.

[9] gov.uk/government/publications/procurement-policy-note-0621

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[10] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[11].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required 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[12].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors.

Signed on behalf of Epimorphics Ltd by

Alexander Coley (Managing Director)

Date: 02/06/2025

This Carbon Reduction Plan document and updated versions can be found on our website at: www.epimorphics.com/carbon-reduction-plan

[10] ghgprotocol.org/corporate-standard
[11] gov.uk/government/collections/government-conversion-factors-for-company-reporting
[12] ghgprotocol.org/standards/scope-3-standard