Emissions Reduction Plan 2022-25

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Contents

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Executive Summary

Itad is committed to taking urgent and ongoing action to bring down carbon emissions. In 2021, Itad became 'net-zero'. Our goal is to be 'carbon negative' by 2023. This Emissions Reduction Plan outlines how will do this, building on our achievements to date and aligning with our company values and strategy. Our approach to reducing emissions is guided by the 4R framework.

Reduce

The majority of our emissions come from business travel. To **reduce our emissions** and improve the quality of our partnerships, we have been strengthening collaborations with teams that reside in key project locations, enabling us to reduce business travel needs and work more remotely. We will build on this model, mainstreaming considerations for essential travel, and monitoring the carbon intensity of our projects to tackle patterns of high intensity.

Replace

Itad has started to replace flights with overland travel, where possible. Along with remote delivery of projects this is how we are **replacing emission-intensive activities**. We will expand upon this by building more internal buy-in and establishing processes to identify overland travel opportunities.

Refine

When travelling by plane cannot be avoided, this Plan commits Itad to **maximising the value of trips (refine emissions)** by extending stays in order to combine activities as well as build professional relationships and capacity in that location.

As part of Itad's 2022-25 Strategy we have introduced annual and quarterly **indicators to monitor our resulting reduction in emissions**. Annually, we will monitor our carbon footprint (C02e from projects and operations) against our total company revenue (a proxy for company size) with the intention to reduce our emissions by at least 5% (proportionally to revenue) from 2019 levels each year. Quarterly we will monitor the percentage of projects in our portfolio that are low carbon intensity, aiming for 80% of our total projects to fall within this category.

Rehabilitate

Since 2021, we have been offsetting all flights and auditing our emissions. However, to avoid greenwashing, offsetting must only be seen as a measure to compensate for the residual adverse impacts on the planet that we cannot avoid. We will maintain and expand our commitment to **rehabilitate the atmosphere**, by increasing the scope and accuracy of our audits and further engaging in rehabilitation activities to achieve overall net emissions of less than we are responsible for producing (carbon negativity). We want to go beyond financial investments to encompass a time investment and are considering pro bono work for climate and conservation organisations as a way to leverage our monitoring, evaluation and learning (MEL) expertise while also enhancing the engagement of our staff with the environment.

Our green ambition

In 2018, Itad's staff-initiated Green Team was established. Two years later our Green Ambition (see Figure 1) was formalised, with a commitment by our Board to achieve 'net zero' by 2021 and to become 'carbon negative' by 2023, alongside an aim to mainstream a climate change and sustainability lens across our technical work.

This Plan outlines and extends our ambition for tackling our carbon emissions. It covers the period 2022-25, in line with Itad's 2022-25 Strategy. It lays out what we are currently doing to reduce our emissions and how we will extend this to become a greener and more environmentally conscious organisation, in line with our company values. (A more detailed version of this Plan has been produced to guide Itad staff.)

We have three core objectives for tackling the climate emergency:

- Itad is viewed as a thought leader on climate change and 'green MEL' in international development.

- Itad is 'net zero' by 2021 and 'carbon negative' by 2023, with emissions continuing to fall year-on-year.

- Staff are supported to live in greener ways and promote culture change within Itad, which includes empowering national partners to lead international work.

Our Green Ambition is both operational and partner focused. Operationally, we seek to identify how we can carry out activities in greener ways (i.e. reducing and offsetting the emissions produced in doing our work). We are simultaneously working with our clients to help them address the reciprocal relationship between the environment and international development interventions (i.e. how do the interventions we evaluate impact on the environment, and how do climate change and other environmental impacts affect development interventions).

This Plan focusses on the operational side of our green ambition, to achieve the objective that 'Itad is net zero by 2021 and carbon negative by 2023, with emissions (as a proportion of revenue) continuing to fall year on year'. To achieve this, we have committed to the following:

- Environmental sustainability is integral to our values, systems, policies and company business plan, and we have a clear vision for sustainable future growth.
- We regularly review our whole supply chain for opportunities to reduce emissions and environmental impact.
- We only fly when absolutely necessary.
- Our national partners are increasingly empowered to lead our international work.
- We have the tools, skills and technology to support remote research and facilitation.
- By 2021, we offset all remaining hard-to-decarbonise emissions through high quality offsets, and by 2023 we support additional initiatives that rehabilitate the environment in order to become carbon negative.

We measure and transparently report our progress, both internally and through the UN Global Compact.

Playing our part in tackling the climate emergency.

Our objectives

Itad is viewed as a thought leader on climate change and 'green MEL' in international development.

Itad is 'net zero' by 2021 and 'carbon negative' by 2023, with emissions continuing to fall year-on-year.

Staff are supported to live in greener ways and promote culture change within Itad, including empowering national partners to lead international work.

Our Green Ambition

Climate change is the most pressing global challenge of our time, and its impacts are greatest on the world's most disadvantaged people – the very people our work seeks to help. The consequences of extreme weather and global warming, such as decreased access to food, water and public services, have been exacerbated by the Covid-19 pandemic. We must act now.

Our Green Ambition strategy focuses on supporting colleagues to live in greener ways, while working towards Itad's net-zero and carbon negative goals. We want to become a thought-leader on climate change and green monitoring, evaluation and learning.

How we will achieve our objectives

2019 onwards

Use our knowledge and expertise to raise awareness of the climate crisis and share evidence of what does and doesn't work to address it.

Environmental sustainability is integral to our values, systems, policies and company business plan, and we have a clear vision for sustainable future growth.

Proactively share learning on how to do 'green MEL', to influence clients and partners to work in greener ways.

2021 onwards

Only fly when absolutely necessary.

Offset all remaining hard-to-decarbonise emissions through high-quality carbon offsets.

Measure and transparently report our progress, both internally and through the UN Global Compact.

2023 onwards

Integrate a climate change and sustainability lens across all our projects.

Support additional initiatives that rehabilitate the environment to become 'carbon negative'.

Regularly review our whole supply chain for opportunities to reduce emissions and environmental impact.

Lead on an industry-wide commitment for 'green MEL'.

