Regen sustainability task force – 2021 GHG emissions report

1.1 Summary

Regen is making progress towards our Net Zero goals. The assessment for Regen's 2021 greenhouse gas emissions shows a considerable reduction of 37% compared to the last "normal" year of company operation in 2019. However, there is an increase compared to 2020's pandemic-influenced emissions.

A significant number of company practices have changed over the past two years in the transition to a post-COVID world; the move away from in-person events and the switch to flexible working being the standard have changed the predominant sources of emissions and also challenged how we accurately estimate these areas.

Projected emissions show that an increase in the number of events and a return to the office means that there is a risk we will struggle to make significant reductions in the immediate future. Further actions will be needed to tackle the other main sources of emissions; insurance and pensions funds; office heating and office food and drink.

A key issue for small companies is the ability to influence their landlord. The building we lease offices in has been sold and we are hoping there will be more interest from the new landlord in reducing heating emissions.

Another key challenge is the data to track emissions. For example, our reporting uses a national baseline figures for scope 3 emissions from pensions. Regen has the uptake of ESG based pensions, and Aviva, Regen's pensions provider, have been reducing the emissions of their own investments but there is not yet a new emissions factor to reflect this, all meaning that emissions in this area are likely much lower than assessed. Likewise, office food and drink is very likely an overestimate due to a benchmark emissions factor that doesn't consider local sourcing and the reduction of meat consumption. We will aim to address these issues in the 2022 report.

The Sustainability Task Force and wider team have been responsible for achieving 12 actions from the 2020's action plan.

Table 1: Change in gross emissions

	2019 ($kgCO_2e$)	2020 ($kgCO_2e$)	2021 ($kgCO_2e$)	2021 relative to 2019
Scope 1	4,608	4,538	6,129	+33%
Scope 2	3,324	2,134	2,072	-38%
Scope 3	94,017	48,713	56,041	-40%
Total	101,950	55,385	64,241	-37%

