



Plan to Net Zero

Achieving Net Zero

Direct emissions 2025

Indirect emissions 2035







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Introduction

With the global climate crisis looming, there is an increased requirement and urgency for staying within the 1.5°C warming trajectory. The Glasgow Climate Pact, agreed at COP26 towards the end of 2021, set this as a target and also stated the need for companies to make Net-Zero a key business principle.

Global mean temperature increase by 2100



“At Pinnacle, we’re dedicated to delivering services that make a positive difference to people’s lives. We believe our responsibility to communities across the UK includes protecting our environment and ensuring we leave our planet in the best possible shape for future generations. It is a responsibility we take seriously and one which drives our operations, partnerships and strategy forwards to ensure we deliver on our commitment to Net Zero.”

Peregrine Lloyd
Group Chief Executive

Pinnacle has seen considerable growth in terms of both revenue and employees over the past few years. Despite this, the Group is still aware of its role in achieving Net Zero and has therefore set out this plan to outline actions that will be taken to cut emissions in achieving its published SBTi aligned targets. This plan focuses on reducing emissions across all GHG Protocol Scopes as extensively as possible, ensuring that any residual is removed from the atmosphere via offsetting projects as an option of last resort.

Figure 1 (seen on page 4):

From the COP26 Presidency Outcomes:
The Climate Pact (COP26, 2021)

Revenue has increased by



43%

against FY20
baseline
(25 % yoy)

tCO2e per £1m
revenue has
reduced by

21%

against FY20
baseline
(7 % yoy)



Pinnacle’s emissions baseline is FY20. Since then revenue has increased by 43% whilst tCO2e per £1m revenue reduced 21%.

Pinnacle’s ‘Protect Our Planet’ ESG Pillar, which is measured against the TOMS framework, lists three focus points, one of which is to reduce the company’s carbon footprint to Net Zero. The other two commitments will contribute to this, with the ambition to end procurement of environmentally harmful substances and collaborate with colleagues, customers, and communities to lower environmental impacts on a more individual level. Throughout our Plan to Net Zero, there is clear evidence of working toward these aims.

To see definitions of terms used throughout please refer to [Definitions on page 17](#).

Our Commitment to Achieving Net Zero

Pinnacle Group is committed to achieving Net Zero on direct emissions in 2025 (Scope 1 and 2) and full emissions in 2035 (Scope 3). This commitment is supported by our Carbon Reduction Plan, a Home Office declaration, which states we will meet or exceed the government's 2050 target.



pinnaclegroup.co.uk

Carbon Reduction Plan

Pinnacle Group Limited
2022



**Pinnacle Group's
Carbon Reduction
Plan**

[Click](#) to download.

Scopes

The table below visually breaks down scope 1, 2 & 3 and provides a definition of each scope.

Carbon Emissions

Scope

1

Direct greenhouse gas emissions from owned or controlled sources.



Company Vehicles



Fuel Combustion



On-Site Energy Generation

Scope

2

Indirect greenhouse gas emissions from generation or consumption of purchased electricity, heat or steam and cooling consumed by the company.



Purchased Energy

Scope

3

Other indirect emissions that occur in the value chain, including upstream and downstream emissions. These include:

- Extraction and production of purchased materials and fuels
- Transport-related activities in vehicles not owned or controlled by the company
- Electricity-related activities (e.g., transmission and distribution losses)
- Supply Chain
- Outsourced activities
- Waste disposal



