The Edwin Group

Net Zero Report GHG Emissions and Reduction Plan

FY 2023

The Edwin Group

The Edwin Group was born out of a desire to do better.

Net Zero carbon reduction plan

Publication date:	**29th November 2023**
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Position:	**CEO**

Executive endorsement

Welcome to our second Net Zero Report, detailing our longstanding commitment and progress towards achieving Net Zero by 2045 – a milestone preceding the UK government's target by 5 years. Our target highlights our proactive stance on reducing our impact on the planet and positively influencing the lives of those living on it. An essential component of this collective social responsibility is founded in our commitment to reducing our emissions and achieving our carbon reduction targets.

In 2022, we re-established our baseline year and set out an ambitious carbon reduction plan and Net Zero pathway. Our commitment to achieving Net Zero emissions by 2045 is reinforced through our alignment with the Science-Based Targets initiative (SBTi), which has approved our short-term target to reduce Scope 1 and Scope 2 Green House Gas (GHG) emissions by 45% by 2030, from our 2022 base year.

The exceptional efforts of the Group, encouraged and led by our dedicated ESG Committee and passionate group of Green Champions across the collective, has driven forward the progress we made this year. Without them, our vision for a sustainable future cannot be realised.

As we look towards our third year of Net Zero reporting and our fourth year of Streamlined Energy and Carbon Reporting (SECR), we will continue to recalculate our carbon footprint annually and track how we are performing against our rigorous targets. Together, we will remain steadfast in our dedication to minimising emissions. This report is the next step of our decarbonisation journey and we will continue to act upon the recommendations that will enable us to achieve our Net Zero commitment.

About us

We are The Edwin Group - a growing collective of like-minded education professionals, working together to positively impact the lives of young people. We achieve this through an enriched offer to support schools, teachers, leaders and caregivers with their recruitment, retention and reduction in workload challenges.

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Working together, we positively impact the lives of young people, and contribute to and enhance the communities and environment in which we serve. As part of this commitment, we introduced three companies to the group this year; Enrich Education, Still Human, and Llama ID. These outstanding businesses reflect the values and ethos of The Edwin Group, each providing a unique offering to the education sector. We view education as a powerful force for positive change in the world, and a driver of progress towards a sustainable future for everyone.

Commitment to Net Zero

We are committed to taking action to reduce our annual emissions and achieving Net Zero by 2045. In 2022, we expanded our Green House Gas (GHG) emissions reporting from SECR to a full Scopes 1, 2, and 3 GHG emissions report – in line with the GHG reporting protocol. As a result of this, we have increased transparency in our environmental impact reporting, and we now account for additional emissions sources from GHGs associated with upstream and downstream operations.
Throughout this year, we have maintained a consistent effort in gathering and monitoring monthly data on our energy consumption and waste production, which serves as an essential foundation for calculating our carbon emissions. In addition, we have carried out our second employee commuting survey to enable a comprehensive Scope 1, 2 and 3 carbon calculation for The Edwin Group. Looking ahead, we will continue to reduce our emissions year-on-year and will achieve the following:

45%

45 % reduction in our Scope 1 and 2 emissions by 2030

Offsetting our residual Scope 1 and 2 emissions by 2023 to become carbon neutral via high-quality verified offsets

94.2%

94.2 % overall reduction in all Green House Gas (GHG) emissions across Scopes 1 2 and 3 by 2045 off setting any residual emissions via high-quality nature based or direct air capture projects and becoming Net Zero

To reach these goals, we have taken the following actions:

01 Appointed an external, specialist carbon consultancy to collate and verify data, calculate carbon emissions and help advise on carbon reduction options

02 Set the base year (September 2021 – August 2022) and calculated our carbon footprint in line with the GHG protocol for that base year:

