Exponential-e Carbon Reduction Plan

Contents

Executive Summary

This Carbon Reduction Plan has been produced in response to Procurement Policy Note (PPN) 06/21 which specifies how Exponential-e shall have a plan to manage Greenhouse Gas (GHG) emissions and have a commitment to Net Zero emissions by 2050 to bid for in-scope Government contracts.

Exponential-e are committed to accurately quantifying all our significant emissions and taking pro-active steps to achieve reductions. We are also committed to achieving carbon neutrality by 2030 at the very latest, but once a full review of current and historic emissions has been completed, we will be able to purchase verified carbon offsets that enable neutrality in line with PAS 2060 to be achieved for 2023.

Exponential-e have set 1st January 2017 – 31st December 2017 as its baseline. This is to coincide with an expansion at its head office resulting in increase in emissions. Emissions from 2021 and details of reduction initiatives that were in affect during this reporting period have been detailed in the main body of the report. More focus has been applied on 2019 reporting year in this CRP as a comparison going forward to take account of the impact of COVID-19 on emission levels and trends. Travel restrictions significantly impacted emissions associated with travel in 2020 and 2021.
Quantification in this CRP follows ISO 14064-1 2019 methodologies. Emissions from reporting periods 2017 to 2021 are:

	2017	2018	2019	2020	2021
Total Emissions (tCO2e)	411.04	327.98	341.03	270.45	377.8

		2017	2018	2019	2020	2021
Change from Previous Year (Total tCO2e)	tCO2e	-	- 83.06	+ 13.05	- 70.58	+13.77
	%	-	- 20.21	+ 3.98	- 20.70	+4.05
Change from Baseline Year (Total tCO2e)	tCO2e	-	- 83.06	- 70.01	- 140.59	-69.88
	%	-	- 20.21	- 17.03	- 34.20	-19.59

Exponential-e have set the following absolute reduction targets based on its most significant emission sources.

- Reduce emissions associated with electricity consumption at head office by 5% each year (36.64 tCO2e reduction by 2025 compared with 2019)
- Reduce emissions associated with flights for business purposes by 50% by 2025 compared to 2019 (5.56 tCO2e reduction)
- Reduce emissions associated with use of cars for business purposes by 10% by each year relative to 2019 levels by 2025 (44.24 tCO2e reduction)

We project this will lead to total carbon savings of tCO2e 86.44 (25.35%) by 2025 compared with 2019 'current' reporting year and 156.43 tCO2e (38.06%) compared to the 2017 baseline.

Exponential-e are certified to ISO 14001:2015 and ISO 5001:2018 and operate an Environmental Management System to continually improve its energy efficiency and overall environmental performance. This has led to significant energy usage reductions since the baseline via more low-energy use appliances, efficient temperature management and embracing technology that further enables improvements such as virtualisation of data centres.

Other key initiatives we have implemented to reduce its carbon footprint include reducing paper use, safe management of WEEE and hybrid remote working to reduce the need for business travel. The 'Green Team' are a group within Exponential-e that pro-actively engage with staff and incentivise their contribute to sustainability. To further reduce our carbon footprint in the future we are exploring the feasibility to increase EV charging capacity at company premises and to integrate carbon footprint as a key consideration when selecting suppliers.

Introduction

This Carbon Reduction Plan has been prepared in line with Procurement Policy Note (PPN) 06/21 guidance to support the UK Government's commitment to a 100% reduction of Greenhouse Gas (GHG) emissions (compared to 1990 levels) in the UK by 2050. Also referred to as the 'Net Zero' target.

In line with PPN 06/21 guidance Exponential-e has taken steps to understand its environmental impact and carbon footprint relevant to the delivery of relevant contracts as specified in the Public Contracts Regulations 2015.

Exponential-e have committed to the following initiatives:

- Making an organisational commitment to reducing emissions over time to achieve Net Zero before 2050.
- Annually quantifying and declaring emissions of GHGs defined within the Kyoto protocol; carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).
- Developing a Carbon Reduction Plan in line with PPN 06/21 Technical Standard for Completion of Carbon Reduction Plans outlining environmental management measures that will be applied in the performance of relevant contracts and wider business operations
- The Carbon Reduction Plan will be supported and signed off by top management (or equivalent) within the organisation

This Carbon Reduction Plan is based on the UK Government Template. This is Exponential-e's second year annual plan in this format. We will review this plan, including re-quantifying its emissions every 12 months to meet Government requirements of the reporting period of a Carbon Reduction Plan being less than 12 months from the date of commencement of the procurement of a contract. If reporting period is more than 12 months from date of commencement of the procurement, we will provide a justifiable reason why this has occurred.

Full details of how this Carbon Reduction Plan meets the requirements specified in Guidance on adopting and applying the PPN 06/21 – Selection Criteria can be found in Table 1. in the Annex.

Above all else this document is intended to outline the practical steps that Exponential-e are taking, have taken in the past, or are committed to implementing, to result in an absolute reduction in its GHG emissions. This plan is intended as a complimentary document to Exponential-e's Sustainability Strategy and Environmental and Energy Review.

Exponential-e Overview

Exponential-e leverages its own network to deliver business critical services including Network Connectivity, Cloud, and Voice. The difference is our own enterprise-class Cloud, Voice infrastructure and 100GigE Ethernet carrier-class network. We have integrated these technologies to deliver a non-stop compute platform for our clients, supported by true end-to-end Service Level Agreements (SLAs).

