

Alchemy Green: Phase 1

Carbon Offset Scheme

May 2022

Introduction to Alchemmy Green and the carbon offset scheme

Background

Alchemmy Green is an umbrella programme with the objective of building Alchemmy's environmental propositions both internally and externally. The programme captures activities including the new EV scheme. This presentation relates specifically to a potential **carbon offset scheme** that first enables a carbon neutral Alchemmy across its scope 1,2 and 3 emissions and second provides a significant employee benefit.

Why is this important?

- 1 Our clients demand it**
Clients increasingly demand that their suppliers adopt more climate friendly strategies (i.e., B-Corp etc). Public sector is a good example – the scoring on govt bids contracts include a 10% Social Value.
- 2 Our colleagues want it**
Employees increasingly look to their employers to step up to the climate challenge. An Alchemmy Green approach would secure the best chance of acquiring and retaining talent.
- 3 It's the right thing to do**
The climate change emergency is current and real. Alchemmy Green, is an important cog within the wider CDR strategy. Rob Price: 'we need to do to ourselves what we wish to do to others.'

Scope 1: Includes gas bill

Scope 2: Includes office electricity bill.

Scope 3: Includes homeworker electricity emissions, in work travel, plane emissions, hotel emissions, additional estimates for purchases of goods and services.



Our approach

What we aim to do?

Our aim today

Carbon neutral

Each year Alchemmy's business and staff **reduce current carbon footprint** to net zero emissions via an offset mechanism.



Our aim later

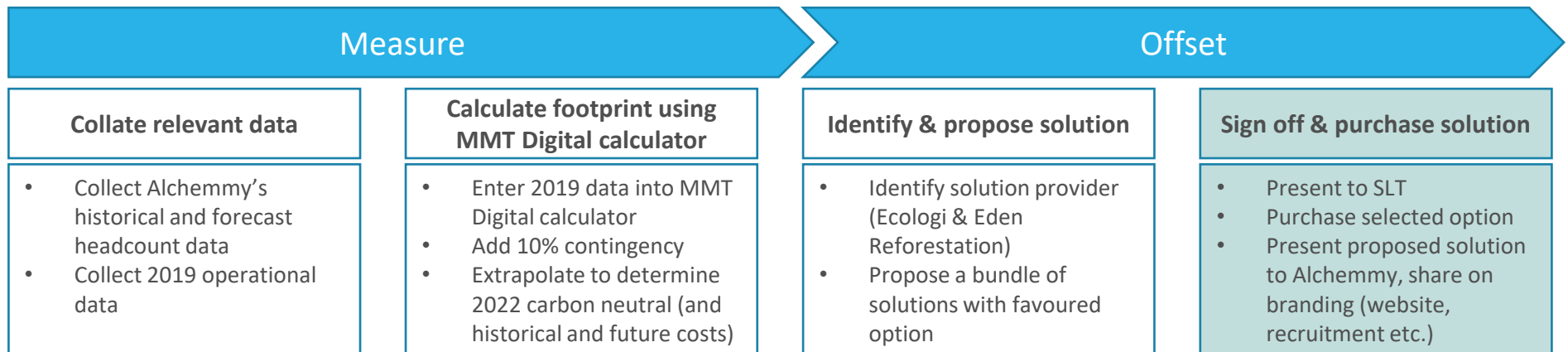
Carbon Negative

Alchemmy looks to **reduce historic carbon footprint** via an offset mechanism

Drive behavioural change

We want to reduce our carbon emissions by driving **changes in behaviour** (i.e., changing our energy providers, carpool schemes, reducing meat consumption etc.)

How to achieve carbon neutral offset?



Proposal: A few pointers before the grand reveal

1

Business offsetting and Employee offsetting

The proposal suggests we offset both the business (i.e., operations for Scope 1,2 and 3) and provide an employee benefit (i.e., offset each person's own emissions). Business offsets will relate to a verifiable carbon offset (More expensive - £9.50 per carbon credit), whilst employee offsets relate to planting trees (Less expensive)

Business offsets



Verifiable offset



Employee offsets



Plant trees



2

Solution providers

All business offsets will be managed by Ecologi (market-leader in B2B and B2C carbon offsets and provider of verifiable offsets). Employee offsets, i.e. purchase of trees, can be managed by Ecologi (definitely) or direct to source via Eden Reforestation Projects (perhaps)

Business offsets



Employee offsets



OR



Collate Relevant Data – Headcount Analysis and Operational Data

1. In order to calculate Alchemmy's historic carbon footprint we need to understand our **employee headcount since inception**. This data is an important input that goes into the MMT carbon calculation.

	Head Count
FY12-13	5
FY13-14	11
FY14-15	21
FY15-16	22
FY16-17	35
FY17-18	41
FY18-19	46
FY19-20	63
FY20-21	57
FY21-22	55
FY22-23	89
FY23-24	144
FY24-25	233
FY25-26	377
FY26-27	610

What do the highlighted numbers indicate?