Figure 1: Regen projected emissions out to 2030

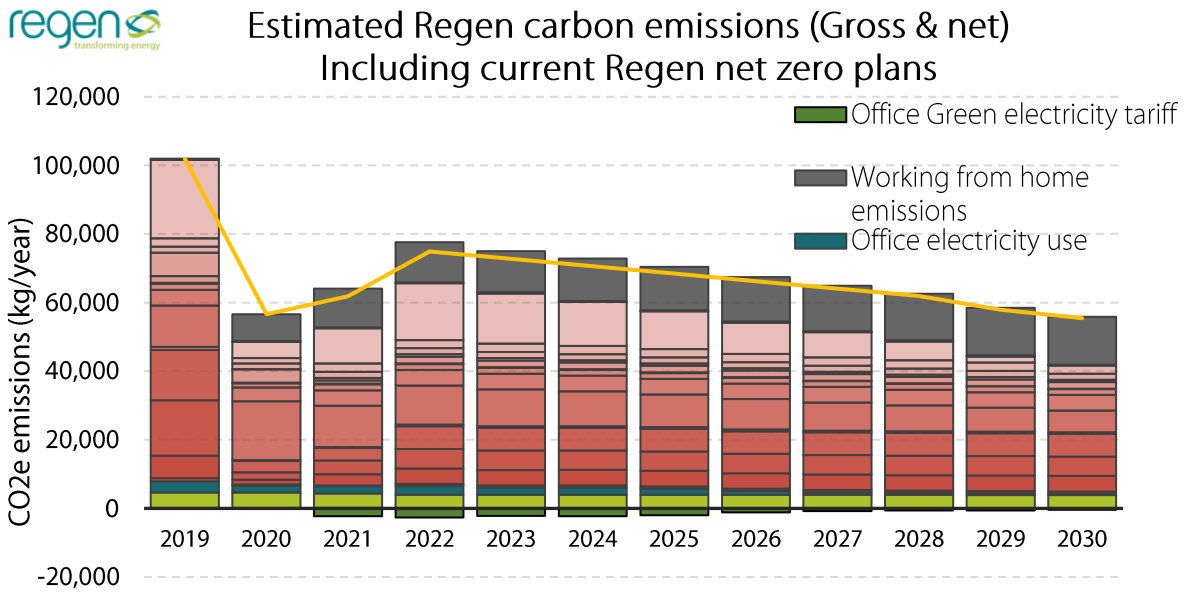


Figure 1 shows the estimated Regen emissions out to 2030 under the current assumptions being taken around the impact of Regen's current guidelines and policies. We are currently not accounting for any potential offsets or the impact of the green electricity tariff has made, as this tariff wasn't in place for the entirety of 2021. This reinforces that there is considerable work to do in bringing down areas of emissions that are heavily reliant on wider societal changes, and in areas where Regen does not have direct control over, such as home working emissions and pensions. Regen's planned net-zero policies are elaborated upon in Appendix A of this report.

1.2 2021 Reporting

Table 2 shows a full breakdown of Regen's 2021 estimated carbon emissions. As with previous years, these have been calculated in line with the current HM Government "Environmental Reporting Guidelines", in addition to the "GHG Reporting Protocol – Corporate Standard" and the Government's 2021 GHG conversion factors. Regen's current Net Zero plan does not incorporate any offsetting, though there is no explicit company policy on this. The reporting methodology also does not consider any potential removals from the green tariff that the organisation has with Ecotricity, though this will be factored into 2022's calculations, as the tariff will have been in place that entire year.

Table 2: Greenhouse gas emissions reporting 2021

Emissions	
Scope 1	6,129
Scope 2	2,072
Scope 3	56,041
Total gross emissions ($kgCO_2e$)	64,241
Removals	
Green electricity tariff	0
Carbon Offsets	0
Total removals ($kgCO_2e$)	0
Total net removals ($kgCO_2e$)	0
Net emissions intensity ($kgCO_2e$/£ turnover)	0.04

Table 3 highlights the three largest areas of emissions currently, and the projected future emissions from them, accounting for Regen's Net Zero Policies, outlined in Appendix A. One key thing to note is the future working from home emissions will be uncertain, as both the decarbonisation of employees homes and the level of working from home are difficult to predict going forward. It has been assumed that the emissions from working from home will

