

## SME Net Zero Pledge

With 3 years left on the clock to curb emissions (IPCC, 2022) Neighbourly has pledged to be Net Zero by 2030; using 2021 as our base year. As an SME, that requires us to:

1. Ensure near-term targets are absolute Scope 1 and 2 GHG emissions reduction targets that should be achieved by 2030, from a predefined base year. The near-term option does not require SMEs to set targets for their Scope 3 emissions. However, SMEs must commit to measure and reduce their Scope 3 emissions.
2. Ensure long-term are absolute Scope 1, 2 and 3 GHG emissions reduction targets that should be met by 2050 at the latest, from a predefined base year. A commitment to neutralise any unabated emissions when the long-term science-based target is achieved.

## Roadmap

Neighbourly will fulfil the commitment for both Scope 1 and 2 and furthermore, have chosen to take the more ambitious route of including measurable Scope 3 emissions in our roadmap, mainly business travel and homeworking.

The table below outlines the various Scopes applicable to Neighbourly and rational for inclusion or exclusion.

Scope	Description	Applicable to Neighbourly	Required to include	Rational
1	Company Facilities		x	Not applicable. We do not own any company facilities
1	Fleet Vehicles		x	Not applicable. We do not have our own fleet vehicles
2	Electricity (& heating/cooling)	x	x	We will be working with our facilities managers to transition to green electricity plans and introduce measures to reduce emissions associated with heating and cooling
3	Business Travel	x		We are able to track this and have updated our travel policy to ensure a hierarchy of sustainable travel is used and low carbon transport forms are chosen over carbon intensive alternatives
3	Homeworking	x		Given the nature of our business we will be offsetting all emissions associated with homeworking

## Neighbourly Baseline emissions:

The table below outlines our emissions from our base year (2021)

Scope	2021	2022 (Work in Process)
Scope 1	0.036	0.037
Scope 2	0.649	0.293
Total Scope (Tonnes) 1+2	0.685	0.33
Scope 3	45.228	33.841
Total Scope (Tonnes) 1 + 2 + 3	45.912	34.239
Home working Break down pp.	1.15 T per employee	TBC

#### 4 Pillars Approach

The 1.5 Degree Business playbook highlights the 4 Pillars needed for a Net Zero strategy. Furthermore, it states that ‘Small and Medium Sized Enterprises’ (SMEs) should reduce their own emissions (Pillar 1). They should also reduce value chain emissions (Scope 3) if these are material to the total emissions and where data allows it to be measured. Typically, SMEs are expected to have more limited impact on their suppliers but can impact Pillar 2 through their selection of suppliers, the design of products and by decreasing the use of goods and services with high emission intensity. SMEs that have their core business in climate solutions will build their strategy from Pillar 3 and are encouraged to bring forward their contribution.

#### Neighbourly's 4 Pillar approach:

1. Focuses on our company's activities to reduce its own emissions, aligned with a 1.5°c pathway.
2. Focuses on our company's activities to reduce its value chain emissions, with the same goal.
3. Addresses the alignment of our company's vision, strategy, value proposition, products and services with the 1.5°C ambition.
4. Describes how to contribute to the 1.5°c ambition beyond our own business.

The table below highlights the activities that will be undertaken to reduce our emissions (Pillar 1), our value chain emissions (Pillar 2). Pillar 3 and 4 shall be addressed in the subsequent section after the table.

Item	Scope	Pillar	Reduction Area Activities
Company Facilities	1	1	'Green Jumper day every day'
Electricity	2	1	Renewable Energy (Yu energy - Pure green electricity plan)
Heating	2	1	- Reduced thermostat (16 degrees) - Neighbourly Blankets
Cooling	2	1	Indoor Plants (Snake Plant, Rubber plant, Weeping fig, Chinese evergreen, palm, Boston fern, aloe vera, spider plant, peace lily, rubber plant, pothos)
Employee Commuting	3	1	- Hierarchy of Travel (incentive for low carbon methods) - Cycle to Work - Bike Repair Scheme
Home working	3	1	- 1/2 days per week in office during winter months
Procurement	3	2	Sustainable Procurement Guide
Leased Assets	3	2	Sustainable Procurement Guide

**Pillar 3:** “Prioritises products and services that enable reduction and removal of customer and societal emissions, enabling resource efficient lifestyles and consumption patterns, and suppressing solutions with an adverse climate impact”

Being a B Corp, we approach our operations through a triple bottom line lens. When procuring products and services, our purchasing policy aims to ensure we prioritise products and services that encourage resource efficient consumption patterns and enable the reduction and/or removal of emissions. Furthermore, as part of our business focuses on a climate solution (mainly around waste redistribution) through product surplus redistribution, we have been looking into PAS 2060 accreditation for the services provided.

**Pillar 4:** “Means, for example, influencing government policy, supporting industry initiatives to align with 1.5°c and making sure that organisations that the company belongs to do not counteract the company's own actions. It also

includes helping management and employees to adopt sustainable practises and funding projects outside a company's value chain that help remove or avoid emissions".

We seek to align ourselves with organisations and causes that share the same world view and seek to promote a better society and environment. Furthermore, due to the scale of our Good Cause Network and our Net Zero ambitions, we seek to ensure that every good cause that is part of our platform is brought along on this Net Zero journey. We have hosted a webinar about Sustainability and ESG in the Charity sector and are in the process of developing resources and tools for our Good Cause network to upskill themselves in Sustainability.

We are partners with:

- Future Planet Love
- B Corp Food Waste working group
- B Community Members