Waste



Water

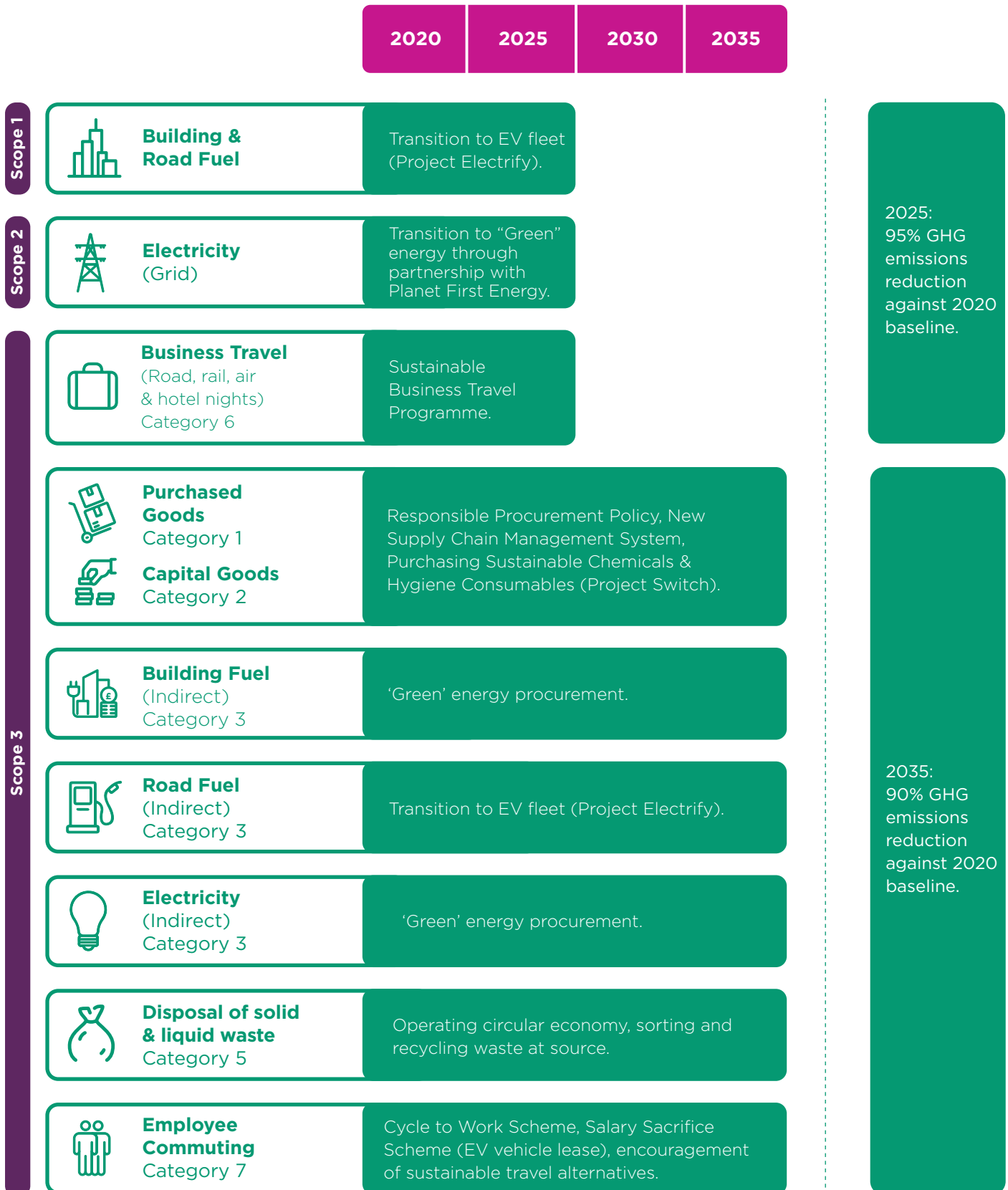


Procurement



Travel

Our Net Zero Roadmap





Achievements So Far

Since calculating the FY20 baseline, Pinnacle has worked rigorously to implement the following projects to continue the progress towards reducing emissions and achieving Net Zero:

Head Office Scope 2

Downsized Pinnacle's head office, promoting hybrid working and reduced commuting. The new office has been sustainably designed, with energy-efficient LED lighting and living walls. Emissions from office-based employee commuting reduced by 55% from FY20 to FY21.



ISO14001

Continues to work within and be governed by its ISO14001: Environmental Management System.

Video Conferencing Scope 3.6

Increased acceptance of video conferencing, both internally and with our clients, to replace face-to-face meetings, reducing unnecessary business travel.



ESG Framework

Published an ESG Framework in 2021 to track the company's ESG journey, which is aligned to the Group's vision of 'transforming communities, changing lives'. The Framework includes 4 pillars, one of which is 'Protect our Planet'.