Box 1.Definitions of net zero, carbon negative and offsetting

Net Zero
Net Zero (also referred to as carbon neutral or carbon balanced) refers to first reducing the emissions we are responsible for producing in line the global target of limiting global warming to 1.5 degrees, and then balancing our residual emissions.[1] Importantly, net zero is not the same as achieving a zero emissions target, which refers to producing no emissions at all, through your activities.[2]

Carbon negative
Being carbon negative means emitting less than zero carbon dioxide equivalent (CO2e). Because it is not possible to emit a negative amount of emissions, carbon-negativity refers to net emissions. Therefore, to be carbon negative means to offset more emissions than is contributed to the environment.

Offsetting
Our carbon offsetting partner, Earthly, describes a carbon offset as: *"a greenhouse gas (GHG) reduction or removal, to compensate for CO2 emissions emitted elsewhere".*[3] It is a "measurable, quantifiable and trackable unit of greenhouse gas emissions reductions".[4] What this means is that "carbon offsets are often purchased in a direct response to known carbon dioxide emissions."[5] They explain that: "In order to ensure carbon offsets are creating real and progressive climate impacts, the emissions they claim to reduce must be: additional, real, measurable, have no leakage, permanent and verifiable."[6]

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[1] 'Net Zero', The Carbon Trust, accessed September 2022

[2] Anesco (n.d.) 'The Path to Net Zero A complete guide for businesses'. Anesco

[3] 'Carbon Offsetting Explained', Earthly, accessed September 2022

[4] Hamrick and Gallant (2018) 'Voluntary Carbon Markets Outlooks and Trends'. Forest Trends Ecosytems Marketplace

[5] 'Carbon Offsetting Explained', Earthly, accessed September 2022

[6] 'Become Climate Positive', Earthly, accessed September 2022

Our emissions status and drivers

We have been measuring and offsetting our emissions since 2019. In 2021, we <u>achieved our goal of becoming a net zero company</u>. We want to improve on this achievement by further reducing our emissions, and expanding and increasing the accuracy of our measurement, to achieve our ambition of being a carbon negative company by 2023. Our total emissions[7] for each year are illustrated below.

Figure 1. Itad's emissions since 2019
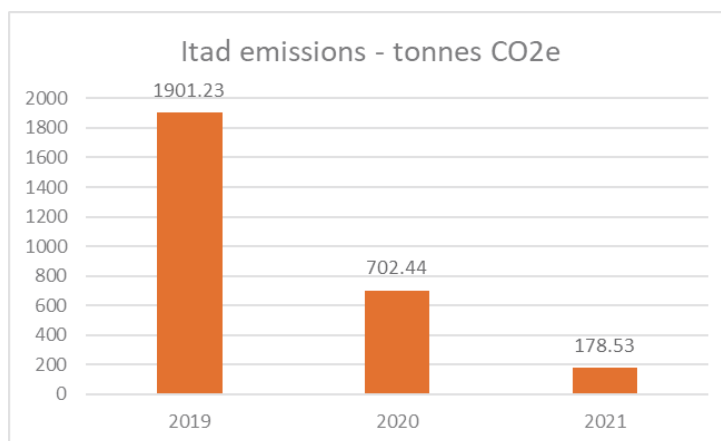
Given the impact of the Covid-19 pandemic on both travel and working patterns, we view 2020 and 2021 as anomalous years. Therefore we have set 2019 as our 'typical' (baseline) year against which to measure our progress in reducing emissions.

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[7] Based on Itad financial years which run from 1 February – 31 January.

What we are currently measuring?

These emissions totals include direct and indirect emissions such as office heating, purchased electricity, waste disposal and business flights. The vast majority of our emissions come from travel – 89% in 2019.

Greenhouse gas emissions are categorised into three groups or 'Scopes' by the most widely-used international accounting tool, the Greenhouse Gas Protocol (see Box 2 for more on Scopes). We are committed to achieving carbon reduction goals across all three Scopes.

Box 2. The three Scope categories

Scope 1 – Direct Emissions	Scope 2 – Indirect Emissions	Scope 3 – Indirect Emissions
Covers direct emissions from sources owned or controlled by Itad. For example, office heating and company vehicles.	Covers indirect emissions from purchased energy that Itad does not control. For example, purchased office electricity.	Covers all other indirect emissions that occur in Itad's supply chain. For example, business travel, services, waste, laptops, and hotel stays.

Scopes 1 and 2 are generally more straightforward to define and to measure, whereas Scope 3 emissions, lying outside of a company's own operations, are typically more complex. To measure a company's Scope 3 emissions comprehensively can become extensive and difficult. As such, most companies have historically focussed on Scope 1 and 2 and limited their coverage of Scope 3.

However, to assess the full climate change impact of a company's value chain it is essential to include as much as possible of Scope 3 and this is increasingly reflected in international standards.

To understand the full impact of our work on our carbon footprint, we are committed to overcoming the challenges of defining and measuring Scope 3 emissions. We are currently measuring some Scope 3 emissions (flights, purchases, waste, services), using estimates where necessary, with the support of our carbon offsetting partner Earthly. Our aim is to increase the coverage of measurement towards our full Scope 3 emissions, as well as the accuracy of measurement, year-on-year.