Green: Historical headcount numbers

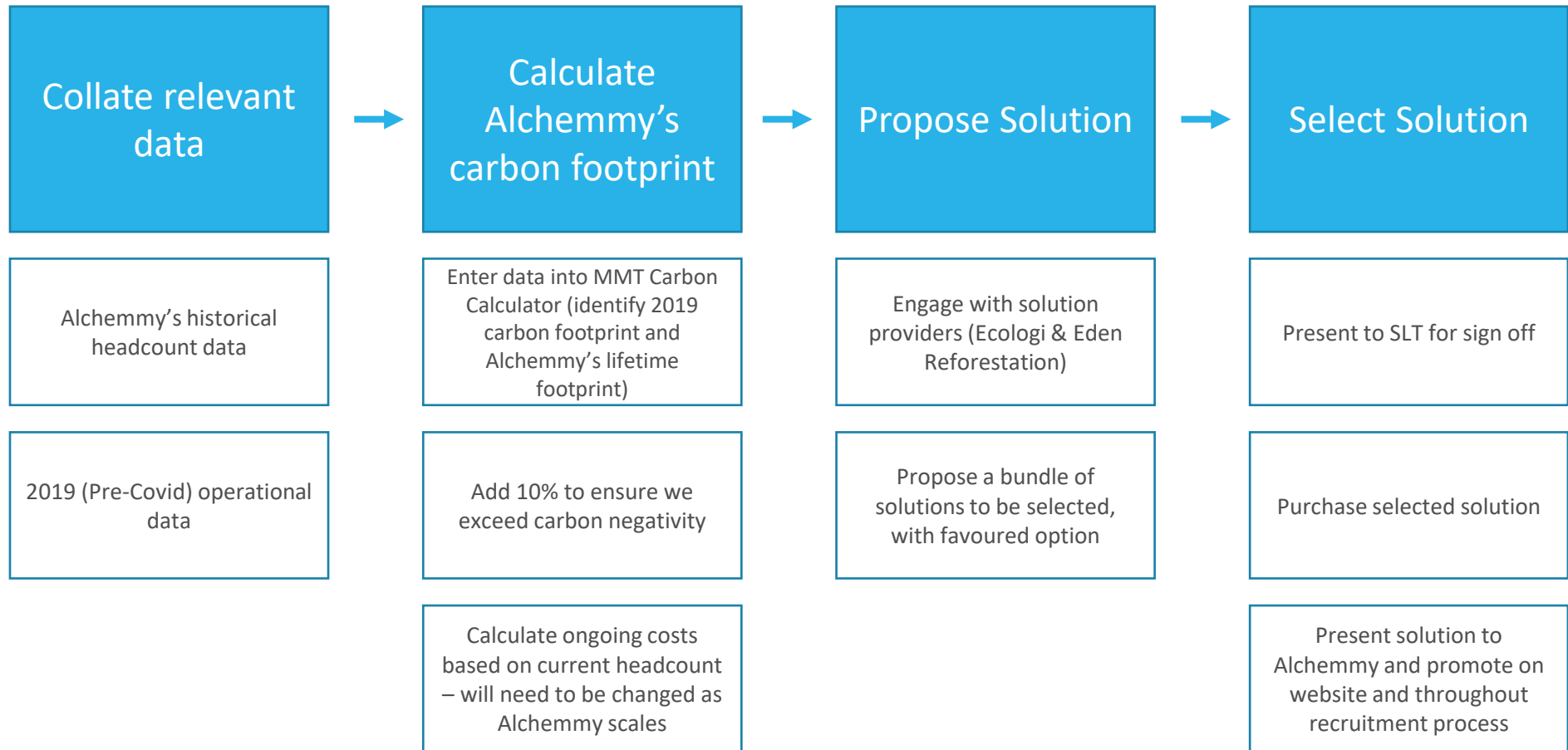
Amber: Forecasted headcount numbers in line with Alchemmy's 10x growth

2. We also need to understand **Alchemmy's operational costs** (flights, expenses, hotels, car mileage etc.) as this is another important input into the MMT Digital calculation. Covid has skewed data in 202-2022. Instead, we've taken 2019 data to provide a convincing benchmark.

- ✓ Step 1: Calculate Alchemmy's carbon footprint in 2019 using 2019 data
- ✓ Step 2: Aggregate the highlighted green numbers above (356).
- ✓ Step 3: Divide this number by the headcount in FY19-20 (63) – 5.65
- ✓ Step 4: This number to be used as a multiplier against the MMT carbon calculation for 2019 in order to determine Alchemmy's historical carbon footprint.
- ✓ Step 5: A similar approach can be used to calculate Alchemmy's future historical costs



How we calculated Alchemmy's carbon footprint



The MMT Digital calculator indicates that Alchemmy was responsible for 166 tonnes of CO2 in 2019



Scope 3 emissions include all Alchemmy operational CO2 emissions for 2019

Scope 2 emissions include only office electricity bill.

Scope 1 emissions are involved 0 tonnes of CO2 since current office uses no gas.



The Alchemmy Green Journey