We can define the way technology is used to deliver multiple services over one connection over our own network. Our fusion of complementary technologies, a carrier-class network and Cloud infrastructure, means we can deliver enterprise applications at wire speed for a superior end-user experience.

The company was founded in 2002 as a communications technology services provider with the following mission: To be formally acknowledged among our peers, competitors, and clients as the most advanced and innovative business technology enabler in Europe. We never deviate from our mission and work tirelessly to improve our efforts and ensure that we become a trusted supplier for all our customers.

Our mission goal is supported by our brand promise: Constantly exceeding expectations with innovation and service.

Today, having a projected turnover of £171m and over 670 employees, we deliver leading edge solutions for more than 3,800 customers in sectors such as: financial trading, broadcast media, insurance, legal, education, hospitality, the arts, and public sector. We design, deliver, manage, and support IT solutions, both simple and complex, to international standards ISO9001 – QMS, ISO27001 – ISMS, ISO20000-1 – ITMS, ISO22301 – BCMS, BS10012 – PIMS, ISO27017 – ITST, CSA STAR – Cloud Security, ISO14001 – EMS, ISO50001 – EnMS, HSCN – NHS, CCA Global Standards – Customer Services, HMG Cyber Essentials Plus and PCI DSS - Service Provider into some of the largest companies in the world.

Our Mission

Achieve the status whereby Exponential-e is formally acknowledged among our peers, competitors & clients as the most advanced & innovative business technology enabler in the world. A ‘world-class’ IT Service Provider.

Scope

Carbon Reduction Plan: Organisational Boundaries

In line with ISO14064-1:2019 organisational boundaries have been established to identify facilities and the associated business activities that are to be included when quantifying’s GHG emissions and setting reduction targets. The control approach has been taken. All significant emissions from sources which Exponential-e have operational or financial control over have been included within this Carbon Reduction Plan (CRP).

The scope of this CRP mirrors the scope of our ISO 14001:2015 and ISO 50001:2018 Environmental Management System (EMS):

Environmental Management System (EMS) and Carbon Reduction Plan (CRP) apply in supporting the design, provision, delivery, support and maintenance of bespoke ICT, managed IT, and professional services for corporate enterprises in the UK and Internationally. Services include Connectivity, Private Cloud and Co-location, Voice & Unified Communications Collaboration and Cyber Security.

The business is conducted at:
London Head Office (Basement, Ground, 2nd, 5th, 6th & 7th Floor), 100 Leman Street, London, E1 8EU

Commitment to achieving Net Zero

Exponential-e is committed to achieving Net Zero emissions for the reporting period 2030 at the latest. Emissions will be reviewed annually to maintaining our commitment to carbon neutrality. This commitment will be supported by the quantification of Scope 1, Scope 2 and relevant Scope 3 emissions. Following the quantification and reduction of emissions, Exponential-e will purchase carbon credits from a credible source(s) that has been verified by a third-party, and meets the PAS 2060 requirements of additionality, permanence, leakage, and double counting.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases (GHGs) 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 historic emissions reductions can be measured. The baseline emissions footprint period is January 1st 2017 – 31st December 31st 2017. All subsequent reporting periods are based on the calendar year.

Exponential-e have been monitoring energy use and overall carbon footprint, including that associated with business travel, since 2015. The baseline of 2017 has been chosen to correspond with the company acquiring an additional floor (2nd floor) within its premises. The acquisition resulted in an increased absolute energy consumption compared to previous years, hence the setting of a new baseline. Specific emissions sources that were included in the baseline are detailed below.

GHG emissions have calculated in-line with ISO14064:1 methodology and presented in a GHG Inventory displaying specific sources of emissions, sub-divided into Scope 1, Scope 2 and Scope 3 as defined in the GHG Protocol. UK conversion factors from the Department for Business, Energy and Industrial Strategy were be used to convert metrics into kilograms of carbon dioxide equivalent (kgCO2e) as well as directly into kg of carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O) where appropriate. Emissions are calculated by multiplying the metric (e.g., kWh or miles driven) by the appropriate conversion factor. Conversion factors are based on the global warming potential of these gases. Where data allows, every effort has been made to ensure the relevant conversion factor has been applied depending on the reporting year and metric in question. This GHG Inventory will be regularly updated if new data are obtained, or more accurate methods of quantification are identified.

$$tCO_2e = metric\ x\ emission\ facto$$

More details on calculations and assumptions associated with specific emission sources can be viewed in Table 2. in the Annex. Energy use and emission that have been included within this CRP also meet the minimum requirements of SECR reporting as specified in UK Environmental Reporting Guidelines.

Baseline Year: 2017 (1st January 2017 – 31st December 2017)		
EMISSIONS	**TOTAL (tCO_2e)**	**Included Sources**
Scope 1	N/A	No Scope 1 emissions were recorded in the Baseline. No vehicles are owned by the company, so no mobile combustion occurred. No form of stationary combustion was recorded as no gas is used at company premises for heating or other purposes. Data on fugitive emissions is currently unavailable but Exponential-e are currently liaising with the landlord to establish if any leaks from refrigerant systems have occurred.

