

## Carbon Reduction Plan 2022-27

June 2023





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## Document control

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Title	Archus Carbon Reduction Plan 2022-27
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Approved by	Archus Board of Directors



## 1 Introduction and Scope

Archus Limited is committed to achieving Net Zero Emissions by 2040. We have publicly signed up to the [Climate Pledge](#) and subsequently joined the [UN Race to Zero](#) scheme, initiated by the Climate Ambition Alliance. We acknowledge the drive of the UK's Nationally Determined Contribution (NDC) in line with Article 4 of the Paris Agreement, and via this pathway committing Archus to the following Climate Pledge Commitments:

- Regular reporting
- Carbon elimination
- Credible carbon offsets

By becoming a signatory of the Climate Pledge, we will be included in the UN Race to Zero. This is because individual businesses are invited to join an initiative or network, in this case the Climate Pledge – a Race to Zero partner.

Our baseline and latest available annual emissions report are set out below in response to the requirement for major government suppliers to publish a Carbon Reduction Plan.

The 2021 baseline and any subsequent emission reporting was prepared in line with the definitions outlined in Appendix 1.

## 2 Background

Archus Ltd is a team of experts who provide strategic and infrastructure advice to health and social care clients and operates a three-pillar service.



We are specialists in providing support at every stage of the asset and system lifecycle. However, it should be noted that in terms of our Programme and Project Management delivery roles, this is from a client-side consultancy perspective rather than as a contractor completing the works.

Our full reporting scope includes Scopes 1, 2 and selected 3 emissions (see following table) from Archus offices across the country, and next year's reporting will see the addition of new offices in other territories, by which time would have generated a year's worth of data.

It should be noted that all Archus offices are leased and therefore we currently have little or no control over the type or supply of energy but will of course report accordingly. A current list of Archus offices can be found [here](#) on the Archus website.

The Archus 2021/22 baseline and 2022/23 reporting was calculated in line with the Greenhouse Gas Protocol control approach for Operational Control.



### 3 Emissions Calculations

#### Baseline emissions footprint

*Table 1 – Baseline Year 2021 (01/01/21 – 31/12/21)*

Emissions	Total (tCO <sub>2</sub> e)	Sources include
Scope 1	0	Gas, fuel use in company owned vehicles
Scope 2	0	Electricity and heat
Scope 3		
Category 7 – Employee commuting	62.68	
Category 8 – Upstream leased assets	6.63	
Category 15 – Investments	71.48	
<b>Total Emissions</b>	<b>140.79</b>	

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

When we calculated our baseline emissions it became clear that we do not produce any Scope 1 or Scope 2 emissions due to the nature of the business and the way that Archus operates. Therefore, there are no totals to report against the emissions footprint.

This baseline includes Scope 1 (gas, fuel use in company owned vehicles) and Scope 2 emissions (electricity and heat). As Archus office space is rented on the basis of fully serviced, the gas and electricity use within the offices fall outside the boundary of Scope 1 and 2, and are calculated in Scope 3 Category 8 Upstream leased assets.

Scope 3 emissions include Category 7 Employee Commuting including emissions associated with working from home, Category 8 Upstream leased assets, and Category 15 Investments.

Our baseline does include a value to represent employees working from home in line with new directions of employee working. Our baseline is based on location-based reporting and does not reflect reduction in emissions due to green electricity or gas procurement (market-based reporting) nor carbon offsetting.

In the future it is likely we may reframe our baseline year, as we experienced significant growth up to 2022 and during 2021 we were still feeling the effects of COVID-19. In our 2022 reporting year we will include offices in new territories and increased employee numbers in line with the company business plan.

The table below breaks down the emissions into scopes and corresponding categories. As already mentioned, we do not have any Scope 1 or 2 emissions and instead the entirety of our emissions are Scope 3.