Scope 1

- Transport, refrigerants and gas

Scope 2

- Electricity

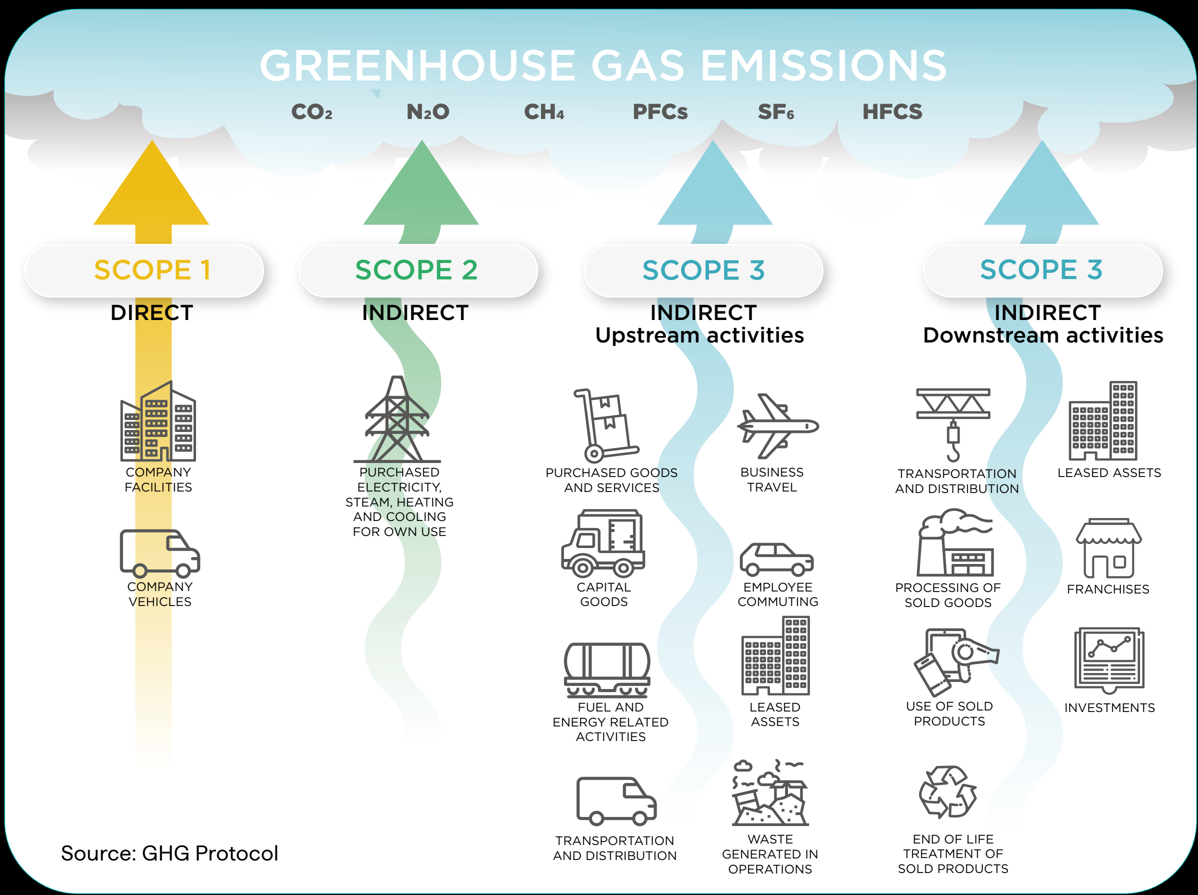
Scope 3 Of the 15 categories (8 upstream and 7 downstream) we have selected the following:

- Category 1 – Purchased goods and services
- Category 2 – Capital goods and services
- Category 3 – Fuel and energy
- Category 5 – Waste
- Category 6 – Business travel
- Category 7 – Employee commuting and working from home
- Category 12 – End of life treatment
- Category 15 – Investment

03 Created a carbon reduction plan for each scope and category

04 Set the Net Zero date and committed to updating our carbon footprint annually, with FY23 being the first year post the baseline year

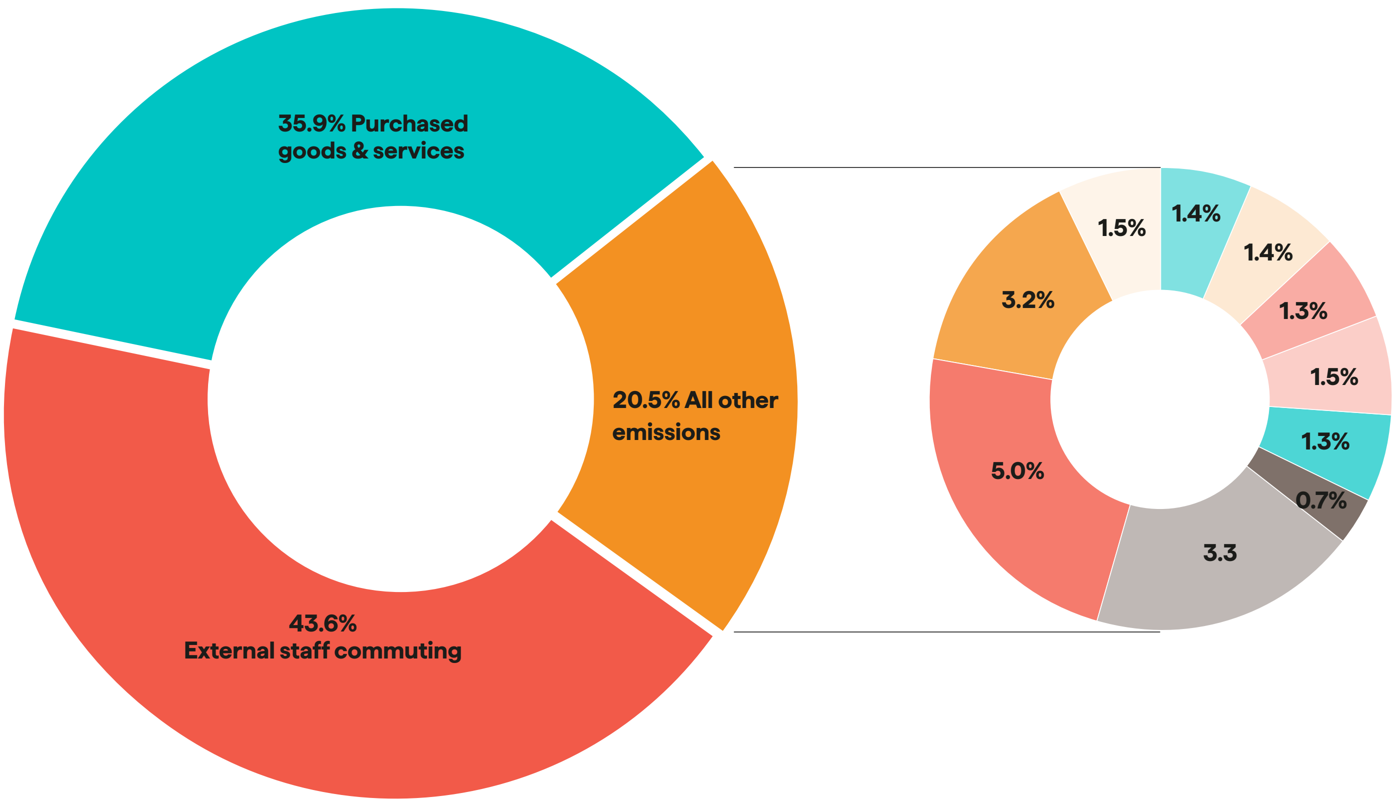
Overview of GHG Protocol scopes and emissions across the value chain



