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Carbon Reduction Plan

Pinnacle Group Limited
2022

Supplier name: Pinnacle Group Limited**Publication date: 14 February 2022**

Commitment to achieving Net Zero

Pinnacle Group is committed to achieving Net Zero on direct emissions by 2025 (Scope 1 and 2) and full emissions by 2035 (Scope 3).

Baseline Emissions Footprint

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 emissions reduction can be measured.

Baseline Year: FY20 (1 April 2019 to 31 March 2020)

Additional Details relating to the Baseline Emissions calculations.

The baseline figures provided below include Pinnacle's Scope 1 (Building & Road Fuel) and 2 (Electricity (Grid)) emissions, as well as Scope 3 - Category 6 (Business Travel), as broken down by the GHG Protocol. Multiple data sources were used to calculate these, including supplier invoices and expense claims.

Pinnacle's baseline reporting year for GHG emissions is FY20. This is in line with the legislation changes that came into effect in 2019, which requires obligated companies to report on their energy consumption and associated greenhouse gas emissions within their financial reporting to Companies House under the Streamlined Energy and Carbon Reporting (SECR) requirements.

Baseline year emissions: FY20 (1 April 2019 to 31 March 2020)

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	3,134
Scope 2	445
Scope 3 (Included Sources)	224 (Category 6, Business Travel)
Total Emissions	3,803

Current Emissions Reporting

Reporting Year: FY21

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	2,051
Scope 2	104
Scope 3 (Included Sources)	71 (Category 6, Business Travel)
Total Emissions	2,226

Emissions reduction targets

Pinnacle has worked rigorously over the last few years to identify key areas and implemented specific projects to continue our progress to achieving net zero. Through these initiatives we have adopted the carbon reduction targets set out below.

In the short-term Pinnacle is committed to achieving net zero on direct emissions by 2025 by reducing Scope 1, 2 and included Scope 3 emissions by 95% to 190 tCO₂e on our FY20 baseline year.

These targets have been set in line with the Science Based Targets definition of net zero, where Scopes 1 & 2 emissions must be reduced by 95% and any balance can be offset thereafter.

In the longer term, Pinnacle is committed to achieving net zero on indirect emissions by 2035.

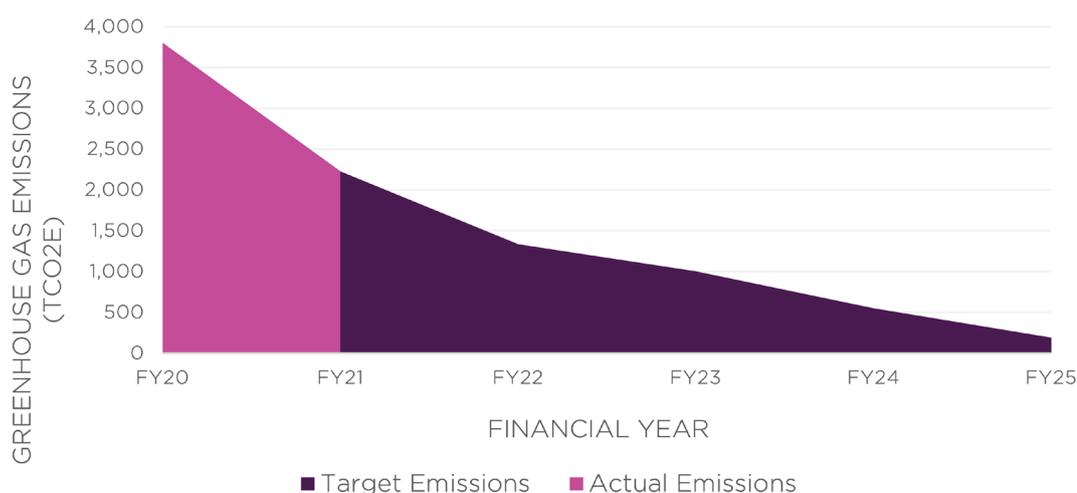
Pinnacle Group has recently acquired two new businesses and won a significant contract with the DIO, which will result in a slower decrease initially in emissions prior to a steadier decline. These acquisitions and new business will result in an increase in employees (c30%) and fleet (c30%). For this reason, we will calculate our total carbon emissions, and normalise using the FTE metric.

We are aware of the difficulties associated with the accurate reporting of Scope 3 emissions. However, from FY22 we will aim to report on these to include the indirect emissions associated with waste disposal, purchased goods and services and employee commuting.

The Group has experienced a significant decrease in carbon emissions between FY20 and FY21, which can partially be attributed to the COVID-19 pandemic. We therefore cannot assume that these figures would be replicated in a 'normal year' and will consider this when making comparisons to FY21 in coming years.

Progress against our direct emissions targets can be seen in the graph below.