## Current Emissions Reporting

Table 2 – Reporting Year: 2022 (01/01/2022–31/12/2022)

Emissions	Total (tCO <sub>2</sub> e)	Sources include
Scope 1	0	Gas, fuel use in company owned vehicles
Scope 2	0	Electricity and heat
Scope 3	141.19	Category 7 Employee Commuting including emissions associated with working from home Category 8 Upstream leased assets Category 15 Investments
<b>Total</b>	<b>141.19</b>	

Archus have continued to track our emissions through 2022 after establishing our baseline in 2021. As the baseline established as Archus we do not produce any Scope 1 or 2 emissions. The entirety of our emissions are included within Scope 3.

Our total carbon outputs have increased since establishing our baseline in 2021. There are a number of reasons for this having happened. We have expanded our workforce more quickly than the Archus business plan expected. We have expanded across countries, with the establishment of offices in Ireland, with further expansion to come in 2023.

## 4 Emission Reduction Targets

To achieve our Net Zero targets and other commitments, we have adopted the following carbon reduction targets:

- Commenced reduction of absolute GHG emissions by 60% by 2030 against our 2020/21 baseline and all reported scopes, with a view to be completely Net Zero by 2040.
- Reduce business travel carbon emissions by 50% by 2025 against our 2020/21 baseline.
- Archus will commit to all UK government and NHS policy relating to the emission reduction targets<sup>1</sup>.
- To reduce our emissions, in line with limiting global warming, well below 2° and preferably 1.5° Celsius, as agreed at the 2015 Paris Agreement.

Archus has experienced significant growth over the past two years, achieving a headcount of 93 by the end of 2022 financial year. This is a significant increase from the point of establishing the baseline where our staff headcount was 63.

Our carbon intensity at the establishment of the baseline sat at 2.28tCO<sub>2</sub>e per employee over the period of 2021. Archus looked to reduce this to 1.49tCO<sub>2</sub>e/per employee by 2022 with the expectation of a total workforce of 90.

Our carbon intensity per employee for 2022 is 1.52tCO<sub>2</sub>e with a total workforce of 93. Archus have moved in the right direction being very close to achieving the informal target of 1.49tCO<sub>2</sub>e/per employee.

<sup>1</sup> UK government has committed to Net Zero by 2050 and the NHS has committed to Net Zero by 2040.



Moving into 2022/23 we expect continued rapid growth in our business and anticipate employee numbers will rise close to 100 by 2023 and we will look to continue to reduce our annual carbon intensity per employee to c. 1.24tCO<sub>2</sub>e/per year by the end of 2023.

Figure 1 – Tonnes CO<sub>2</sub>e Per Employee

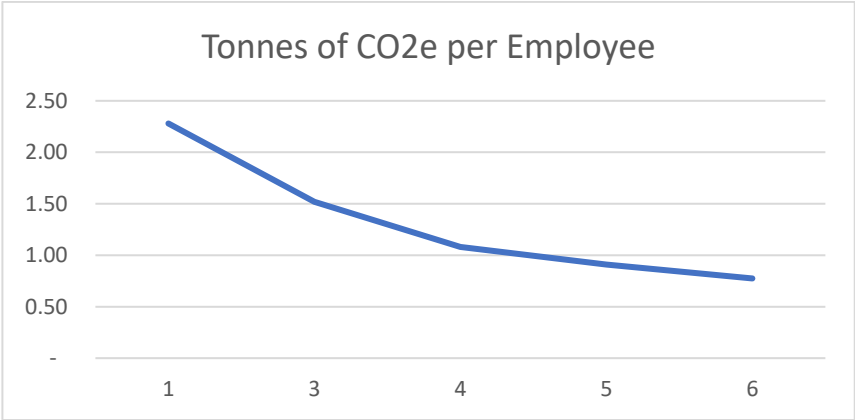
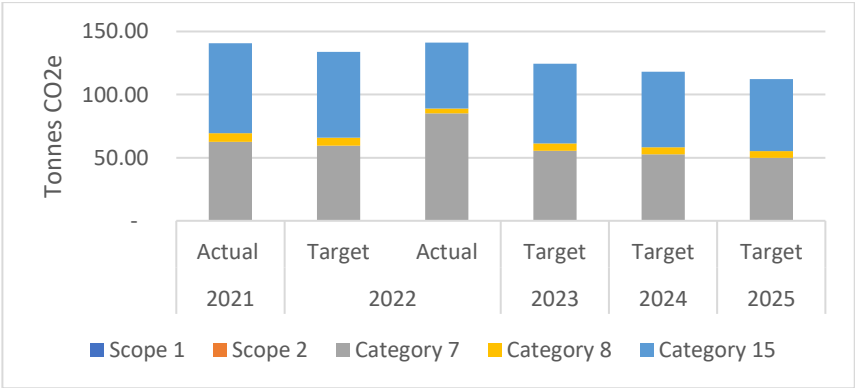