Emissions footprint

This report marks our second year calculating our GHG emissions footprint and the first after our baseline year. Baseline emissions are the reference point against which emissions reduction can be measured. We have chosen September 2021 – August 2022 as the baseline year. We have now calculated our emissions for September 2022 – August 2023 and we will be comparing them to our baseline year to see where we are achieving our emissions reductions goals and where we will need to work harder in the future. Our 2023 carbon emissions footprint is as follows:

Breakdown of GHG emission sources



- 43.6% External staff commuting
- 35.9% Purchased goods & services
- 20.5% Other

20.5% All other emissions:

- 1.5% Stationary combustion
- 1.3% Transport*
- 1.5% Electricity (location-based)
- 1.4% Capital goods
- 1.3% Fuel & energy-related activities
- 5.0% Business travel
- 3.3% Internal staff commuting
- 1.4% Working from home
- 3.2% End of life treatment
- 0.7% All other (refrigerants (0.5%) Investments (0.1%) Waste (0.1%))

Breakdown of GHG emission sources

Scope/Category	Item	tCO_2e FY22	tCO_2e FY23	% of FYE23 tCO_2e	% difference from FY22
Scope 1:					
Stationary combustion (Gas)	Gas consumed	34.02	45.78	1.5%	+34.57%
Transport*	Owned and leased vehicles	36.96	37.78	1.3%	+2.22%
Refrigerants	HVACs	4.61	14.54	0.5%	+215.40%
Scope 2:					
Electricity (location based)[1]	Purchased electricity, steam, heating & cooling for own use	36.59	44.25	1.5%	+20.93%
Electricity (market based)[2]	Purchased electricity, steam, heating & cooling for own use	36.59	30.02	N/A	-17.96%
Scope 3:					
Cat 1: Purchased goods and services	Goods and services	1047.87	1074.72	35.9%	+2.56%
Cat 2: Capital goods	CapEx expenditure	90.62	41.32	1.4%	-54.40%
Cat 3: Fuel & energy related activities	WTT [3] & T&D losses[4] from electricity, gas, transport, business travel and employees commuting	19.43	39.54	1.3%	+103.50%
Cat 5: Waste	Waste total	1.57	3.36	0.1%	+114.01%
Cat 6: Business travel	Land and air travel for business purposes	160.59	149.79	5.0%	-6.73%
Cat 7: Internal staff commuting	Employees commuting to and back from work. (WTW)[5]	205.23	97.49	3.2%	-52.50%
Cat 7: External staff commuting	Employees commuting to and back from work. (WTW)	3,034.94	1,306.42	43.6%	-65.85%
Cat 7: Working from home	Employees commuting to and back from work. (WTW)	13.45	40.83	1.4%	+203.57%
Cat 12: End of life treatment	Waste disposal and treatment of products sold (by customers)	61.4	94.69	3.2%	+54.22%
Cat 15: Investments	Investments in other companies for profit	0.36	4.36	0.1%	+1,111.11%

* These emissions have been rebaselined as a result of new information that The Edwin Group has provided to enhance accuracy
[1] Location based represents emissions from electricity consumption based on grid average emissions
[2] Market based represents emissions from electricity consumption based on specific energy contracts
[3] WTT - Well-to-tank emissions. Emissions associated with the extraction refinement and transport of fuels before consumption
[4] T&D losses – Transmission and distribution losses. Emissions associated with the energy lost during the transmission of electricity through the network
[5] WTW – Well-to-wheel emissions. Includes emissions associated with the extraction, refinement, transport, and consumption of fuels