Carbon Reduction: Projected vs. Actual



Carbon Reduction Projects

Since the FY20 baseline, Pinnacle has commenced or completed various initiatives and projects that directly work towards reducing emissions and the Groups impact on the environment. Below is a brief outline of some of the initiatives and projects, current, completed or planned.

Current & Completed Carbon Reduction Projects

The carbon emissions reduction achieved by current and completed schemes equate to 1,577 tCO₂e, a 29% reduction against the FY20 baseline.

Certification and Accreditations

Pinnacle Group has achieved certification and accreditation in the following ISO management standards, which form the basis of the groups governance and management systems:

ISO 9001: Quality Management

ISO 14001: Environmental Management

ISO 27001: Information Security

ISO 44001: Collaborative Relationship Management

ISO 45001: Occupational Health & Safety

ESG Framework

Pinnacle published its [ESG Framework](#) in 2021, which gives a focussed approach from which we can track our journey towards transforming communities, changing lives. Our ESG Framework has 4 Pillars. Each of the Pillars guides our approach to optimise our impact. They will be shaped and reviewed continuously through our internal governance frameworks. We will measure and report against them via our reporting mechanisms and the publication of our annual ESG Impact Report.

Project Switch

Throughout the last quarter of FY20, work on 'Project Switch' began, focusing on the movement from chemical to chemical-free cleaning supplies, which will further reduce emissions and our impact on the environment by reducing the use of non-environmentally friendly products.

Reduction in Commuting and Business Travel

Commuting emissions have reduced significantly, largely in part due to the pandemic, with working from home becoming part of the 'new normal' of hybrid working. Many central functions office-based employees no longer commute to work every day, with most only commuting one or two days a week on average. This could change over the next year as working patterns begin to normalise. This has resulted in a 55% decline in emissions from employee commuting. Pinnacle has also reduced its emissions from business travel by increasing acceptance of video conferencing as a way of meeting, with wider use

of Microsoft Teams and other online meeting options being used as an alternative. Employees are now widely encouraged to, where travel is necessary, take 'greener' modes of transport, such as train over car or completely zero carbon options like cycling or walking. The business travel emissions for FY21 have therefore decreased by over 60% year on year.

Project Electrify

Project Electrify commenced in FY22 with the aim of reducing the Groups reliance on fossil fuels by replacing existing petrol and diesel vehicles with an EV alternative. This includes rolling out charging infrastructures across our various locations and analysing driver behaviour and distances travelled to ensure there is no impact on service delivery. Pinnacle will up to 50 EVs in fleet by FY23. In addition, a salary sacrifice scheme has been implemented, giving employees the option to lease EVs through a company and tax benefit scheme. The aim is to have c80% of the fleet electric by 2025.

Energy Efficiency through LED/PIR installations

During FY21 the Group embarked on a project to replace all fluorescent lighting with new LEDs at 7 schools it maintains in Swindon. This resulted in over 7,000 fittings being replaced and has reduced emissions by up 260 tonnes per annum. In addition to this, all new leased Group premises have LEDs installed and work is ongoing to replace LEDs in offices where these are not yet present.

Future Carbon Reduction Projects

Plan to Net Zero

Pinnacle is currently working on a Plan to Net Zero, which will set targets for when and how Pinnacle will achieve net zero carbon emissions. This target will be well within the Government's target of 2050. Following the publication of the Plan, there will be educational events and aids available for employees on how we can collectively achieve this.

Procurement of 'Green' Energy

Some of Pinnacle's supply contracts are on a standard energy tariff and some on 'green' energy tariffs. In the first quarter of 2022, work will commence with an energy consultant to review the entire utility provision across the estate and how this can all be transitioned to green energy. Where standard electricity tariffs are being moved to 'green', the same will be done for gas where possible. Very limited gas is used for heating, but where they are, alternative heat sources / options will be considered.

Responsible Procurement Policy

Pinnacle will launch its Responsible Procurement Policy in the first quarter of 2022.

As a responsible business and a company that is committed to Business for Good and Procuring with Purpose, we want to replace the use of harmful chemical products and consumable products used in the delivery of our contract cleaning services with environmentally responsible alternatives in line with our ESG Framework and Commitments. In order to improve human and environmental health, our vision is to embed technologies within our contract cleaning delivery that:

- Do not use ingredients toxic to humans
- Do not use ingredients toxic to aquatic life
- Stop plastic pollution through the reduction of single use plastic
- Promote the growth and development of small, localised, innovative businesses within our supply chain

‘Green’ Business Travel Programme

Pinnacle Group will work towards implementing a programme to promote more sustainable business travel. Within this, reduction targets will be set for business travel emissions, as well as actions to take to reach this. Included in this will be the use of sustainable accommodation (e.g., hotels with green initiatives).

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

P Lloyd

Peregrine Lloyd

Group Chief Executive

Date: 14th February 2022

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>