Table 1 shows what we are currently capturing and offsetting under each 'Scope' of emissions, through our current measurement and auditing activities.
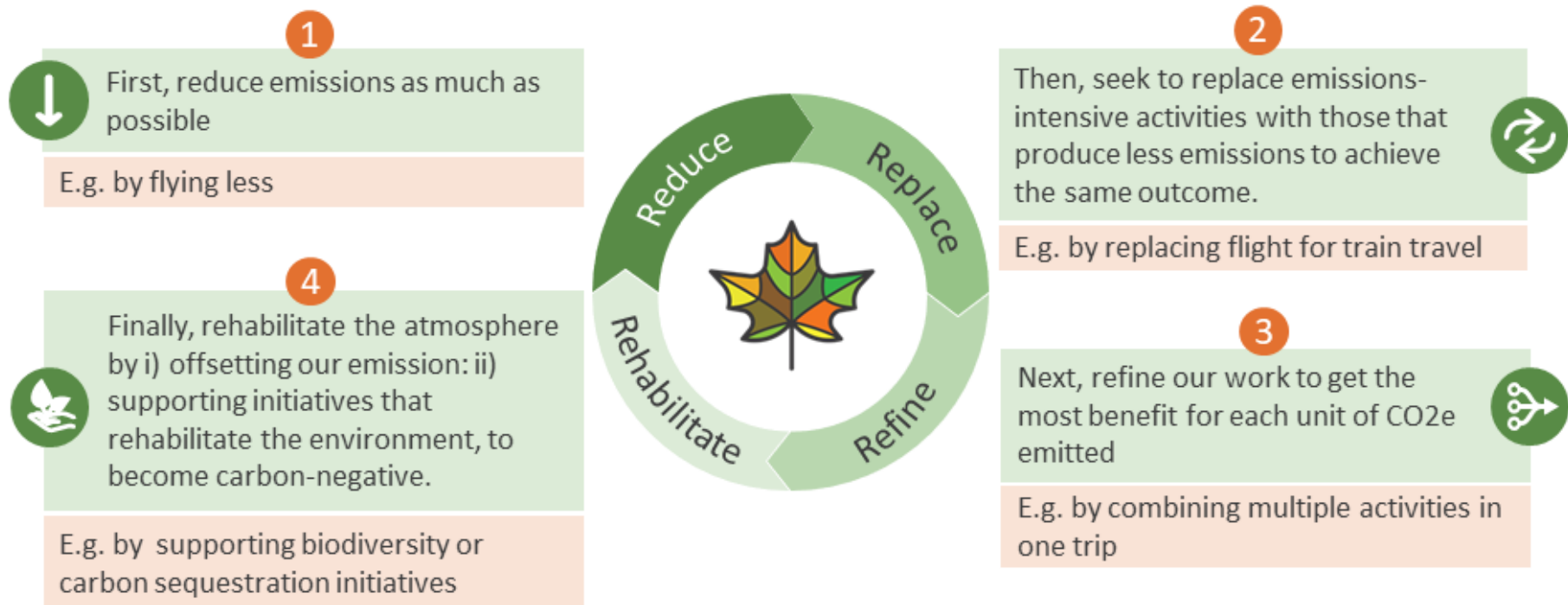
Table 1: Emission sources being measured and offset

Scope 1 – Direct Emissions	Scope 2 – Indirect Emissions	Scope 3 – Indirect Emissions	
		Currently Measuring	*Not yet measuring*
Office heating	Purchased office electricity	Work travel – flights Hotel stays* Commuting* Purchases (electronics, food) Services* Waste disposal* Water Working from home energy usage*	Local travel in non-UK project countries Travel and hotels booked by subcontractors Other emissions from work of subcontractors
Currently based on estimates			

Progress and plans to tackle our emissions

The 4R framework

We have adopted the 4R framework to guide our emissions reduction. This seeks to first **reduce** emissions, then **replace and refine** emissions, before finally **rehabilitating** the environment to balance remaining emissions produced (Figure 3). Our carbon offsetting is viewed as the last of the four Rs (having first tried to reduce, replace and refine what we do). Our greener project guidance further details how this framing can be applied within our projects to reduce our emissions.

Figure 2: The four-step Carbon Code. (Source: *The Carbon Code* by Brett Favaro)

1 First, reduce emissions as much as possible

E.g. by flying less

2 Then, seek to replace emissions-intensive activities with those that produce less emissions to achieve the same outcome.

E.g. by replacing flight for train travel

3 Next, refine our work to get the most benefit for each unit of CO2e emitted

E.g. by combining multiple activities in one trip

4 Finally, rehabilitate the atmosphere by i) offsetting our emission: ii) supporting initiatives that rehabilitate the environment, to become carbon-negative.

E.g. by supporting biodiversity or carbon sequestration initiatives

Reduce — Replace — Refine — Rehabilitate

Summary of progress and plans against the 4Rs framework

Table 2 summarises how we currently work to achieve the 4Rs and our plans to take this work forward. We provide further details in the following section of the report.

Table 2: Activities and plans against the 4Rs

Current activities	Future plans
Step 1: Reduce emissions	
Reducing travel, including through: ▪ Building more sensibly located teams ▪ Remote delivery of projects	▪ Monitoring the CO2e intensity of our projects to tackle patterns of high and medium intensity ▪ Further reducing travel and supporting staff to better assess when travel is 'essential' ▪ Reducing non-travel emissions identified through annual audits ▪ Increasing work with in-country partners and experts, in line with Itad's racial inclusion and diversity commitments
Step 2: Replace emission intensive activities	
▪ Replacing staff flights with train travel within UK or mainland Europe ▪ Remote delivery of projects	▪ Increasing capacity for remote delivery of projects ▪ Building internal buy-in and engagement with this aim ▪ Introducing responsibility at project oversight level for identifying these opportunities e.g. through quality assurance processes
Step 3: Refine emission intensive activities	
▪ Providing guidance on maximising the value of trips by combining activities into one trip, spending longer in one place to build relationships and capacity	▪ Building internal buy-in and engagement with this aim ▪ Encouraging better coordination and planning associated with travel plans to maximise the value of trips that are taken
Step 4: Rehabilitate the atmosphere	
▪ Offsetting all flights and audited emissions	▪ Increasing the scope and accuracy of our emissions audits ▪ Aiming to become carbon negative

Detailed progress and plans against the 4R framework

## Step 1. Reducing our emissions

Progress

We have been working to address our emissions since 2018 when our staff-initiated Green Team was established. Since then, we have made good progress in setting up the systems, partnerships and processes needed to maximise our success.

Tackling air travel

We set 2019 as our baseline year for measuring emissions reduction, it representing the peak of Itad's revenue and growth, and associated travel, in a pre-Covid world. With the impact of Covid-19, our total emissions measured reduced from 1901.23 t CO_2e in 2019 to 702.44 t CO_2e in 2020. We have leveraged this as an opportunity to bring down our travel related emissions to a 'new normal'.

The shift in emissions from 2019 to 2020, represents a huge shift in our travel patterns from 554 trips[8] taken in 2019, to 108 trips in 2020, concentrated in the period January to April. Subsequently, in 2021, just 30 trips were taken. However, with Covid-19 restrictions lifted we are now seeing the number of trips rise again in 2022, with 76 trips already taken between January and June 2022. See Figure 3.