Scope 2	221.42 tCO_2e	Electricity consumption from head office
Scope 3	189.63 tCO_2e	Travel by staff conducting activities on behalf of Exponential-e, in vehicles not owned by Exponential-e. Modes of transport included in the baseline are: - Flights - Cars (grey fleet) - Taxi journeys - Rail (national) - Rail (London underground) Paper consumption (printing) Waste disposal and treatment Transmission and distribution losses in the electrical grid
Total Emissions	**411.04 tCO_2e**	

Accuracy and Baseline Review

In line with the principle of accuracy within ISO14064-1, emissions figures, and the data behind them, are being continually reviewed to establish the most realistic representation of Exponential-e's true emissions figure. Where more accurate methods or data are identified the figures will be amended to reflect this.

As specified in ISO 14064-1 a baseline review will be conducted if there are substantial cumulative changes in base-year emissions resulting from a change in organisational boundaries. In-keeping with the accuracy and completeness principles, if a new methodology is identified that yields more accurate results it will be applied to the baseline review.

Post-Baseline Emissions Reporting

The table below gives an overview of specific emission sources that have been included within each reporting period. In response to COVID-19 restrictions, a significant proportion of staff were working from home from March in 2020. Despite a rise in 2019, total emissions have fallen by **140.59 tCO2e (34.20%)** compared to the baseline. All figures here are subject to change as we continually review data and methodologies to obtain the most accurate figures.

Scope	Emission Source	Running Annual Emissions (Tonnes CO2e)				
		2017	2018	2019	2020	2021
2	Electricity Consumption	202.49	164.23	149.29	102.77	123.55
3	Travel - Claimed Flights	2.46	10.4	11.11	2.41	1.37
	Travel - Claimed Cars	53.3	75.07	108.04	41.79	19.98
	Travel - Claimed Taxi	1.29	1.3	0.65	0.64	1.2
	Travel - Claimed Trains	0.09	0.12	0.05	0.25	0.95
	Travel - Claimed Underground	0.04	0.03	0.02	0.08	0.03
	Paper Consumption	5.73	4.53	2.91	0.89	0.29
	Waste Disposal & Treatment	126.69	58.3	56.29	24.19	24.19
	Staff working from home	0	0	0	88.59	40.20
	Electricity Transmission and Distribution	18.93	14.00	12.67	8.84	10.15

	Total Scope 1 Emissions (tCO2e)	**-**	**-**	**-**	**-**	**-**
	Total Scope 2 Emissions (tCO2e)	**202.49**	**164.23**	**149.29**	**102.77**	**155.90**
	Total Scope 3 Emissions (tCO2e)	**208.53**	**163.75**	**191.74**	**167.68**	**195.15**
	Total (Tonnes)	**411.04**	**327.98**	**341.03**	**270.45**	**377.8**

Total emission reductions relative to previous years and to 2017 baseline.

		2017	2018	2019	2020	2021
Change from Previous Year (Total tCO2e)	**tCO2e**	-	- 83.06	+ 13.05	- 70.58	+13.77
	%	-	- 20.21	+ 3.98	- 20.70	+4.05
Change from Baseline Year (Total tCO2e)	**tCO2e**	-	- 83.06	- 70.01	- 140.59	-69.88
	%	-	- 20.21	- 17.03	- 34.20	-19.59

Exponential-e electricity consumption between 2017 baseline and 2021; The table below is the 5-year breakdown of our energy consumption. We are on target with our 2017 baseline and forecast.

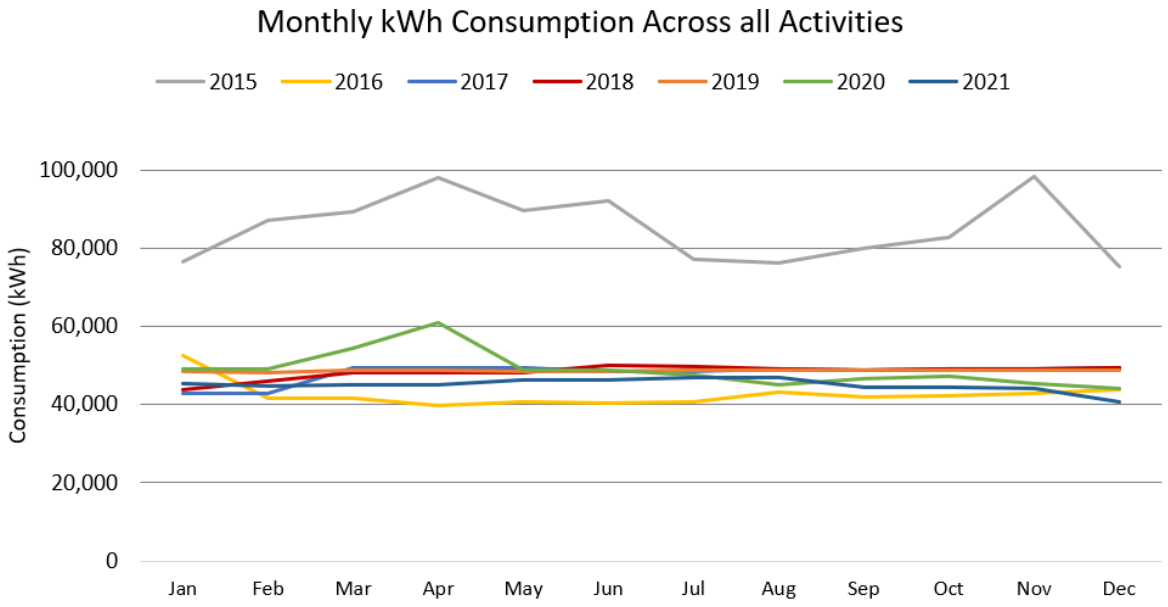
Year	kWh - Office Consumption	kWh - WFH Consumption	kWh - Total Consumption *Office &WFH*	kWh /Employee	Kg CO_2e - Total Consumption	**Kg CO_2e /Employee**	**Note**
2016	511,891	-	511,691	104.02	229.91	46.74	Motion sensors implemented
2017	**576,847**	**-**	**576,867**	**105.08**	**221.42**	**40.40**	**Acquired 2nd Floor – New Baseline**
2018	580,631	-	580.631	95.62	178.23	29.37	Equipment upgrade to energy efficient equipt
2019	584,073	-	584,073	88.75	161.91	20.69	Refurb of 5th Floor & lighting upgrade
2020	440,805	145,984	586,789	96.02	148.57	21.95	Covid19 – Offices Closed
2021	350,754	189,328	540,082	86.56	123.55	18.38	Hybrid working