Figure 2 – Carbon Reduction Target vs. Actual Graph



The graph above describes the Archus emission position taking into account our 2022 data, including our scope emissions. Scope 3 is broken down into three categories 7, 8 and 15. The graph outlines the required decrease of our emissions to meet the targets that we have set out as part of this Carbon Reduction Plan.

With this being our second iteration of reporting the graphs have been updated to include both our baseline and first year of tracked emissions data. Having now tracked our usage for a year we will look to provide a position statement against the success or failure to meet those targets that we have committed to. This relates to having had a year's worth of data as well as being able to appreciate the changing nature of the workplace environment post pandemic.

Summary of our Targets

Table 3 – summary of Archus emissions targets

Target	%	by
Absolute reduction	20	2025
Absolute reduction	60	2030
Reduce Business Travel Emissions	50	2025
Intensity reduction per employee/year	40	2025
Net Zero Complete	100	2040



## 5 Carbon Reduction Projects

### Planned Carbon Reduction Initiatives

The following carbon reduction initiatives have been planned or implemented since our 2021/22 baseline. The below figure describes how projects can be implemented to improve the data which will be most useful for Scope 3 outputs.



Key measures already implemented include:

- Tight operational control of equipment including small power uses;
- Ensuring that all employees use laptops only and do not have access to desk top personal computers;
- Implementation of ISO14001:2015 certified management system since 2018;
- Signed up to the Climate Pledge committing Archus to Net Zero Carbon Emissions across all scopes by latest 2050 but earlier if possible;
- Setting our travel hierarchy to reduce travel and encourage use of telecommuting, from 2020 adopted a hybrid working model, supporting bike to work schemes (including e-bikes and annual rail passes via salary sacrifice);
- Post pandemic as a company we have chosen to continue to support this hybrid model of working in parallel with our commitment to the Climate Pledge;
- Purchase of Renewable Energy Guarantee of Origin backed green electricity with zero emissions where we are responsible for electricity procurement;

- Always emphasise not printing and working digitally;
- When travelling, if possible, to encourage car sharing.

Engagement with all staff was undertaken to understand potential initiatives to be adopted in the future. The below points below denote a sample of initiatives received and will be reviewed by the Archus Management Board for future implementation. Having now had a year to understand our usage we will look to model and understand the cost of implementing these initiatives and how this will contribute to our overall target:

- Focus on green offices in all new office selection/fit out;
- Begin discussions with serviced office providers for using renewable energy to supply their offices;
- Investigate and undertake carbon training to further educate our staff;
- Encourage active travel to company offices when possible;
- Align our strategies, policies and planning in line with the United Nations Climate Change Goal 13 Targets;
- Archus will commit to work with the NHS to meet any Net Zero Carbon targets that are undertaken;
- Continue to support the NHS in the authoring and production of Net Zero standards and environmental policy;
- Progressing our hybrid working model;
- Engage with our suppliers to better calculate and minimise our wider Scope 3 Emissions.
- To set up a scheme that will support the planting of trees to tackle deforestation and strengthen the planets' ability to absorb carbon dioxide;