Figure 3: Number of trips taken per year by Itad teams, 2019-2022

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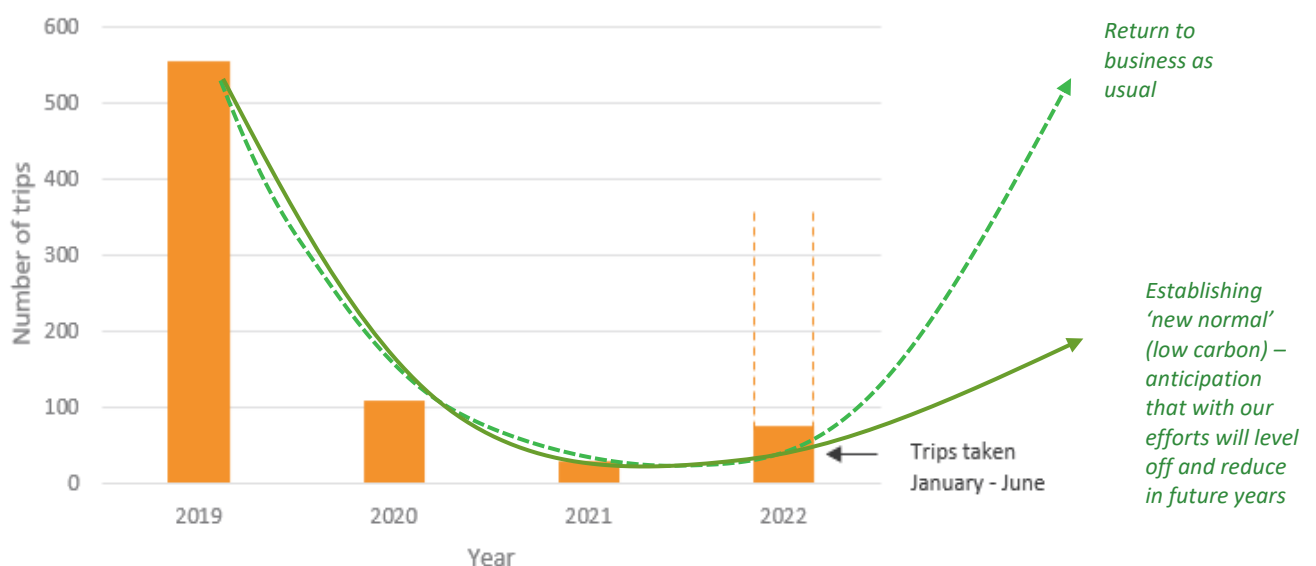
[8] All trips, including flights and train travel; for flights one trip includes return flights and regional trips (i.e. if someone flew to Nairobi and then flew to Mombasa then back to Nairobi, then home); if anyone travels to a second country it is counted as a second trip.

While the Covid-19 pandemic has had a significant impact on reducing our travel, in order to achieve our ambitions and stay true to our green values, it is critical now that we do what we can to avoid any unnecessary travel.

We have adapted our systems to measure emissions from travel on a project by project basis, introduced guidance and support to help project teams reduce these emissions and adapted our budgets to account for the cost of offsetting remaining emissions. We have begun the process of changing our organisational culture whereby the default position is 'flying only when absolutely necessary'.

Since 2020, we have been working to adapt our internal processes in support of this, to encourage Itad staff to reduce emissions through carefully considering travel plans, and by capturing likely emissions produced from travel where travel *is* incorporated into plans. We have produced guidance and tools, including a guidance note on 'How to run a greener project', to advise Itad staff on how to design and adapt projects in 'green ways'. (In 2021, we published a version of this guidance as a common good, to inspire others seeking to address their business emissions). Our primary tools to support emissions measurement and reduction are the Budget and Workplan Template, the Environmental Risk Assessment and Carbon Mitigation Checklists:

- **Budget and Workplan Template** – A metric has been added into all Itad budget and workplan templates which calculates the CO2e intensity of a project. The CO2e intensity is captured in the environmental risk category of the risk register, and an intensity of 'medium' or 'higher' will present with a higher overall rating until completion of the carbon mitigation checklist, which ensures action is taken to reduce overall environmental impact.

- **Environmental Risk Assessment –** A review of associated environmental risks must be completed for all our projects. This includes reviewing the CO2e intensity from the above metric as well as identifying any additional environmental impacts and mitigations. A green, orange or red risk rating is then assigned depending on a combination of the CO2e intensity and whether a carbon mitigation checklist has been completed.

- **Carbon Mitigation Checklists** – A carbon mitigation checklist must be completed for all projects that involve flights. The checklist, which is reviewed annually, helps to ensure that project teams have considered whether all flights in the project workplan are really necessary, and whether there are any options to reduce them - drawing from the 'How to run a greener project' guidance.

To support the use and uptake of these tools, and our broader green approach, we have developed a Learning and Development module for our Project Management and Practice teams on how to run greener projects. This will be rolled out to staff later this year.

Plans

Our plans for further reducing emissions over the period 2022-25 include:

1. Monitoring the CO2e intensity of projects to tackle patterns of high and medium intensity (ongoing at regular intervals – quarterly with an annual deep dive).

2. Introducing and encouraging ongoing engagement with our guidance on 'considerations for essential travel'.

3. Reducing non-travel emissions identified through Itad audits (starting in 2022 and based on 2021 audit data).

4. Expanding and strengthening work with in-country partners and experts, in line with Itad's racial inclusion and diversity results framework.

Monitoring the CO2e intensity of projects

The information captured in our Environmental Risk Assessments and Carbon Mitigation Checklists will be amalgamated at a portfolio level and used to assess barriers and opportunities for greening our projects across the portfolio.

To support Itad to further reduce its emissions associated with project travel, our Green Team will monitor the CO2e intensity ratings (low, medium, high) and environmental risk levels (green, orange, red) of projects at quarterly periods,[9] to identify the proportion of projects recording the different CO2e intensity ratings and risks. Where we identify high or medium CO2e intensity projects we will:

- ensure that a Carbon Mitigation Checklist has been completed

- engage with Project Management and Practice teams to understand why the project is high/medium carbon intensity and what can be done to address this, with the aim of bringing down project related travel emissions to increase our overall proportion of low-carbon intensity projects.