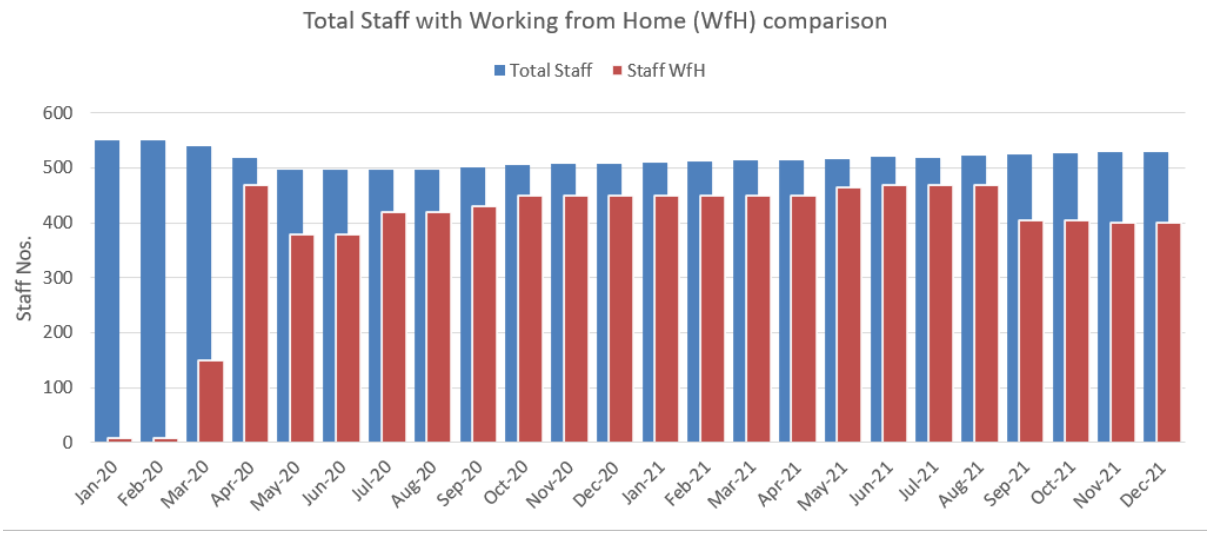
Although total kWh consumption increased in 2018 and 2019 compared to the baseline, kWh intensity has decreased per employee thanks to energy saving measures implemented through Exponential-e's Energy Management System. A passive reduction in CO2e has also occurred due to decarbonisation of the UK electricity supply, with renewables contributing to the grid more compared to previous years.

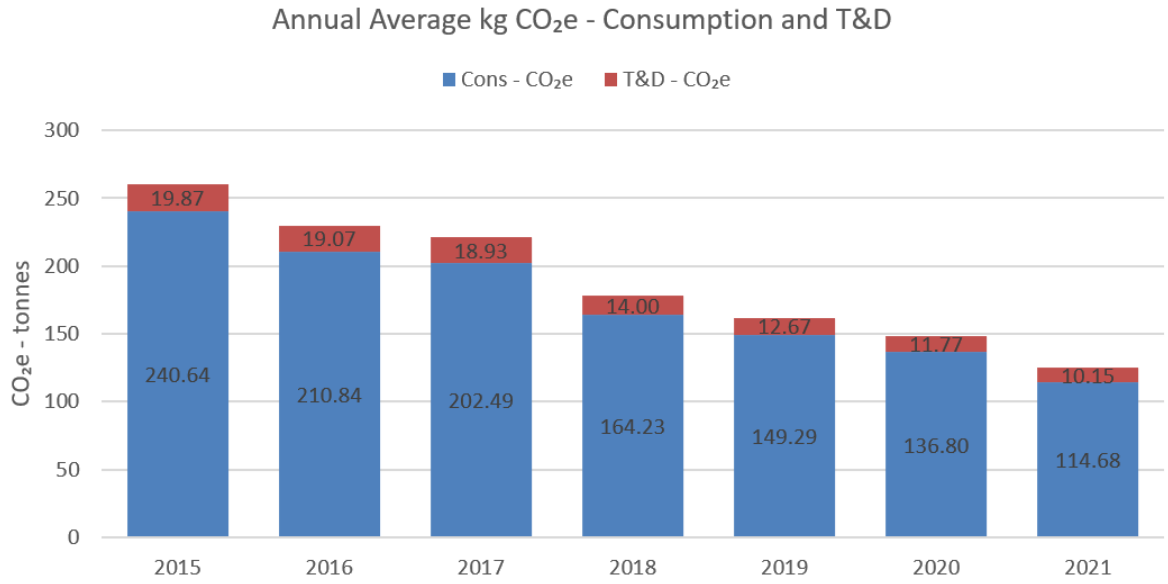
The graphs below detail 2021 electricity consumption compared against the 2017 baseline. Electricity consumed at company premises was lower in 2020 due to COVID-19 restrictions.