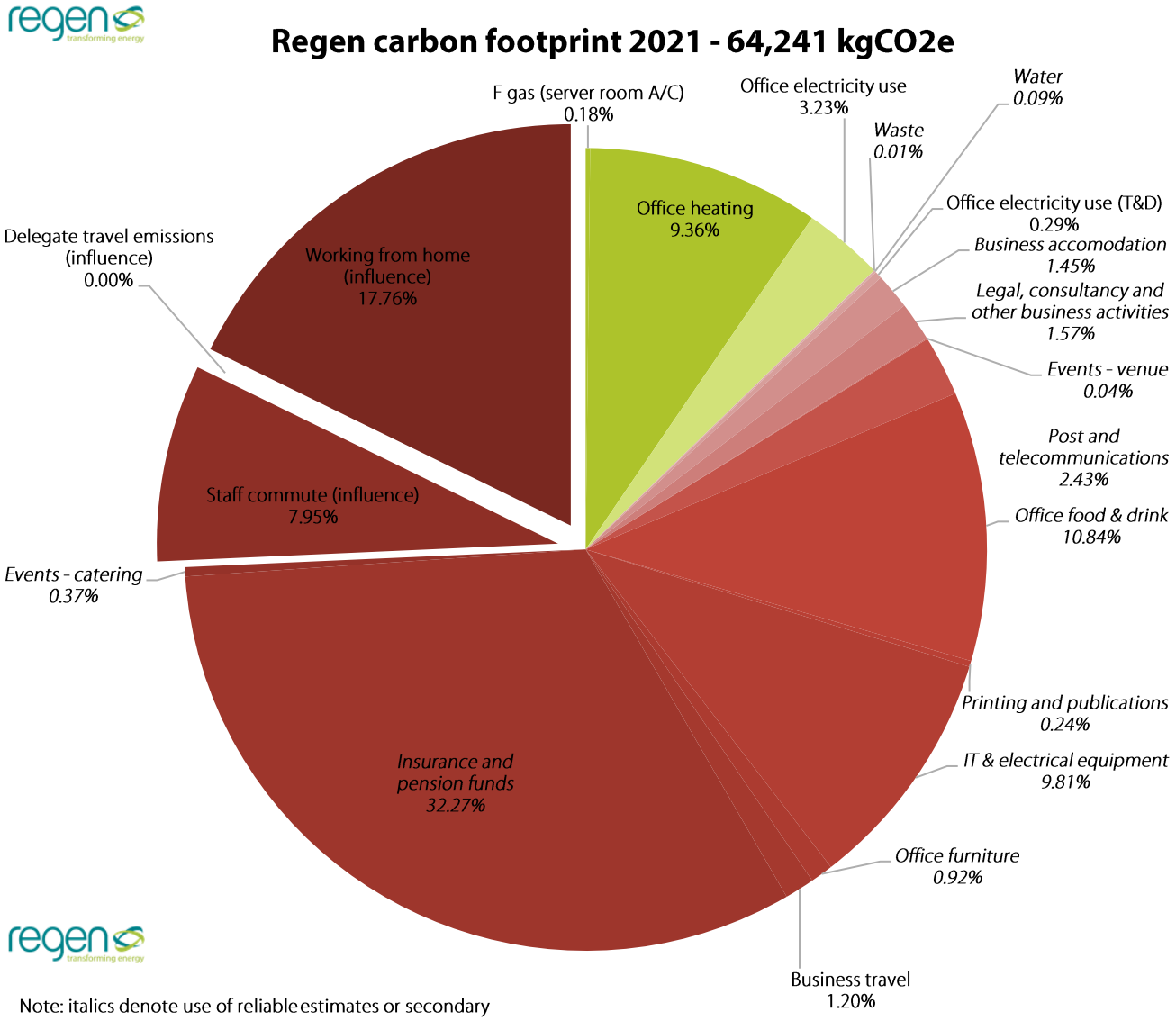
gradually increase, assuming minimal change to home heating systems, steady decarbonisation of the electricity supply, an increase in full time employees to 50 and 50% of staff time being spent working at home, roughly the same as at the end of 2021. Office food and drink emissions are assumed to stay the same as there are currently no policies in place to bring this down. There also needs to be greater detail in the tracking of food and drinking emissions, as currently it is expenditure-based and does not account for dietary differences; and insurance and pension funds are assumed to come down with expected improvements in the accuracy of the emissions factor being used and a gradual conversion from employees to greener funds.

Table 3: Greenhouse gas emissions sources and projections

Top three sources of emissions				Projected emissions				
Source	2019	2020	2021	2022	2024	2026	2028	2030
Working from home (influence)	0	7,859	**11,408**	11,727	12,365	13,003	13,640	13,959
Insurance and pension funds	12,034	17,180	**20,733**	11,400	10,134	8,867	7,600	6,333
Office food and drink	1,955	3,876	**6,964**	6,964	6,964	6,964	6,964	6,964

Figure 2 shows a full breakdown of each sector of emissions, including, pulled slightly out of the pie, areas where Regen doesn't have complete control but does have some level of influence, including staff commute, working from home and delegate travel to events.

Figure 2: 2021 Emissions by sector



Note: italics denote use of reliable estimates or secondary

Summary of assessment method

The following table shows a summary of the assessment method, providing transparency about the accuracy of the data. No significant changes were made to the reporting methodology carried over from 2020.

Table 4: Assessment method for each emissions source

Source of emissions	Scope	Means of assessment	Specific exclusions	% of activity data that is estimated
F gas (server room A/C)	1	Estimate	None	100%
Office heating	1	Estimate - pro rata for m^2 of building	None	100%
Office electricity use	2	Data & estimate	None	30%
Business accomodation	3	Scope 3 screening method	None	100%
Business travel	3	Data - expenses	None	None
Events - catering	3	Scope 3 screening method	None	100%
Events - delegate travel	3	Estimate	None	100%
Events - venue	3	Estimate	None	100%
Insurance and pension funds	3	Scope 3 screening method	None	100%
IT & electrical equipment	3	Scope 3 screening method	None	100%
Legal, consultancy and other business activities	3	Scope 3 screening method	None	100%
Office electricity use (T&D)	3	Data & estimate	None	30%
Office food & drink	3	Scope 3 screening method	None	100%
Office furniture	3	Scope 3 screening method	None	100%
Post and telecommunications	3	Scope 3 screening method	None	100%
Printing and publications	3	Scope 3 screening method	None	100%
Staff commute	3	Data - staff commute survey	None	None
Waste	3	Estimate	None	100%
Water	3	Estimate - pro rata for m^2 of building	None	100%
Working from home	3	Estimate	None	100%