On an annual basis we will deliver a deeper dive into these assessments, to identify patterns of higher CO2e intensity projects – e.g. asking are these associated with particular clients, projects types, teams, regions or countries? We will discuss these insights to identify specific strategies for addressing high and medium CO2e intensity travel patterns.

Considerations for essential travel

As part of our Green Ambition we have committed to 'only flying when absolutely necessary'. What this means is context-specific and open to different interpretations by different people. As such, we have developed a workflow based on a set of considerations for essential travel. This is intended to help our colleagues think carefully about when, why and how travel is incorporated into a project or business activity, and what they can do to reduce the impact of travel in cases where it is deemed absolutely necessary. The impact of such guidance and, therefore, the extent to which we can achieve our ambition is reliant on staff buy-in and mutual responsibility, which is encouraged across the company, at all levels, e.g. through our greener project Learning and Development module, encouraging green targets in team plans, and company engagement with ongoing monitoring and holding ourselves to account (for more on this, see the Measurement section of this report).

Reducing non-travel emissions identified through Itad audits

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[9] N.B. These are two different ratings. A completed carbon mitigation checklist brings a medium or high carbon intensity project down to a green risk level, understanding that the project team has addressed their carbon intensity and done all they can to address it. By capturing the risk assessment only, we will not have an accurate picture of where we are delivering high or medium carbon intensity projects.

Based on the 2021 emissions audit, we will identify categories of non-travel emissions to focus on reducing each year.

For example, our 2019 and 2020 audits identified procurement to be the second highest area of emissions for Itad. This primarily includes services and electronics. We will review the 2021 audit to identify the highest emissions categories, creating a list of priority areas to target for reducing our emissions. We will engage with Itad teams responsible for managing such procurement to understand and create specific strategies for reducing our emissions associated with these.

In addition to tackling specific areas of non-travel emissions, we want to increase the scope and accuracy of what we measure, and address emissions reduction and offsetting in line with this increased scope (see Step 4).

Increasing work with in-country partners and experts

Our work to reduce emissions in Itad (and particularly travel emissions), links directly to the work being done by the Global Itad and Racial Inclusion and Diversity (RI&D) strategic initiatives. The Green Team will actively advocate the work being done under these initiatives and aim to connect the dots, in order to improve our team structures and ways of working in line with reducing our project emissions.

Relevant aims and activities of the Global Itad and RI&D initiatives

The **Global Itad** team was created to extend Itad's networks in the regions where we work. Its vision is to:

- Create an independent community of MEL practitioners in the regions where we work that can become evidence advocates and MEL innovators, providing leadership of high-quality MEL services in the region and MEL expertise that Itad can be guided by and collaborate with.

  In doing so, Itad can strengthen its networks of MEL experts, and develop a nimble approach to a regional presence that can be replicated by Itad, in other strategic geographies, with the purpose of localising MEL, staying relevant and flying less.

Closely aligning with this, the **RI&D** initiative aims to ensure Itad's project teams are diverse and inclusive. To achieve this, the initiative seeks to:

- Proactively source and develop diverse team leaders and deputies.
- Integrate inclusive leadership into Team Leader inductions and training.

It is expected that strengthening our in-country and regional networks will reduce our dependence on international travel. It is also expected that, when we do travel, we use it as an opportunity to deepen our relationships in that geography, thus reducing the need for further travel in the future.

Step 2 and Step 3. Replacing and refining our carbon intensive activities

Replacing our CO2e intensive activities is about finding less CO2e intensive activities to replace high-carbon activities. We have done this through encouraging staff to opt for train travel over flights and by delivering projects remotely.

Refining our CO2e intensive activities is about maximising the value of the CO2e intensive activities we do, to make the most out of them. We do this through building relationships with local partners, clients and consultants when in country but have a lot of work to do here with regard to increasing coordination within and across projects and practices, and forward planning our activities to ensure we maximise out time in a country.

Progress to date in replacing and refining our CO2e intensive activities

Itad's travel team has adapted our travel policy to support greener travel. With regard to train travel, this stipulates that project teams travelling within the UK or to mainland Europe will be offered rail options first before air travel is considered. We now routinely use train travel within the UK, and to accessible places in Europe, e.g. Paris, Brussels, Amsterdam. However, flights are occasionally used when train options do not match requirements.

We have made good progress in terms of our remote delivery. This includes introducing daily norms of remote delivery (utilisation of Microsoft Teams meetings, Miro boards etc), strengthening internal capacity to coordinate and deliver remote and hybrid events, improving our internal technology for remote delivery (e.g. newly installed technology in meeting rooms) and increasing our use of remote data collection tools (such as SMS surveys, geo-spatial data, etc.). Progress here has been boosted by the need to rapidly adapt to a remote working context in response to the Covid-19 travel restrictions, and we are leveraging this to become leaders in such delivery options. In terms of emissions reduction, the progress made here enables us to make tactical decisions about when we can deliver remotely, and maximise the benefits from that, as opposed to flying a team to a different location to support project delivery in-person. We recognise that this needs to be balanced with the pros of in-person delivery, not least relationship building with new clients, partners and consultants (as addressed in our considerations for essential travel).

Our plans for further replacing and refining our CO2e intensive activities include:

- Increasing our capacity for remote delivery.

- Building internal buy-in and engagement with these aims (through ongoing communications and roll out of our Learning and Development module).

- Introducing responsibility at project oversight level for identifying these opportunities e.g. through quality assurance processes.

- Encouraging greater coordination and planning associated with travel plans to maximise the value of trips that are taken.

Increasing capacity for remote delivery

We will deliver greener work by strengthening our capabilities in remote data collection. We plan to roll out two Learning and Development modules aimed at building understanding among participants of how data collection software (e.g. Open Data Kit, SurveyCTO) can be used to support remote data collection within Itad projects, pitched at two different levels within the company:

- **Beginner:** By the end of this module, participants will have an overview of our work in this area and be able to: identify opportunities for integrating data collection software within Itad profect proposals and ongoing projects; undertake preliminary scoping and costing of these opportunities; make decisions around whether to resource internally or work with a specialist partner; and have an understanding of specialist service providers in this area.

- **Advanced:** By the end of the module, participants will be able to use selected software to develop mobile data collection applications, and be able to train enumerators in the use of these on mobile devices. This module will be delivered with the aid of specialists.