Protect Our Planet



Our People



Community Impact



Responsible Business

Project Electrify Scope 1 & 3.3

Work commenced on 'Project Electrify' to replace the Group's diesel fleet with Electric Vehicles (EVs), thereby significantly limiting the Group's reliance on fossil fuels and reducing emissions by c3,000 tonnes per annum, equivalent to 1 million litres of road fuel. By the end of 2021, 10% of the fleet had been replaced with 41 new EVs.



Vehicle Telemetry Scope 1

Implemented vehicle telemetry across the fleet to monitor driver behaviours, including idling, braking, speeding etc. Between January 2021 and December 2021, following telemetry-based driver behaviour training, idling reduced by 33% in one year, resulting in lower vehicle emissions due to simple behavioural changes.

Energy Transition Scope 2 & 3.3

Established a partnership with Planet First Energy, a social value enterprise and green energy broker, to manage the transition of Pinnacle's directly consumed energy across the Group to green energy.



Carbon Reporting

Established a partnership with Greenstone, a market-leading sustainability software provider to calculate and track the Group's carbon emissions and footprint, which allows us to monitor annual figures against our FY20 baseline and ensure we remain on course to achieve our set targets.

Sustainability Coordinator

Appointed a Sustainability Coordinator to drive sustainability initiatives and manage the company's carbon calculations.

Project Switch Scope 3 cat 1 & 2

Established a partnership with Bunzl Cleaning and Hygiene Supplies (BCHS) on 'Project Switch' to ensure responsible procurement through a move to chemical-free cleaning supplies. As part of the partnership, Bunzl has committed to offsetting carbon emissions associated with Pinnacle's deliveries equating to an annual saving of c2,769kg CO₂e.