- Further energy efficient projects in our offices to align with our ESOS audit recommendations;
- The introduction of a salary sacrifice scheme for Electric Vehicles;
- Provided an incentive/disincentive programme from 2022 for employees to use lower emission vehicles;

We are looking to formalise the routes that we use to collect and review our data. Both in terms of energy usage and emissions and staff commuting and office travel. Through the year of 2023 we will work with our office providers to install a system of regular engagement and reporting to ensure up to date figures and data. This will go hand in hand with our attempts to discuss carbon literacy and renewable energy sourcing with current and future office providers. As a company we have created a new expenses form that more clearly tracks the travel that is completed by our staff both distance and type and further investigation is ongoing into how we can best track staff commuting into the office.

We will be looking to release a mission statement to outline our success and failures in achieving our targets and the work that we will do to achieve the targets in the future. Having completed our first year of tracking data and emissions it has become clear how important it is to have a codified system in place to collect and review our data.

## 6 Education

As a company that works exclusively within the UK health system and NHS it is important that our targets and aims match or work alongside those undertaken by these institutions. Archus has worked as part of a team to deliver the [Net Zero Carbon Standard](#) for the NHS to be adopted nationally. This aligns with the [Greener NHS](#) policy currently being championed through the industry.

NHS England have committed to net-zero carbon emissions by 2040. We have committed to align with this core objective due to the collaborative nature of the work that we deliver on behalf of the NHS. The NHS aims to effect emissions they control directly and those that they can influence. We will aim to deliver against our targets to achieve Net Zero Carbon by 2040, and be aligned with the NHS.

Throughout the building and capital projects we are involved with there are Net Zero Carbon and Building Research Establishment Environmental Assessment Method (BREEAM) credits that support meeting and furthering environmental challenges and carbon reduction strategies. These policies are key especially within the construction of 'new build' services and buildings. Being a part of these projects from conception allows a greater chance for Archus to impact and steer the client towards meeting these targets.

At Archus we will champion the undertaking and promotion of Net Zero commitments and strategies. We as Archus have looked to promote strategic sustainability consultancy as a





service offering to our healthcare partners and look to establish this with all partners that we work with.

Archus carbon reduction and sustainability planning documentation will be updated regularly in line with international conferences and policy agreement. The Archus sustainability strategy was updated with the outputs from the [Bonn Climate Change Conference](#) that took place in June 2022 as well as those made at COP26 which took place in Glasgow in 2021, strengthening the agreements and commitments made at the 2015 Paris Agreement. Following the COP28 conference being held in Dubai in 2023 we will update the Carbon Reduction Plan with the key outputs from that conference.

Education and exposure are key, encouraging discussion and conversation is important and it is paramount that our people at Archus are the driving force behind these conversations. Some of these solutions may be considered bold, but the world of climate change is complex and ever changing, and our success will depend on our people really understanding the breadth of opportunity and feeling empowered to lead the way.

We want our leaders and pioneering staff to be courageous champions for our industry and we want our entire workforce and business to be a part of the transformation.

Over the coming years we will be upskilling our entire workforce on the importance of pursuing a sustainable world and how everyone at Archus can support our ambitions.

To ensure that the aspects of sustainability become a key part of the Archus policy and operating standards. We have established Environmental Carbon Literate certified champions within each office. To further educate their fellow staff and to encourage discussion and lead training.

None of what we want to achieve is going to be possible without the support of our staff, clients and corporate allies. We are very fortunate that the clients we work with are environmentally aware with suitable policies in place that we can support them towards achieving.

Climate change remains the number one priority and the number one opportunity to bring our industry together as we all strive to create better places for people to live, work and play sustainably, and more specifically to improve care and wellbeing within the UK health sector and in the future internationally.



## 7 Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans

and the Corporate Value Chain (Scope 3) Standard – with the exception for this report of Scope 3 emissions associated with staff commuting and working from home. These emissions will be updated in next year’s report.