Building understanding and capability in this area will ensure Itad continues to meet client needs whilst maintaining our commitment to mainstreaming green principles in our ways of working.

Build internal buy-in and engagement with this aim

We will deliver the Learning and Development module for greener projects to Itad's four Practice teams initially and then to our business units. The module will cover the following:

- Thinking green: Itad's climate ambition and approach

- Implementing internally: Our process and tools, and how to use them

- Engaging externally: Engaging with clients to drive green ambition

The aim of the Learning and Development module is to enable Itad's staff to think critically about how to green their project delivery, to implement changes and to engage with clients on our green ambitions. The module is currently in development and will be rolled out once finalised.

Staff engagement and buy-in with our green ambition is further encapsulated in Itad's 2022-25 Strategy in which we articulate our commitment to influence behaviour change in Itad in line with greener ways of living and working.

Introducing responsibility at project oversight level

As part of Itad's 2022-2025 strategy, our quality assurance (QA) processes are being reviewed. Our Green Team will link up with the team doing this to integrate a green lens into this work. The aim of this will be for those who provide project oversight to provide a steer on opportunities to further replace and refine CO2e intensive activities within projects to drive down emissions, and ensure we meet our target of 80% low CO2e intensity projects.

Encouraging greater coordination and planning associated with travel plans

We aim to improve our travel planning to ensure we are combining trips where possible and gaining the most value from trips where they are taken. Our 'How to run a greener project' guidance sets out options

for how this could be done, e.g. planning a longer meeting that allows plenty of time for team bonding and training, and seeing this as an opportunity to reduce the number of face-to-face meetings that are needed in the future.

A first step towards this is to explore how we can be more strategic in linking trips, e.g. so the same person does not visit one place twice within a short time period, but better coordinates with different clients to conduct all in-country activities in one trip. By ensuring trips are maximised to deliver engagement outside of the project we will better support others at Itad in their work, or relationship building with clients, partners and consultants.

This will be covered in the relevant Learning and Development module. In the future, we will consider introducing a review of the types of trips we are taking, using data from our travel request forms, including length of trip and activities on the itinerary to identify the number of short trips (e.g. three days or less) and their purpose to determine if and how to reduce the number of short trips we are doing.

Step 4. Rehabilitating the atmosphere

Progress

In 2021, we formed a partnership with Earthly – a company that supports companies to understand and reduce their emissions footprint while investing in nature-based climate solutions for unavoidable emissions. We have been working with Earthly to measure and offset our emissions.

We measure emissions from flights and annual emissions audits, and offset these by investing a per tonne value (for 110% of our CO2e) into selected Earthly projects. This process allows us to rehabilitate the atmosphere on the basis of emissions produced across Scopes 1-3, offsetting 110% of what we are responsible for producing.

Pros and cons of offsetting

We understand that offsetting on its own is not the solution to tackling our environmental impact. Being aware that due to the global focus of Itad's work, it would be impossible to cut out emissions intensive activities, such as flying, completely, we focused on finding an offsetting partner that aligned with our values, targets and ethos to help us to achieve our goal of emissions neutrality by 2021. The advantages of having an offsetting partner such as Earthly is that they use Nature Based Solutions rather than offsetting schemes which only have the illusion of doing good – offsetting can quickly become greenwashing without the right initial scoping questions. We currently offset 110% of emissions, and aim to improve on reducing emissions year-on-year.

Investments in nature-based climate projects

The current projects we are investing in were selected through a company-wide staff vote. They include the following:

- **Brazil Nut Concessions:** A REDD+ project focusing on rainforest conservation in the heart of Peru. Run by Earthly partner Bosques Amazonicos SAC. This project aims to reduce deforestation in over 300,000 hectares of the Peruvian Amazon and reduce millions of tonnes of CO2e from illegal deforestation.

- **Mangrove Planting in Madagascar:** Run by Eden Reforestation Projects focusing on reforestation and poverty alleviation. Mangroves pack some punch when it comes to carbon sequestration but also provide other natural benefits such as storm surge protection and wildlife habitats. The project has already planted over 300 million trees and created over three million workdays for local communities since it started in 2007.

- **Mai Ndombe Rainforest Protection:** This REDD+ project in the Democratic Republic of Congo basin is working on protecting the world's second-largest intact rainforest as well as helping local communities through education and providing vital medical care.

We intend to run a new staff vote in September each year, after the audit emissions have been offset.

Plans

Our plans for further rehabilitating the atmosphere include:

- Increasing the scope and accuracy of the emissions we measure and offset.

- Reaching carbon negative.

Increasing the scope of the emissions we measure and offset

While we have achieved 'net zero', we aim to improve by increasing our understanding of the emissions we are responsible for, measuring these and offsetting them.

Our current audit relies on estimates from some categories of emissions, namely those associated with hotel stays, commuting, and energy usage from working from home.

A first step in defining the scope of our audits will be to determine which of these we continue to measure based on estimates and which we will measure based on actuals – and being proportionate in the amount of effort we apply to measuring something more precisely versus its likely contribution to our total emissions. With this in mind, we propose that for each category, using a generous estimate may be the most efficient way of continuing to measure these, but with periodic deep dives into specific categories to sense check out estimates and ensure we are developing our understanding on the ways in which emissions are produced, and therefore how we can reduce those emissions.

A second step will be to determine how we incorporate Scope 3 emissions that we are not yet measuring. These include:

On the ground/local travel

To measure and offset emissions from travel in countries we are working in, we propose integrating a second metric into our budget templates. This will determine an estimate for emissions produced based on the *type* of travel, on a daily basis, as follows:

- Inner city car travel estimated at 20km p/day = 0.004 t CO2e

- Field trip car travel estimated at 100km p/day = 0.02 t CO2e

This will be captured for any team member delivering activities on behalf of Itad. We will discuss and clarify with Earthly a process for capturing this and ensure it is offset either quarterly with our flight and train emissions, or as part of the annual audit.