Notes & Assumptions:

1. *Electricity data obtained from meters*
2. *CO2e conversion factors obtained from UK Government GHG Conversion Factors for Company Reporting - conversion factors are amended year on year*
3. *kWh per staff - staff numbers reviewed monthly, average calculated*
4. *kWh against revenue - reviewed monthly, average calculated*
5. *Working from Home calculations based on an average of 200watts per hour per person*


Monthly kWh Consumption Across all Activities
2015
2016
2017
2018
2019
2020
2021
Consumption (kWh)
100,000
80,000
60,000
40,000
20,000
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec


Total Staff with Working from Home (WfH) comparison
Total Staff
Staff WfH
Staff Nos.
600
500
400
300
200
100
0
Jan-20
Feb-20
Mar-20
Apr-20
May-20
Jun-20
Jul-20
Aug-20
Sep-20
Oct-20
Nov-20
Dec-20
Jan-21
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
Sep-21
Oct-21
Nov-21
Dec-21


Annual Average kg CO₂e - Consumption and T&D
Cons - CO₂e
T&D - CO₂e
CO₂e - tonnes
300
250
200
150
100
50
0
19.87
240.64
19.07
210.84
18.93
202.49
14.00
164.23
12.67
149.29
11.77
136.80
10.15
114.68
2015
2016
2017
2018
2019
2020
2021

Emissions Reduction Targets

To account for the impact the COVID-19 pandemic has had on Exponential-e's emissions, particularly in business travel, we have used 2019 as to represent the 'current' reporting year. Emission figures for 2020 are outlined in the Post-Baseline Emissions Reporting Section above and reduction initiatives outlined in the following section were in effect during 2021.

Targets that have been set focus on Exponential-e's largest sources of emissions, energy use and travel.

Target Summary:

Target	Resulting tCO2e reduction by 2025 compared to 2019
Reduce emissions associated with electricity consumption at head office by 5% each year	36.64
Reduce emissions associated with flights for business purposes by 50% by 2025 compared to 2019	5.56
Reduce emissions associated with use of cars for business purposes by 10% by each year relative to 2019 levels by 2025	44.24
Total Reduction (tCO2e)	**86.44 (25.35%)**

To continue our progress to achieving carbon neutrality and to support the UK Government's Net Zero by 2050 goal, we have adopted the following carbon reduction targets.

Energy Reduction

As previously mentioned, electricity consumption from company premises significantly reduced in 2020 and 2021 due to staff working from home in response to COVID-19 restrictions. Hybrid working is now BAU for Exponential-e and although there are uncertainties associated with how COVID-19 will affect the mix of office/home working, it is likely that direct energy consumption will continue to fall when coupled with the energy efficiency improvements that are continually being made. It should also be noted that passive reductions will occur because of the decarbonisation of the UK electricity supply.

The following target is based on the Exponential-e Energy Review Assessment forecast but acknowledges that there are uncertainties associated with COVID-19.

Target: Reduce emissions associated with electricity consumption at head office by 5% each year compared to 2019

This will reduce emissions by 36.64 tCO2e by 2025, compared to 2019. This includes emissions associated with transmission and distribution. Measures are being taken to acquire data on energy consumption from Exponential-e's data centres and incorporate this into the organisation's Scope 3 emission figures.

An additional objective is to establish if the electricity supply to company premises comes from 100% renewables. This will be achieved via liaising with the landlord/facilities management to encourage a switch to a 100% renewable electricity provider.

Business Travel Reduction

COVID-19 has highlighted the feasibility of working from home for many job roles at Exponential-e. Due to this, business travel has significantly reduced and is likely to remain low for the foreseeable future. Virtual meetings and remote working have reduced the need for business travel to occur, particularly on an international scale. Due to travel restrictions, emissions associated with flights in 2020 fell by 4.61 tCO2e (78.30%) compared to 2019.

Target: Reduce emissions associated with business flights by 50% by 2025 compared to 2019

This will reduce emissions by 5.56 tCO2e by 2025 compared with 2019. 2019 Has been chosen here to reflect pre-COVID-19 levels of travel, which were increasing year on year compared to the 2017 baseline. A more conservative target has been applied here to reflect the uncertainty the pandemic may have on international travel. Exponential-e are committee to avoiding unnecessary international travel.

Target: Reduce emissions associated with use of cars for business purposes by 10% by each year relative to 2019 levels by 2025

This will reduce emissions by 44.24 tCO2e by 2025 compared to 2019. This is an ambitious target considering emissions associated with car use were increasing year on year pre-pandemic but has been set due to the likely passive reductions associated with increased hybrid/EV use, and the reduced need for commuting as hybrid (remote) working becomes the new BAU for many staff. To improve the accuracy of data collection a survey is being developed to establish the type of car each member of staff uses for business travel and commuting.