Item	tCO_2e FY22	tCO_2e FY23	% difference from FY22
Total gross emissions (location based)	**4,747.64**	**2,994.85**	**-36.91%**
Less emissions avoided by procurement of renewable electricity	(0.00)	(14.22)	
Less emissions avoided by production of green electricity	(0.00)	(0.00)	
Total gross emissions (market based)	**4,747.64**	**2,980.62**	**-37.22%**
Less carbon offsets	(236.00)	(346.00)	
Total net emissions	**4,511.64**	**2,634.62**	**-41.60%**

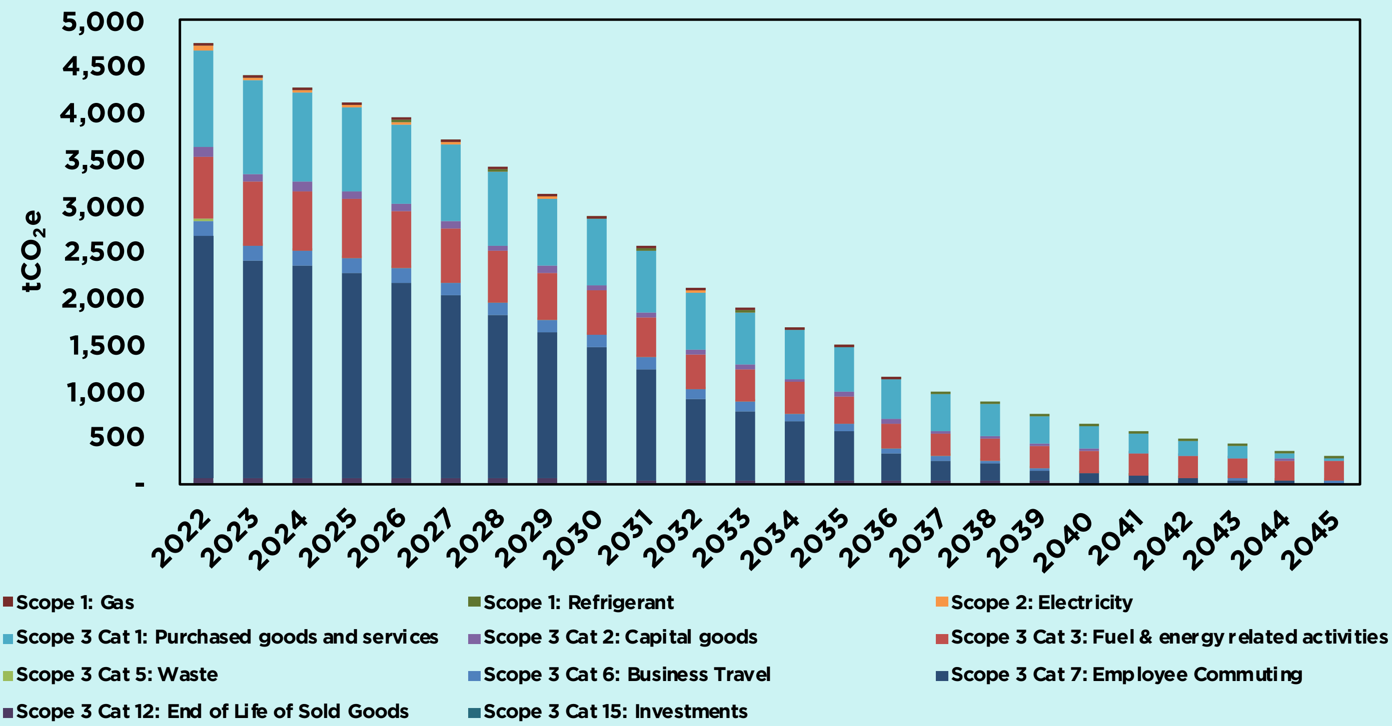
To further understand our emissions, we have also recorded them using intensity ratios as this will allow us to track our emissions as our business grows and develops.

Intensity ratios	Gross emissions (location based)		Gross emissions (market based)		Net emissions	
	FY22	FY23	FY22	FY23	FY22	FY23
tCO_2 per employee	1.21	0.39	1.21	0.39	1.15	0.34

Emission reduction targets

To build on our existing progress towards achieving Net Zero, we have mapped out positive actions to attain the following carbon reduction targets:

- **13%** absolute reduction in emissions by 2025 from 2022 baseline levels
- **39%** absolute reduction in emissions by 2030 from 2022 baseline levels
- **69%** absolute reduction in emissions by 2035 from 2022 baseline levels
- **87%** absolute reduction in emissions by 2040 from 2022 baseline levels
- **94%** absolute reduction in emissions by 2045 from 2022 baseline levels