Travel and hotels booked by subcontractors

We propose that our level of responsibility for emissions produced through the delivery of a project differs depending on the project scenario, i.e. whether we are the lead contractor or a sub-contractor, as follows:

- When we are the lead contractor, we need to take responsibility for all emissions produced in the delivery of a project, to ensure those emissions are reduced, replaced, refined and offset for not

just our own activities but for our partner's activities. In terms of offsetting, this means ensuring that all emissions produced are captured and offset through project budgets.

- When we are a sub-contractor, we will not have the same leverage within the consortium to guide how partners operate and what they report or offset against. In these scenarios, we will play more of an influencing role to encourage a green approach to project delivery. We will continue to reduce, replace, refine and rehabilitate based on our own activities, but not others.

To take this forward, we will need to determine exactly how to ensure that the total emissions produced by a project are being captured. This may be through either asking partners to report on these and offsetting through our normal process; or asking partners to take full responsibility for capturing and offsetting when they work with us. This may also differ project to project, and partner to partner depending on how they are set up to operate. Once we have explored this we can lay out a set of guidelines for how we tackle whole project emissions for projects delivered by a consortium of partners.

Reaching carbon negative

A second key milestone in our journey to becoming a greener company is to achieve carbon negative status by 2023.

Although we already offset 110% of our emissions, offsetting should only be seen as a measure to compensate for the residual adverse impacts on the planet that we cannot avoid.[10] Investment in offsetting alone is not enough to truthfully claim carbon-negativity and it represents a form of greenwashing.
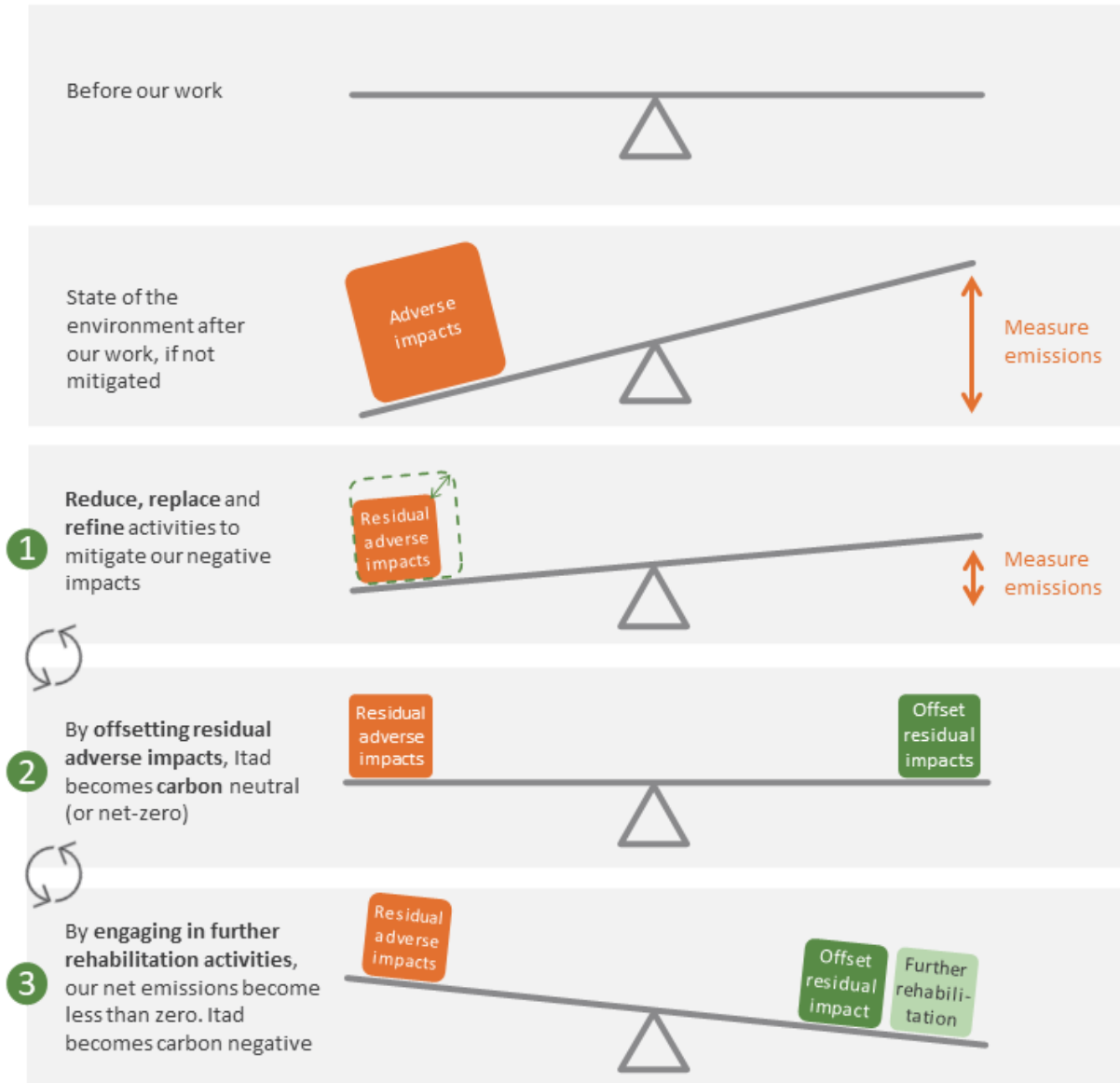
To achieve carbon-negativity, we must:

1	Prioritise ongoing in-house emissions reduction, to push as close to zero emissions as possible.
2	Offset remaining unavoidable emissions produced, which we are doing through our partnership with Earthly at 110% offset per tonne of CO2e.
3	Further engage in rehabilitation activities to achieve overall net emissions of less than we are responsible for producing.

The plans set out in the above sections of this report encapsulate the first two steps. The third step is key to move Itad toward being carbon negative. This implies actively engaging in further rehabilitation. See Figure 5.