Overall Reduction

We project that emissions will decrease by 156.43 tCO2e (38.06%) compared to the 2017 baseline by 2025.

We project that emissions will decrease by 86.44 tCO2e (25.35%) compared to the 2019 'current' reporting year by 2025

Although pro-active steps are being taken to reduce emissions associated with the following areas (see Completed Carbon Reduction Initiatives section) reduction targets have not been set in this CRP for the activities below as they account for approximately 1% of total emissions. A higher priority is assigned to energy and travel as these sources account for most emissions.

- Taxi journeys
- Train journeys (national)
- Train journeys (London underground)
- Paper consumption

EMS Objectives

Exponential-e is committing to quantifying its emissions each year to gauge the success of its Carbon Reduction Plan and overall EMS and EnMS. Remaining emission will then be offset with certified carbon credits to achieve and maintain carbon neutrality for each reporting period. The priority objective now is the continue reduction of emissions and overall improvements in energy efficiency.

Offsets will be purchased prior to a final review of the data to ensure no underestimations or significant exclusions occur.

To further support the CRP targets and the commitment to managing our carbon footprint and overall environmental performance, Exponential-e have produced an Environmental Policy with the following objectives.

- Conduct our activities in full knowledge of and compliance with environmental regulations.
- Where practical monitor the environmental effects from our activities to identify potential for improvement throughout the company.
- Integrate environmental considerations and objectives into all our business decisions where appropriate.
- Minimise consumption of natural resources and wastage of materials as far as economically practicable.
- Encourage awareness and commitment to improved environmental performance amongst our people, our suppliers, and our clients.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2017 baseline. The carbon emission reduction achieved by these schemes equate to **140.57 tCO_2e (34.20%)** compared with 2021.
Although this is a significant reduction, a more representative comparison that considers the impacts of COVID-19 on emissions are with the 2019 figure. In 2019 emissions fell by **69.99 tCO2e (17.03%)** compared to the 2017 baseline.

The measures that have been taken to reduce emissions will continue to be in effect during the delivery of future contracts and are continually being improved upon.

Exponential-e are certified to ISO14001 – EMS and ISO50001 – EnMS. This enables us to improve our environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders. Continual improvement is a key principle of Exponential-e's operations. This drives the us to seek improved performance in all aspects of the company including carbon management.

Energy

- Investment in latest energy efficient technology for printing. The efficiency of this technology combined with the 'Think before you print' policy also reduces waste associated with printing.
- Energy efficient appliances installed in kitchen facilities. Energy intensive appliances such as toasters and sandwich makers are not permitted.
- Investment in energy efficient lighting and systems to reduce energy efficiency further
- As part of Exponential-e's lease agreement, the landlord has carried out various upgrades that have contributed towards improved energy efficiency of the building. These upgrades include sliding doors, upgraded lifts, filtration on climate control and upgrade to installed boiler system

- Energy consumption is managed through Exponential-e's ISO 50001 Energy Management System. Each electrical item is itemised, and its associated power consumption recorded.

Waste

- 'Think before you print' and Clean Desk policy introduced to reduce the need for printing and the waste associated with it.
- A single waste bin is located on each floor next to the recycling facilities. This encourages conformity with the waste hierarchy through behaviour changes (proactive reduction in waste creation) and through recycling.
- Appropriate arrangements have been made on each floor to enable to collection of recyclable material
- WEEE is re-used/recycled where appropriate in-line with the waste hierarchy. WEEE is donated to third-world countries where feasible

Travel

- Exponential-e does not provide company cars. This policy forms part of our effort to encourage employees to use public transport or other alternatives such as cycling to work. To promote the latter, we operate a cycle to work scheme and provide secure bike racks and shower facilities.
- A survey is being developed to identify the types of cars staff use for business travel and commuting. This will highlight the proportion of travel that is carried out by fossil fuels/hybrids/EVs
- Continued use of the hybrid-working model and supporting staff's choice to work from home where appropriate and avoid the need to commute. In-line with our company methods of embracing technological solutions, virtual meetings will continue to be BAU for both day-to-day activities as well as with clients, even on an international scale.
- The business encourages meetings by conference call/webinar wherever possible to reduce carbon emissions.
- Homeworking practices have been developed to allow homeworking whilst preserving security of company data and access to IT systems.

Procurement

- The business considers the environmental impact of goods and services within procurement processes. Working with suppliers, contractors and indeed clients to lessen the environmental impact of their operations.

Network and Datacentres

- Exponential-e's national network infrastructure and data centres are critical to our core operation. These house our server and switching equipment, as well as our Virtual Data Centre (VDC). Energy efficient practices and reducing our carbon footprint in these facilities play an important role in Exponential-e achieving environmental

sustainability. This is ensured as follows:

- All Exponential-e data centre environments are housed with ISO14001 accredited organisations which operate robust environmental management systems.
- Power is procured from sustainable/renewable energy sources wherever possible.
- Ensuring the use of hot/cold aisle cooling design. This methodology is proven to reduce energy consumption as the cooling is more efficient. This approach ensures that both Exponential-e and our clients can reduce their carbon footprint.
- The latest virtualisation technologies are employed to ensure the most efficient use of hardware. Our VDC delivers dedicated processing instead of having multiple, underused physical servers, helping to minimise environmental impact.