Current emissions versus target emissions

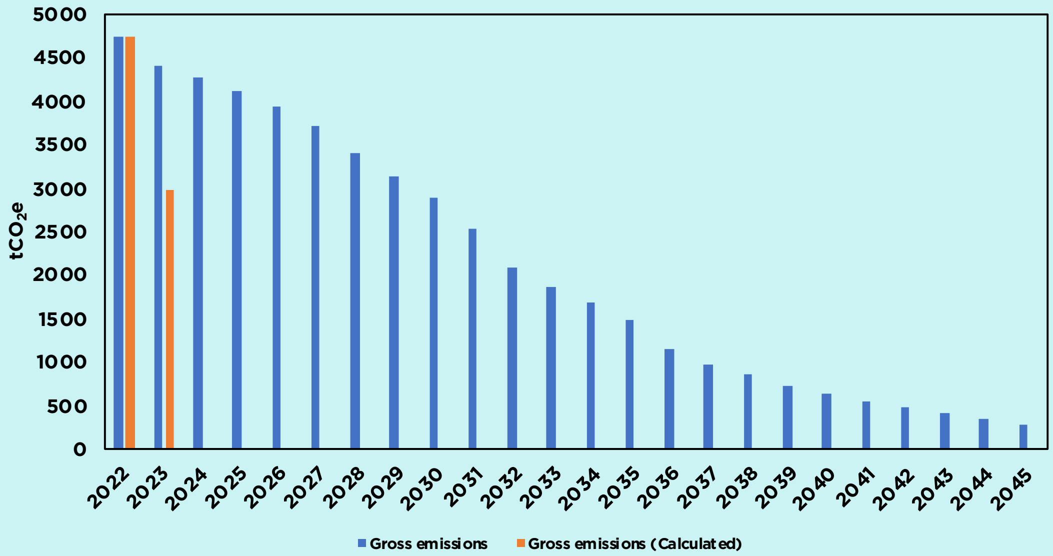
To measure our progress towards our Net Zero target, we will report our total emissions against our target emissions every year. Due to the nature of our expanding business and scope, progress each year will be variable, however, regular assessment and reporting of our emissions will ensure our accountability and commitment to achieving our targets.

This year, we supplied approximately 1.5 times more candidates compared to our last financial year. Despite the growth in services, our overall emissions have decreased. The reason is twofold; firstly, there has been a reduction in driving distances travelled by our supply candidates, secondly, there has been an increase in in the number of supply teachers who are using public transport, walking, or cycling to work.

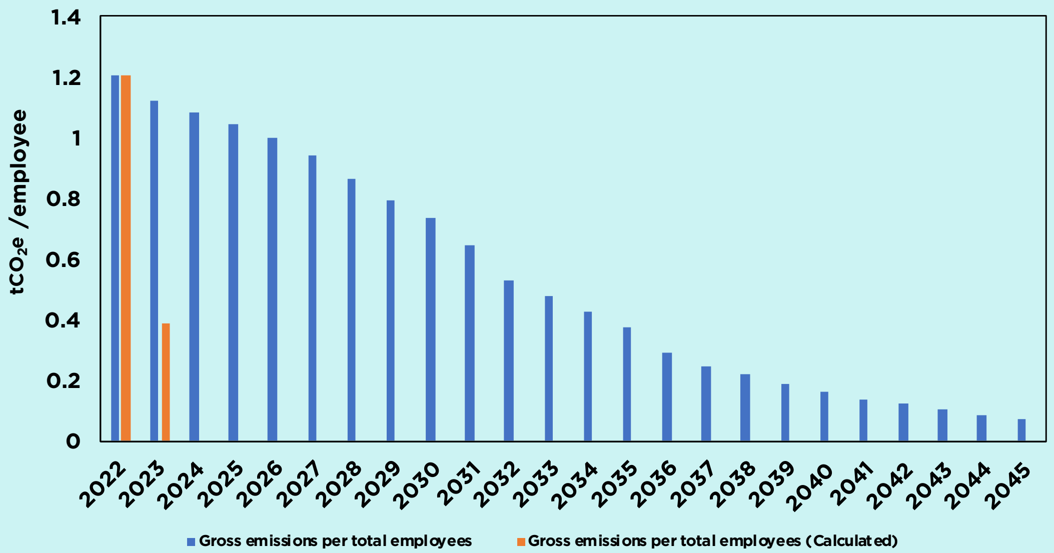
It is important to note that a large percentage of our GHG emissions result from our supply teachers travelling to schools. An essential part of the services we offer is the supply of teachers to schools across the country, therefore, we have included supply teachers' commuting emissions in our calculations. This approach has given us the best overview of our total impact on the environment; however, we have less control over reducing these emissions. In our drive to reduce our overall carbon footprint, we will initiate strategies, policies, and environmental management activities that can influence positive change in our supply teachers' travel habits.

GHG emissions actual vs target:

To monitor our GHG emissions as our business grows, we are recording our emissions as an intensity ratio where we look at the total emissions per employee, including supply staff candidates. This will allow us to ensure that we have decoupled our GHG emissions from the growth of our business, which will demonstrate that our emissions reductions strategies are having a positive impact. Our progress in our emissions reductions against this metric are shown in the graph below.