Changes relative to the previous year

2021 saw a return to a more familiar business environment, though the first few months were still significantly impacted by pandemic-related restrictions, and the rest of the year saw considerable changes maintained.

Table 5: Gross emission comparison between 2021 and 2020

Change in gross emissions			
Emissions	**2020**	**2021**	**2021 relative to 2020**
Scope 1	4,538	6,129	35%
Scope 2	2,134	2,072	-3%
Scope 3	48,713	56,041	15%
Total gross emissions (kgCO2e)	55,385	64,241	16%

Below are a few key takeaways from the changes seen in emissions across the three scopes (Green numbers indicate reductions in 2021 compared to 2019, red indicates an increase and orange indicates no change):

Scope 1

Scope 1 emissions			
Emissions	2019	2020	2021
F Gas (server room A/C)	116	116	116
Office heating	4,492	4,422	6,013

Table 6: Scope 1 emissions 2021

- Increase in office heating emissions, compared to both 2019 and 2020. An increase would be expected compared to 2020, but the disparity between 2021 and 2019 is surprising. A new meter was installed part-way through 2019, which might have contributed to the disparity but more investigation is needed in this area.

Scope 2

Scope 2 emissions			
Emissions	2019	2020	2021
Office electricity use	3,324	2,134	2,072

Table 7: Scope 2 emissions 2021

- Slight reduction can be attributed to continual home working, but also the increased emphasis on energy best practice and a reduction in the electricity emissions factor.