Future Carbon Reduction Initiatives

In line with our ISO 14001:2015 environmental policy, we are committed to continually improving our environmental performance and energy efficiency. To support this commitment, we are planning to develop and implement the additional environmental management measures in the future.

Exponential-e have identified water as a significant environmental aspect that requires increased data visibility. Historic arrangements with the landlord have hindered accurate data collection, hence why water is not included within the scope of this CRP. Water use has been removed from monitoring but will be investigated in the future.

Encouraging staff's transition away from fossil fuel powered vehicles and towards hybrids/EVs. This will be supported by liaising with landlords to increase the available charging capacity at company premises. A survey is being developed to gauge what specific vehicles staff use for business travel, this will enable more accurate emission quantification.

Future objectives have been established or considered; however, some of these are on hold due to Covid-19.

- Leman Street Office Expansion & Refurb
- Waste Management
- Conduct CO_2e review of our key products & services
- Develop Social Value & Carbon Reduction Plan which is aligned with Governments PPN requirements.
- Complete National TOMs social value gap analysis
- Align our objectives to United Nations SDG and targets
- Establish SV & CRP monitoring & measures for the supplier chain
- Establish our own Net-Zero t

Continual Improvement Plan has been established with a real-time dashboard where any corrective or preventative actions are logged, managed, and monitored. The dashboard gives a graphical view of all the findings and trends against our ISO certifications. Furthermore, Exponential e will set objectives and assorted programs to ensure the business management system achieves its intended results. Along with this commitment to continual improvement Exponential-e will endeavour to satisfy all applicable legal requirements.

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[i] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[ii].

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[iii].

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

Signed on behalf of the Supplier:

…… Date: 25th July 2022

Annex

Table 1. Features a Carbon Reduction Plan must contain as specified in Guidance on adopting and applying the PPN 06/21 – Selection Criteria

	Requirement	**Exponential-e Response**
1	Carbon Reduction Plan submitted which; confirms the supplier's commitment to achieving Net Zero by 2050	Exponential-e is committed to achieving Net Zero by 2030 at the latest but is aiming to achieve carbon neutrality for reporting period 1st January 2023 – 31st December 2023 and to maintain this state of carbon neutrality for subsequent reporting periods. Exponential-e is committed to implementing this Carbon Reduction Plan as part of its business operations and quantifying emissions annually to gauge its success. To meet the Net Zero target Exponential-e will offset remaining emission with credible and third-party verified carbon credits that meets PAS 2060 requirements.
2	Carbon Reduction Plan submitted which contains emissions reported for all required Scopes (in accordance with the required methodology),	Exponential-e has quantified Scope 1 and Scope 2 emissions as part of its SECR reporting. Scope 3 emissions have also been quantified and included in this Carbon Reduction Plan. Scope 3 emissions quantified and included are detailed Table 2 of the Annex
3	Carbon Reduction Plan submitted which details environmental management and carbon reduction measures in effect during the delivery of the contract and	This Carbon Reduction Plan outlines numerous environmental management and carbon reduction measures. Quantitative targets have been set. These are ambitious but achievable targets and have been assigned expected completion dates. As Exponential-e is a dynamic and ever-changing business looking for new ways to improve it is likely that organisational boundaries will change in the future. These changing boundaries will be accounted for in future reporting.
4	Reporting period is (*sic*) falls no more than 12 months prior to the date of commencement of the procurement	The reporting period of this Carbon Reduction plan is 1st January 2021 to 31st December 2021 (123.55 tCO2e), thus making it valid until the end of 2022. Reduction measures referred to in this CRP were in effect during 2022. Emissions from 2017 to 2020 have been quantified and included in this CRP. As explained within the body of the document, more focus has been applied to 2019 as this is a more accurate representation of Exponential-e's BAU emissions and emission trends as an organisation. The 2020 pandemic has skewed trends. Exponential-e have been monitoring emissions since 2015 but 2017 was chosen as an updated baseline to account for an expansion in the size of its premises.

		Emissions for 2022 are currently being quantified and this Carbon Reduction Plan will be reviewed, and necessary updates made prior to it being applied to contacts starting 12 months after the initial (baseline) reporting period. 2022 figures will be added to this and future CRP once the calendar year has ended.
5	Carbon Reduction Plan not submitted	Carbon Reduction Plan will be submitted upon request for relevant contracts. If Carbon Reduction Plan requires updates or amendments because of feedback from tendering process, they will be made in time for submission deadlines. Exponential-e are continually reviewing emission figures to obtain the most accurate, representative, and complete figure that reflects its true carbon footprint.
6	Carbon Reduction Plan fails to confirm supplier's commitment to achieving Net Zero by 2050	See row 1. Exponential-e are fully committed to achieve carbon neutral status by 2030 at the latest but are taking pro-active steps to reduce emissions and achieve carbon neutrality by 2030 at the latest
7	Emissions in the Carbon Reduction Plan are not reported for any Scopes or only for some Scopes without explanation why	Emissions have been reported for Scope 2 and 3 sources. Data for emissions were from primary sources including bills, meter readings and expense claims. Scope 3 emissions that have been excluded are detailed in Table 2 No Scope 1 mobile/stationary combustion occurred. Measures are being taken to establish if fugitive emissions have occurred from F-gas leaks in A/C systems. As with the head office water supply, Exponential-e do not have any control over the A/C system in its office. Despite this lack of control contact has been made with the landlord to identify if any F-gas leaks have occurred.
8	Emissions in the Carbon Reduction Plan not reported for any Scopes or only for some Scopes, but supplier provides an acceptable explanation why	Scope 1 and Scope 3 exclusions are detailed in Table 2 below.
9	Reporting period is more than 12 months from the date of commencement of the procurement	See row 5 Emissions from 2017 – 2021 have been included within this CRP. More focus is applied to reporting period 2019 to reflect the impact of COVID-19 on emissions and to provide a more accurate representation of emission trends.
10	Reporting period is more than 12 months from the date of commencement of the procurement, **but provides an acceptable explanation why**	See row 5 and 9 If reporting period for contracts exceeds allowable time, an acceptable explanation will be provided.