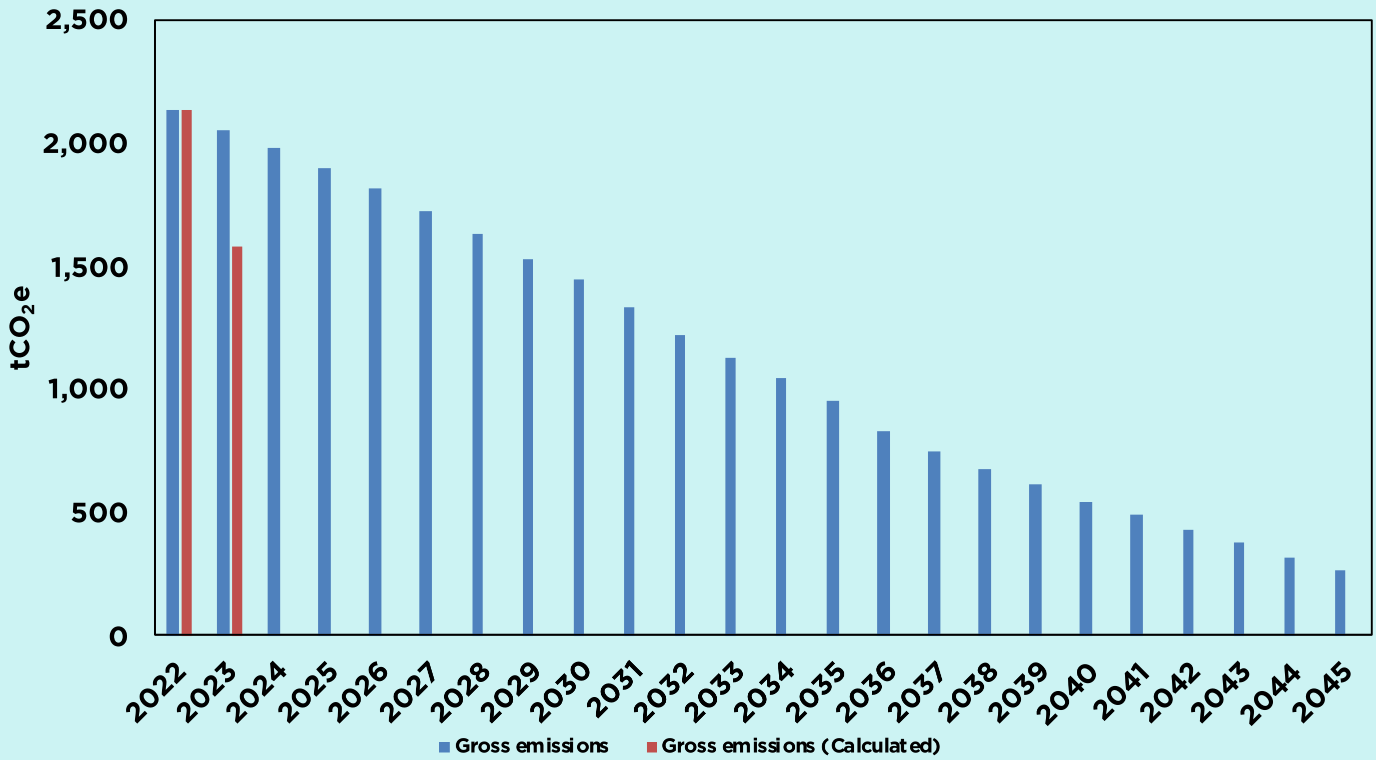
GHG emissions per employee actual vs target:



When we compare the gross emissions to the number of employees as part of an intensity ratio, there is also a decrease in emissions per employee. This is significant considering the growth in candidate headcount. The decrease highlights how our environmental management activities are having a positive impact and are helping us to decrease our emissions.

GHG emissions actual vs target (excluding commuting emissions):

To understand the direct impact of our emissions reduction strategies on our employees, we are also measuring our emissions excluding supply staff commuting emissions.



The graph above shows that our total emissions have decreased overall, this is a result of environmental management activities that we have more direct control over, such as switching to renewable electricity, swapping business trips for video calls, and reducing internal commuting emissions by promoting our working from home policy.

To continue with our progress, we are focusing on reducing our own commuting emissions and we have significant planning and budget set aside to achieve this.

Environmental management measures / emission reduction plan

As a responsible business, we have for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the Group on global best practices for carbon reduction. We have a detailed carbon emissions reduction plan, the key actions of which are summarised below:

SCOPE 1: Stationary combustion (natural gas)

This refers to onsite (or "stationary") natural gas combustion at all branches and office sites

What we have done

- Consolidated our energy contracts to drive procurement efficiencies and give us oversight and better monitoring of gas consumption. This will help us to deliver better energy efficiencies across our branches and reduce excessive gas consumption usage
- Engaged with landlords via our landlord engagement surveys, which has helped us to ascertain the ESG credentials of the sites we lease

What we are doing

- Collaborating with some of our landlords to implement energy-saving initiatives and to support investments in energy efficiency practices
- Instilling behavioural change across The Edwin Group through environmental awareness campaigns which are helping to reduce our energy consumption. Our energy awareness campaigns are driven forward by our Green Champions, who reside across all of our offices and branches

SCOPE 1: Transport

Commando Joe's has a small fleet of 4 vans.