Scope 3

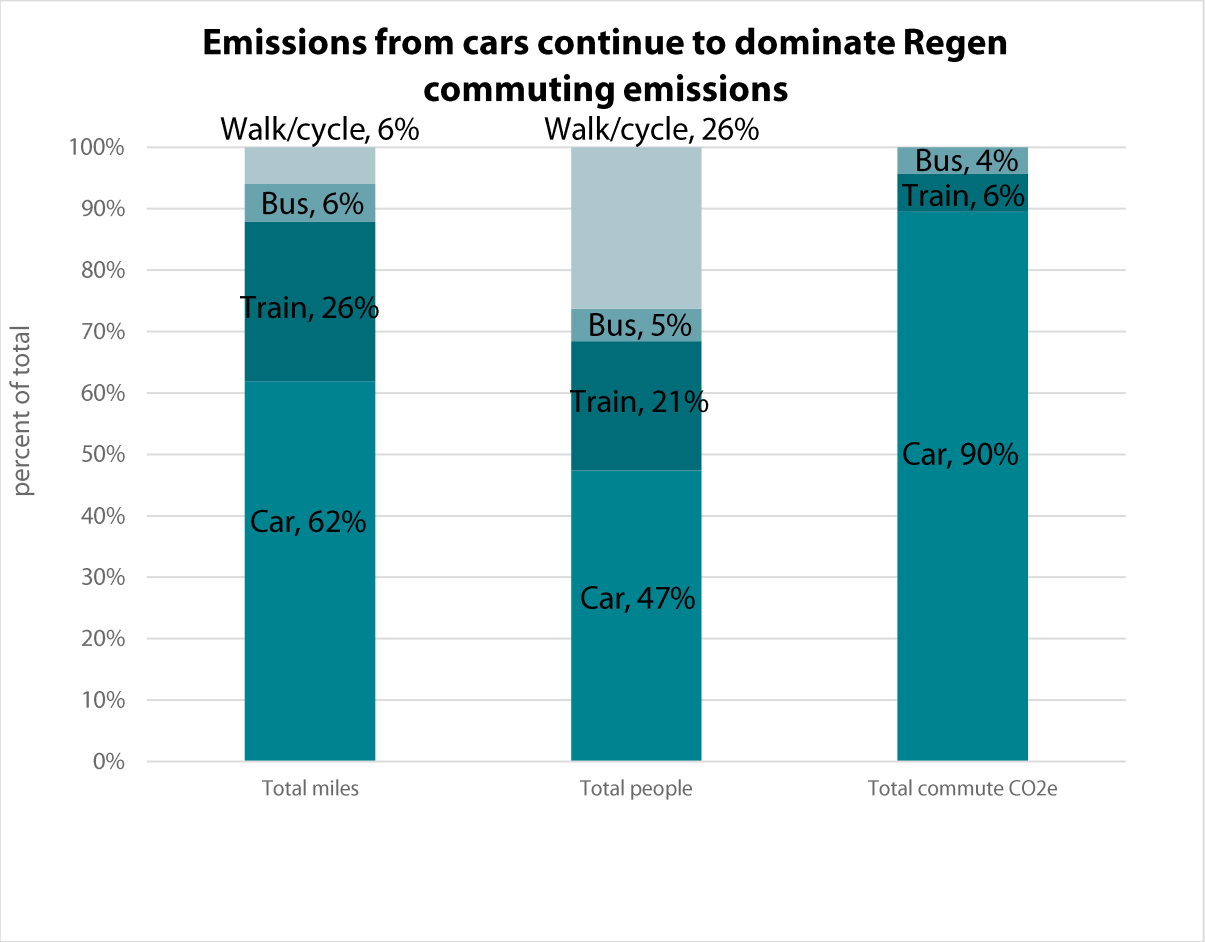
Scope 3 emissions			
Emissions	2019	2020	2021
Waste	12	12	9
Water	209	161	55
Office electricity use (T&D)	282	184	182
Business accommodation	927	251	934
Legal, consultancy & other business activities	1,729	1,230	1,012
Events – venue	955	121	25
Post & telecommunications	1,781	1,636	1,560

Office food & drink	1,955	3,876	6,964
Printing & publications	2,408	1,593	154
IT & electrical equipment	6,300	3,987	4,543
Office furniture	6,869	488	589
Business travel	6,467	1,363	770
Insurance & pension funds	12,034	17,180	20,733
Events – catering	16,170	2,132	239
Staff commute (influence)	22,984	4,768	5,106
Delegate travel emissions (influence)	14,693	1,872	0
Working from home (influence)	0	7,859	11,408

Table 8: Scope 3 emissions 2021

- Drastic reduction in events-based emissions due to the absence of any in-person events through 2021 (bar a team day and a Christmas dinner).
- Reduction in water emissions due to a reduction in water emissions factor.
- Large increase in office food and drink emissions partly explained due to an increase in headcount, more team-related activities, and an increase in the provision of benefits such as free milk, tea, and coffee, but need a more accurate form of tracking in this area
- Increase in insurance and pension funds emissions to the point that this now forms Regen's largest individual source of emissions. This is down to an increased percentage pension contribution from Regen and an increase in headcount. The current calculation uses a blanket emissions factor that does not necessarily reflect the investments made by Aviva. A key action for next year's reporting is to obtain a more accurate emissions factor for pensions.
- Working from home emissions have increased from 2020, largely because 2021 saw employees home working across two winters as opposed to just one in 2020; January to March 2021 was heavily impacted by a lockdown, and October – December 2021 saw employees more consistently working from home of their own accord.
- Staff commuting emissions maintained low levels from 2020, despite a larger proportion of the total miles travelled being done in a car (**62%** vs **53%** in 2020). The total miles travelled is also well down on previous years (**32,131** in 2021 vs **127,275** in 2019).