11	Supplier **fails to detail the environmental management measures in effect**, including certification schemes or specific carbon reduction measures that will be in effect during the performance of the contract	Environmental management measures are detailed in the main body of this CRP. Measures are subdivided into categories. All measures will be in effect during the performance of the contract unless they become redundant or are replaced with a more effective measure.

Table 2. Emission category descriptions, inclusion/exclusions, justifications for exclusions and calculation details. Table adapted from Technical standard for Completion of Carbon Reduction Plans . Full details of category descriptions can be found within this link, which uses Scope categories from the GHG Protocol. This table has been adapted to include explanation for Scope 1 exclusions.

1. Direct GHG emissions: Exclusions	
Stationary/mobile combustion:	No gas burnt at head office for heating. Exponential-e does not directly own any vehicles or equipment that would fall under mobile combustion.
Direct process emissions from industrial processes:	Not relevant to scope of Exponential-e's business activities
Direct fugitive emissions:	No recorded F-gas leaks at company premises. Lack of control over acquisition of data has hindered Exponential-e's ability to confirm whether F-gas leaks have occurred in head office A/C systems. Pro-active communication with the landlord is taking place to identify if F-gas leaks have occurred. If they are identified they will be added into this CRP and future GHG reports.
Direct emissions from land use, land use change and forestry:	Not relevant to scope of Exponential-e's business activities
4. Upstream transportation and distribution	
Transportation and distribution of products purchased by the reporting company in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company) Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by the reporting company)	
Minimum Boundary	The scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use) Optional: The life cycle

	emissions associated with manufacturing vehicles, facilities, or infrastructure
Included/ Excluded	Excluded
Justification and Calculation Details	Exponential-e is not responsible for any mobile combustion as it does not directly own any vehicles. Exponential-e does not produce or distribute any physical products. Data is currently being collected in purchased goods and the embedded emissions within them.
5. Waste generated in operations	
Disposal and treatment of waste generated in the reporting company's operations in the reporting year (in facilities not owned or controlled by the reporting company)	
Minimum Boundary	The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment Optional: Emissions from transportation of waste
Included/ Excluded	Included
Justification and Calculation Details	Emissions from the disposal and treatment of waste has been included as part of this CRP. Waste streams included within calculations are general waste and recyclables from premises.
6. Business travel	
Transportation of employees for business related activities during the reporting year (in vehicles not owned or operated by the reporting company)	
Minimum Boundary	The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use) Optional: The life cycle emissions associated with manufacturing vehicles or infrastructure
Included/ Excluded	Included
Justification and Calculation Details	Emissions associated with business travel have been included within this CRP. Life cycle emissions associated with vehicles used by, but not owned by Exponential-e have not

	been calculated as these are deemed out of the organisational boundaries.
7. Employee commuting	
Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company)	
Minimum Boundary	The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use) Optional: Emissions from employee teleworking
Included / Excluded	Excluded
Justification and Calculation Details	Scope 3 emissions associated with transportation for business travel and have been included but these do not refer to commuting. Primary data was obtained from expense reports. We are currently collecting data to establish staffs' method of commuting and the associated mileage. When data on commuting becomes available it will be added into this CRP and Exponential-e's general emission reporting.

References

Title:	Carbon Reduction Plan – GOV.UK
Source:	UK Government
URL:	CRP Template

Title:	Green House Gases (GHG)
Source:	GHG Protocol
URL:	https://ghgprotocol.org/corporate-standard

Title:	Government conversion factors for company reporting
Source:	UK Government
URL:	https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Title:	Green House Gases Standard & Scope
Source:	Green Houses Gases Standards
URL:	https://ghgprotocol.org/standards/scope-3-standard

Title:	Exponential-e Environmental monitoring & measure
Source:	Exponential-e internal Data
URL:	Exponential-e Environmental monitoring & measure

Title:	Exponential-e Energy Review
Source:	Exponential-e Internal Data
URL:	Exponential-e Energy Review

Document Control Information

Version	Date	Description
1.0	07/09/2021	Initial document creation
1.1	29/10/2021	Minor updates following feedback from interested parties and minor updates to monitoring & measures.
1.2	05/11/2021	Minor updates to the executive summary, scope and targets.
1.3	11/02/2022	Minor updates to include 2021 emissions and updated the consumptions to include working from home.
1.4	25/07/2022	Interim 2nd Year Plan with updated statistics for 2021 now included. A further review will be carried out at in Sept 2022 at the scheduled annual review point.
	Click here	
	Click here	
	Click here	
	Click here	
	Click here	
	Click here	
	Click here	
	Click here	

[i] https://ghgprotocol.org/corporate-standard
[ii] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[iii] https://ghgprotocol.org/standards/scope-3-standard