What we are doing

- Reviewing and evaluating the distances of the vans and the use of these vehicles is scheduled to take place in the next financial year
- Exploring the possibility of electrifying the fleet and opening a dialogue with our schools to discuss the possibility of accessing the charging points available at some of their sites

SCOPE 1: Refrigerants

We will endeavour to reduce our impact wherever possible regarding fugitive emissions from refrigerant gases, however this is largely outside of our control as all air conditioning systems are controlled by our landlords.

What we will do

Based on the landlord survey which we conducted this year, we are producing newsletters to inform landlords of our ESG progress and suggest ways to assist them on their ESG journey. Via the newsletters, we will encourage our landlords to make the following improvements to their air conditioning systems:

- Avoid emissions through improved leak tightness; we will investigate the possibility of fitting leak-detection systems
- Ensure correct end-of-life treatment of refrigerant gases; we will explore how to recover and dispose of refrigerant gases correctly when maintaining, upgrading or decommissioning a system
- Substitute refrigerants with other less harmful substances e.g., refrigerant gas with zero ozone depletion potential (ODP) and low global warming potential (GWP)
- When renewing HVAC system, we can choose the most efficient systems:
  - Investigate systems that use the least damaging refrigerant gasses, with low potential leakage
  - Install new systems that may offer energy savings as well as next generation refrigerants e.g., HFOs (hydrofluoro-olefins) and natural refrigerants
- Limit use of refrigeration / air conditioning systems

SCOPE 2: Electricity

Our electricity contracts are a mixture of green and brown (non-renewable) energy contracts. We have endeavoured to reduce our electricity emissions and consumption via the following:

What we have done

- Switched 7 of our office and branch contracts to green electricity
- Established a monthly review system for our electricity data. We continue to use the data to drive change and reduce energy consumption across the group

What we are doing

- Scheduling contract changes to switch from brown to green, the changes in energy procurement takes place when a contract comes up for renewal
- We communicate a newsletter to our landlords to encourage the use of green energy. Where we have control over our energy procurement, we have already switched to green energy contracts, where possible.

SCOPE 3 Category 1: Purchased goods and services

Category 1 includes all upstream (i.e., cradle-to-gate) emissions from the production of goods purchased or acquired by The Edwin Group in the reporting year.

What we have done

- Circulated a comprehensive ESG questionnaire to our suppliers. This part of our initial engagement plan to understand the carbon and environmental literacy of our suppliers.

What we are doing

- Continue to monitor the supply chain and gather more detailed data that relates to environmental risks and GHG emissions. By doing this, we will capture data that supports the better management of our emissions in this category

SCOPE 3 Category 5: Waste

Includes emissions from third-party disposal and treatment of waste generated by our owned or controlled operations in the reporting year.

What we have done

- Introduced separate waste streams

- We have made it easier to separate out our waste in the offices and branches by providing colour coded bins for the different waste streams we have

- We have consolidated the contracts for the waste streams that we control to help drive efficiencies for the confidential waste that we produce

What we are doing

- We are instigating behavioural change amongst our employees by communicating ways that we can reduce waste production through educational campaigns to help reinforce the message

SCOPE 3 Category 6: Business travel

Category 6 includes our emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties. This includes the use of our employees' personal vehicles as well as vehicles operated by third parties, e.g., train, taxis, buses and aircraft, for business related trips. This also includes emissions resulting from hotel stays during business trips.

What we have done

- Provided parking spaces for our employees, with access to EV charging points. This is helping our employees to opt for more sustainable travel means
- Promoted video conferencing calls with clients over business travel

What we will do

- Consider creating policies that will help lower our carbon transport emissions by:
  - Promoting our Cycle-to-Work scheme and our Steps Challenge, which encourages staff to walk to work during the summer months.

SCOPE 3 Category 7: Employee commuting

We are already reducing the emissions associated with employees travelling to and from our branches and schools. For category 7 (Internal Commuting), our emissions have been reduced as a result of employees working from home one day a week.
Additionally, we are investigating access to EV charging in designated car parks as part of our new branch policy.

What we have done

- Introduced a cycle-to-work scheme
- Conducted a staff commuting survey to monitor our commuting distances. We will continue to carry out the surveys annually
- Where possible, Senior meetings are encouraged to be remote
- We encourage car sharing to managers' meetings that take place in person

What we are doing

- Considering the locations of our supply teachers when we allocate our candidates to schools. We continue to facilitate contracts that are closer to their homes

What we can do

- We will engage with our employees through behavioural change campaigns to support education of our policies and practices

SCOPE 3 Category 12: End of life treatment of sold goods

Commando Joe's provides boxes of equipment to their schools across the UK to support them in the delivery of exciting and adventurous activities that enhance their character education programmes.