Figure 3: Regen staff commute 2021

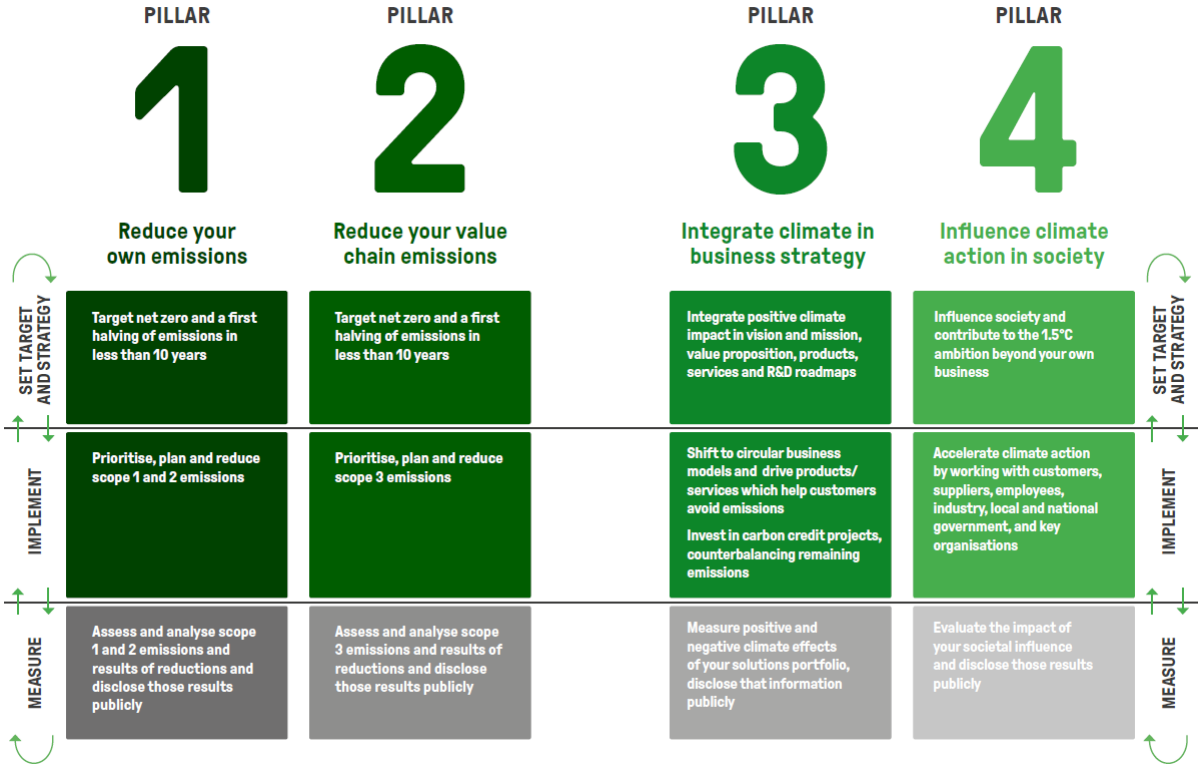


1.3 Strategic context

In March 2021 Regen joined the UNFCCC Race to Zero, via the SME Climate Hub, making a commitment to meet net zero by 2030. This has strengthened the focus of our internal work to address emissions, as well as provided a strategic framework to align with.

Following this framework, the following action plans were produced in 2020 and have been updated.

Figure 4: SME Climate Hub framework



A note on the possible office move:

Regen may be moving office, and several options or "scenarios" are being considered. We have had a discussion with the office move taskforce about the sustainability implications of each option. Regen is now in discussion with the landlord around a new lease and the issue of office heating emissions are being raised in the conversation, and will be a key part of the conversation. As the likelihood of moving office is uncertain, we have not conducted detailed analysis of the different options at this stage. Instead, we have assurance from the office move taskforce that the sustainability of each new office scenario will be considered in due course, and that the sustainability taskforce will be consulted when appropriate.

1.3.1 Pillar 1 action plan – Reduce your own emissions

- Continue best practice energy use in office – lighting and computers off when not in use. In winter, minimising drafts and correct use of radiator thermostats.
- Continue with existing best practice business travel policy – minimising travel before favouring low carbon and avoiding air travel where possible.
- Investigate options for a lower carbon office as part of the potential office move.