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[10] Forest Trends. 'The mitigation hierarchy', accessed September 2022

Figure 5: Carbon negativity at Itad

Before our work

State of the environment after our work, if not mitigated — Adverse impacts — Measure emissions

1. **Reduce, replace** and **refine** activities to mitigate our negative impacts — Residual adverse impacts — Measure emissions

2. By **offsetting residual adverse impacts**, Itad becomes **carbon** neutral (or net-zero) — Residual adverse impacts / Offset residual impacts

3. By **engaging in further rehabilitation activities,** our net emissions become less than zero. Itad becomes carbon negative — Residual adverse impacts / Offset residual impact / Further rehabilitation

(Adapted from The Biodiversity Consultancy)

Becoming carbon negative will require an investment from Itad. Offsetting costs (for travel) can come from project budgets, but a greater investment that nurtures our environmental engagement may require additional, non-project investment. While investing financially in rehabilitation projects will make us carbon negative on paper, we recognise that this is an opportunity to enhance the engagement of our staff with the environment, improving individuals' relationship with the environment, and strengthening our collective environmental consciousness. Pro bono work for climate and conservation organisations, for example, would allow us to leverage our expertise and offer a chance for staff to live up to our 'environmental action' value. We will consider a time investment of some form alongside a financial investment.

During the coming year we plan to:

- Scope out and selection options for rehabilitation activities
- Pitch our selected options to our Board to identify the most beneficial option(s) to take forward
- Pilot selected activities
- Review and scale up rehabilitation activities.

Measurement

Progress

Annual monitoring

Supported by Earthly, we now conduct annual and quarterly emissions audits involving inputs from across the company. At the time of writing, Earthly have completed independent CO2 emissions reports for Itad based on this data, covering financial years 2019/20, 2020/21 and 2021/22. (Itad's financial years run from 1 February to 31 January).

Revenue per CO2e tonne 2019-2022

Alongside a measure of our total CO2 emissions, we undertake additional internal monitoring. We also monitor revenue per CO2 as this provides an indicator of emissions relative to our size. Our revenue per CO2e tonne for the past three financial years was as follows:

- FY 19/20: (£17,906,599/1901.23 t CO2e) = **£9,418p/ t CO2e**

- FY 20/21: (£16,578,846/702.44 t CO2e) = **£23,602 p/ t CO2e**

- FY 21/22 : (£14,507,030/178.53 t CO2e) = **£81,258 p/ t CO2e**
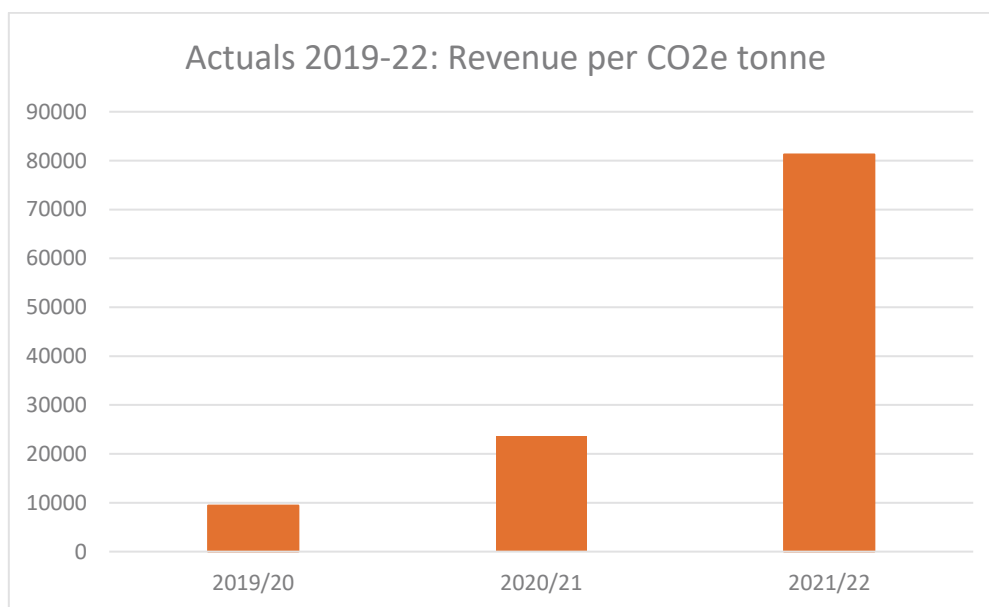
2020 and 2021 were both anomalous years due to Covid-19 lockdowns and travel restrictions. As such, we wouldn't expect to see a linear progression from 2019-21, but we can broadly expect this from 2022 onwards.

Reporting

Our carbon emissions reporting is coordinated by our Green Team who input into the company's quarterly reports which are reviewed by Itad's Executive Committee (ExCo) and the Board.

Compliance with globally recognised reporting standards

Itad's emission audits comply with the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard and report on the seven specific greenhouse gases named by the Kyoto Protocol as outlined below:

- Carbon Dioxide (CO2)

- Hydrofluorocarbons (HFCs)

- Methane (CH_4)

- Nitrous Oxide (N_2O)

- Nitrogen Trifluoride (NF_3)

- Perfluorocarbons (PCFs)

- Sulphur Hexafluoride (SF_6)

The total emissions are currently combined into one figure and reported in terms of carbon dioxide equivalent (CO2e), meaning the number of metric tons of CO2 emissions has the same global warming potential as one metric ton of the relevant greenhouse gas.

Plans for future targets and measurement

We expect the revenue per tonne to increase each year, in line with our projected revenue increases and reduced total emissions as a proportion of revenue. We have developed annual targets, based on our target revenue for each year. These have been shared with Itad staff and will be published once the company accounts are in the public domain.

At this stage, we are still learning about the extent to which it is possible to reduce emissions in a normal (non-pandemic) context. As such, our targets assume that our net emissions will decrease by at least 5% from 2019 levels, each year.[11] As we collect data against these targets and review our emissions reduction progress year-on-year, we will be in a position to calculate more accurate targets for subsequent years.

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[11] In practice we are aware that the percentage by which our emissions reduce will level out as we cannot expect to reach zero emissions based on our current delivery model

Quarterly monitoring

The quarterly indicator is: **% of low** CO2e **intensity projects in active project portfolio.**

Quarterly monitoring will focus on project level emissions from budgeted flights and international trains, as this is the type of data we will have access to sub-annually and also represents our biggest sources of emissions – and one that is likely to better reflect changes in the behaviour of project teams.

We will aim for **80% of our portfolio** to fall under the 'low' CO2e intensity category for the next three years (to be reviewed if necessary after first set of data). Once we have collected and analysed data for the next three years, we can revisit the CO2e intensity values and target indicator results in alignment with our progress.

![itad logo]

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