What we have done

- Introduced a supplier code of conduct to understand the ESG credentials of our boxes

- Started the dialogue with our suppliers to understand their environmental management plans

What we are doing

- Signposting our schools to the Commando Joe's website page, which gives details of how items within the boxes can be reused or recycled when they are no longer in use.

SCOPE 3 Category 15: Investments

To continue to expand the support that we can offer, we invest in likeminded companies. We want to do all we can to support these companies in reducing their GHG emissions.

What we are doing

- By sharing the learnings from this report, we will work across the Group to align our Net Zero goals for all subsidiaries

Conclusion

We continue to make progress towards our Net Zero emissions goal, marking significant milestones on our journey by curbing emissions across key areas, such as electricity, Capital Goods, Business Travel, and Employee Commuting. This concerted effort has led to a notable 37% reduction in our emissions compared to the previous year.

As our company expands, we remain committed to the ongoing monitoring and analysis of our performance against established targets and intensity ratios. Armed with the insights from our Net Zero 2023 Report, we will make informed decisions to ensure we remain firmly on course to achieve our Net Zero target.

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Our emissions methodology:

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries. This can be done either by an "Equity Share" or a "Control" approach. The Equity Share approach reflects a company's economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has. To cover all of our operations and subsidiaries, we have selected the Operational Control method when setting our organisational boundary. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Our emissions are reported in tCO_2e and have been calculated utilising the following formula:

source emissions data x conversion factor* = total source emissions

source unit x (tCO_2e/unit) = tCO2e

*Conversion factors are primarily derived from the latest:

- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
  – Environmental Protection Agency

Emissions methodology – included Scopes and categories

SCOPE 1

Scope 1 sources included in the inventory are onsite (or "stationary") natural gas combustion, fugitive emissions of refrigerant gases and mobile fuel combustion from leased and owned vehicles.

SCOPE 2

Purchased electricity was the only identified Scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, Scope 2 emissions have been calculated and reported using two separate methodologies:

- A location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting emissions from the electricity that we have purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers

SCOPE 3:

- **Category 1: Purchased goods and services –** Includes all upstream (i.e., cradle-to-gate) emissions from the production of goods purchased or acquired in the reporting year
- **Category 2: Capital goods –** Includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods and delivery of capital related services, purchased or acquired in the reporting year
- **Category 3: Fuel and energy-related services -** This relates to transportation and distribution losses, and the well-to-tank emissions for all fuels consumed as a result of our operations
  - Well-to-tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by our owned or leased vehicles)
  - Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines)
- **Category 5: Waste -** Includes emissions from third-party disposal and treatment of waste generated in our owned or controlled operations in the reporting year
  - We have utilised the 'waste–type-specific' method, which involves using emission factors for specific waste types and waste treatment methods
- **Category 6: Business travel -** Includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as trains, buses, passenger cars and aircraft. This also includes emissions resulting from hotel stays resulting from business-related trips
  - We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate emission factor for the mode used where possible
  - We have used the number of nights stayed in hotels to calculate the emissions
  - We have calculated the emissions of food consumed during business trips using extended input output tables
- **Category 7: Employee commuting -** includes emissions from the transportation of employees between their homes and our offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category
  - Where appropriate we have used the average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns

- We will in future years supplement the above with employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method

- **Category 12: End of Life Treatment –** includes all the emissions for post customer waste for the educational boxes that Commando Joe's supply to our schools
- **Category 15: Investments –** includes all scope 1 and 2 emissions from investments that we have, including both shares and sole ownership of other businesses. These were apportioned to The Edwin Group using an equity share approach

Emissions methodology – excluded material Scopes and categories:

SCOPE 3

- **Category 4: Upstream Transportation and Distribution** is excluded from the current numbers as we do not collect data on this and it is assumed that it will be a small part of our GHG emissions, however, we plan to collect this data for future reporting

Emissions methodology – excluded non- material Scopes and categories:

SCOPE 3

- **Category 8: Upstream Leased Assets** is excluded from FY23 emissions, as we do not lease any assets
- **Category 9: Downstream Transportation and Distribution** is excluded from FY23 emissions as our customers do not pay for transport of the goods to the school
- **Category 10: Processing of sold products** is excluded from FY23 baseline emissions as we do not manufacture products
- **Category 11: Use of sold products** is excluded from the FY23 emissions as the products that we provide to our customers do not consume energy and as such do not have direct emissions associated with them
- **Category 13: Downstream Leased Assets** is excluded from FY23 emissions, as we do not own any leased assets that we lease to other businesses
- **Category 14: Franchises** is excluded from FY23 emissions, as we do not operate franchises

Net Zero by 2045

The Edwin Group

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