The **Carbon Reduction Plan** has been reviewed and signed off by the Archus Board of Directors.

Signed

Name	Stan Coats
Date	31/07/2023
Exec Role	Executive Director
Job Title	Executive Director and Operations Lead

## Appendix 1

### Scope 3 Carbon: Initial Data Gathering Methodology



\*Summary of methods for calculating emissions:

- **Spend-based method** – estimates emissions by collecting data on the economic value and multiplying it by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods);
- **Supplier-specific method** – collects product-level cradle-to-gate GHG inventory data from suppliers;
- **Hybrid method** – uses a combination of supplier-specific activity data (where available) and secondary data to fill the gaps. This method involves:
  - collecting allocated scope 1 and scope 2 emission data directly from suppliers;
  - calculating upstream emissions of goods and services from suppliers' activity data on the amount of materials, fuel, electricity, used, distance transported, and waste generated and applying appropriate emission factors; and
  - using secondary data to calculate upstream emissions wherever supplier-specific data is not available.
- **Average-data method** – estimates emissions by collecting data on the mass (e.g., kilograms or pounds), or other relevant units purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of good or service);
- **Fuel-based method** – involves determining the amount of fuel consumed e.g. during business travel (i.e., scope 1 and scope 2 emissions of transport providers) and applying the appropriate emission factor for that fuel;
- **Distance-based method** – involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used

Scope 3 items. (GHG Protocol)	Scope	GHGP Calculation Method *(indicative)	T/CO2e
<b>Upstream</b>			
Purchased Goods and Services	All upstream (cradle-to-gate) emissions of purchased goods and services	Hybrid method	Out of Scope
Capital goods	All upstream (cradle-to-gate) emissions of purchased capital goods (fixed assets/ plant)	Hybrid method	Out of Scope
Fuel- and energy-related activities, not inc. in Scope 1 or Scope 2	Upstream emissions of purchased electricity: All upstream (cradle-to-gate) emissions of purchased fuels (from raw material extraction up to the point of, but excluding, combustion) Transmission and distribution (T&D) Losses All upstream (cradle-to-gate) emissions of energy consumed in a T&D system, including emissions from combustion.	Spend -based method	Out of Scope
Upstream transport and distribution	Scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use)	Hybrid method	Out of Scope
Waste generated in operations	The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment	Supplier specific method	Out of Scope
Business travel	The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g. from energy use)	Fuel based method	. Out of Scope
Employee commuting	The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use)	Fuel, data and average data methods	62.68
Upstream leased assets	The scope 1 and scope 2 emissions of lessors that occur during the reporting company's operation of leased assets (e.g., from energy use)	Supplier specific method	6.63



Scope 3 items. (GHG Protocol)	Scope	GHGP Calculation Method *(indicative)	T/CO2e
<b>Downstream</b>			
Downstream transport and distribution	The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities (e.g., from energy use)	Supplier specific method	Out of Scope
Processing of sold products	The scope 1 and scope 2 emissions of downstream companies that occur during processing (e.g., from energy use)	Supplier specific method	Out of Scope
Use of sold products	The direct use-phase emissions of sold products over their expected lifetime (i.e., the scope 1 and scope 2 emissions of end users that occur from the use of: products that directly consume energy (fuels or electricity) during use; fuels and feedstocks; and GHGs and products that contain or form GHGs that are emitted during use)	Supplier specific method	Out of Scope
End-of-life treatment of sold products	The scope 1 and scope 2 emissions of waste management companies that occur during disposal or treatment of sold products	Supplier specific method	Out of Scope
Downstream leased assets	The scope 1 and scope 2 emissions of lessees that occur during operation of leased assets (e.g., from energy use).	Spend -based method	Out of Scope
Franchises	The scope 1 and scope 2 emissions of franchisees that occur during operation of franchises (e.g., from energy use)	Supplier specific method	Out of Scope
Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2	Average data method	71.79