Pillar 1 achieved actions

- The server was replaced with a cloud server at the end of 2021, contributing to a reduction in electricity usage since.
- Signed up (in 2022) to EV Car club membership (Co Cars) as an alternative to use of private ICE vehicles.
- Signed up to Ecotricity Super Green tariff in March 2021.
- Air travel has been avoided entirely both throughout 2021 and 2022.

1.3.2 Pillar 2 action plan – Reduce your value chain emissions

- Create resources to promote low carbon commute to staff, provide support for bike to work, rail travel season ticket loans, flexible work hours and location.
- Set up EV salary sacrifice scheme for staff commute.
- Run events online where beneficial.
- Encourage low carbon travel to in-person events and gather data on how delegates travel for improved understanding and awareness.
- Research to better understand impacts of pension funds, support staff to understand how their pension fund is invested and how they can control this. – Pension information sessions.
- Continue to focus on low carbon business travel, avoid travel where logical, with flights avoided where possible.
- Update procurement policy to encourage suppliers to join Race to Zero. Ideally, we will insist on this from 2025 where we are able.
- Pursue EV charging in the office (sub-metering to account for potential increase in scope 2 emissions). This is on hold until we know more about the possible office move – but will be considered as part of the office move.

Pillar 2 achieved actions

- Signed up to the bike-to-work scheme to allow employees to benefit from salary sacrifice on the purchase of a new bike.
- Set up EV salary sacrifice scheme in 2022.
- Events are now run predominantly online.
- Offer a revised events menu to offer meat-free catering at events, including the Green Energy Awards in 2022.

- In addition to EV car club (Co cars) for use by staff for work trips, as of 2022 electric bikes (Co bikes) are now available for staff to use on the company account, making it easier to travel from Exeter St. David's to the office .
- Introduction of on-site composting has reduced waste emissions.

1.3.3 Pillar 3 action plan – Integrate climate in business strategy

- Remains at the heart of our mission.
- Update procurement policy to encourage suppliers to join race to zero. Ideally we will insist on this from 2025 where we are able.
- Continue to support 'true green' electricity tariff, investigate supporting staff to do the same to tackle working from home emissions.
- Identify suitable carbon credit projects to address current residual emissions.
- Increase the visibility of the STF in the organisation by introducing it to new employees as part of the induction and providing regular updates/ideas sessions in team meetings.

Pillar 3 achieved actions

- Net zero goals are, and will continue to be, incorporated into the office move agenda.

1.3.4 Pillar 4 action plan – Influence climate action in society

- This is at the core of the work that we do; seeking to transform the energy system for a zero-carbon future.
- Publish further blogs and newsletters documenting progress.
- Hold industry events.
- Working with our members.

Pillar 4 achieved actions

- Produced an analysis blog on the validity of green tariffs.

2 Appendix

Below is a non-exhaustive list of the net-zero policies that Regen will be putting in place over the next 10 years. The impact of these policies is factored into the project emissions figures and numbers seen in the sections above. As can be seen, there are policy gaps in certain areas of high emissions, such as IT & electrical equipment, which will be addressed in next years report.

Figure 5: Net-zero policy plan timeline

Net zero reduction policies/behavioural change	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
F gas (server room A/C)				Remove A/C								
Office heating			Good practice									
Office electricity use			Good practice									
Business accomodation				Travel 20% less								
Business travel				Travel 30% less								
Events - catering				50% fewer in-person events, revised menu (30% reduction in impact)								
Events - delegate travel				50% fewer in-person events, encourage low C transport (10% reduction in impact)								
Events - venue				50% fewer in-person events								
Green energy tariff		Office on a green tarif		Office + staff on a green tariff								
Insurance and pension funds				Pension fund switch								
IT & electrical equipment												
Legal, consultancy and other business activities												
Office electricity use (T&D)			Good practice + green tariff									
Office food & drink												
Office furniture		Buy less										
Offsets							Residual emissions offset to achieve net zero					
Post and telecommunications												
Printing and publications												
Staff commute				1 BEV uptake/year								
Waste												
Water												
Working from home emissions				WFH continues at 50% of staff time, Staff supported to take a green tariff								