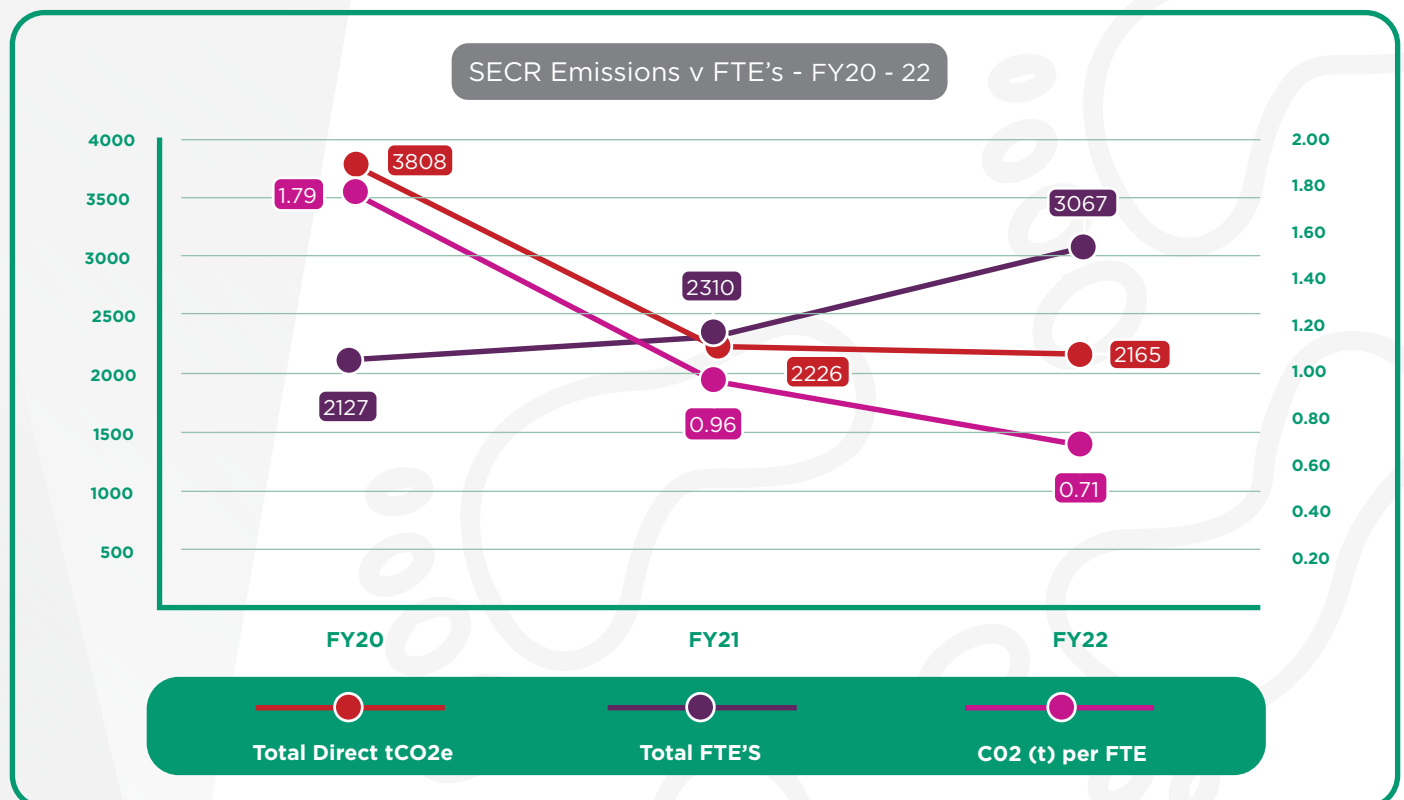
Project Switch

Pinnacle's Current Carbon Footprint

Direct Emissions

Pinnacle's baseline reporting year for GHG emissions is FY20. The total carbon dioxide equivalent emissions for FY22 (Scope 1, 2 & 3.6) is 2,165 tonnes of CO₂e, equating to an emissions intensity ratio per FTE of 0.71 CO₂ (t) - a 26% decrease year-on-year, as seen in the graph below.

Looking comparatively across scopes from FY20 to FY22, Scope 1 saw a reduction of 38% and Scope 2 by 82%. Pinnacle acquired two operational businesses and won a significant contract during FY22, increasing its FTE employees by 33% and fleet by 65%. Despite this, the emissions figures per FTE are very encouraging and show a positive trend, decreasing by 61% from the FY20 baseline year as shown in the graph below.



Total Emissions

The table below details Pinnacle's full carbon footprint from FY20 to FY22. Although Pinnacle's total carbon footprint has increased year-on-year, this can be attributed to the acquisition of two new businesses and a 25% increase in revenue over the past year. Encouragingly, Pinnacle saw its total emissions per FTE decrease by 12% and 7% per £1m of revenue year-on-year.

Scope	Source	Emissions (tCO2e) FY20	Emissions (tCO2e) FY21	Emissions (tCO2e) FY22
1	Building & Road Fuel	3,134	2,051	1,953
2	Electricity (Grid)	445	104	82
3	Category 1, 2, 3, 5, 6, 7	17,136	17,849	21,318
Total Emissions (tCO2e)		20,715	20,004	23,353
Total Emissions (tCO2e) per FTE		9.74	8.66	7.61
Total Emissions per £m of Revenue		193.4	163.8	152.96

Table 1

Breakdown of Emissions by Scope and Category of the GHG Protocol. For Scope 3, Categories 4 and 8 are not included as the information has been captured within other Categories or is not relevant to Pinnacle. FY22 FTE= 3,067, FY21 FTE = 2,310, FY20 FTE = 2,127.



Future Targets

Short-term Targets (2025)

Pinnacle Group has committed to reducing direct emissions by 95% from the FY20 baseline in 2025, with specific focus on Scope 1, 2 and Category 6 of Scope 3. These targets have been set in line with the Science Based Targets definition of Net Zero.

The table below demonstrates Pinnacle's Direct GHG Emissions and what reductions will be required to meet its 2025 targets. Additionally, the graph below highlights the progress made since FY20 baseline year and target emissions.

Scope	Cat.	Source	FY20	FY21	FY22	2025 (FY26)
1		Building & Road Fuel	3,134	2,051	1,953	157
2		Electricity (Grid)	445	104	82	22
3	6	Business Travel (Road, rail, air & hotel nights)	224	71	133	11
Total Emissions (tCO₂e)			3,803	2,226	2,168	190

Table 2

Pinnacle's Direct GHG Emissions (tCO₂e) to date, and projected emissions to achieve Net-Zero.

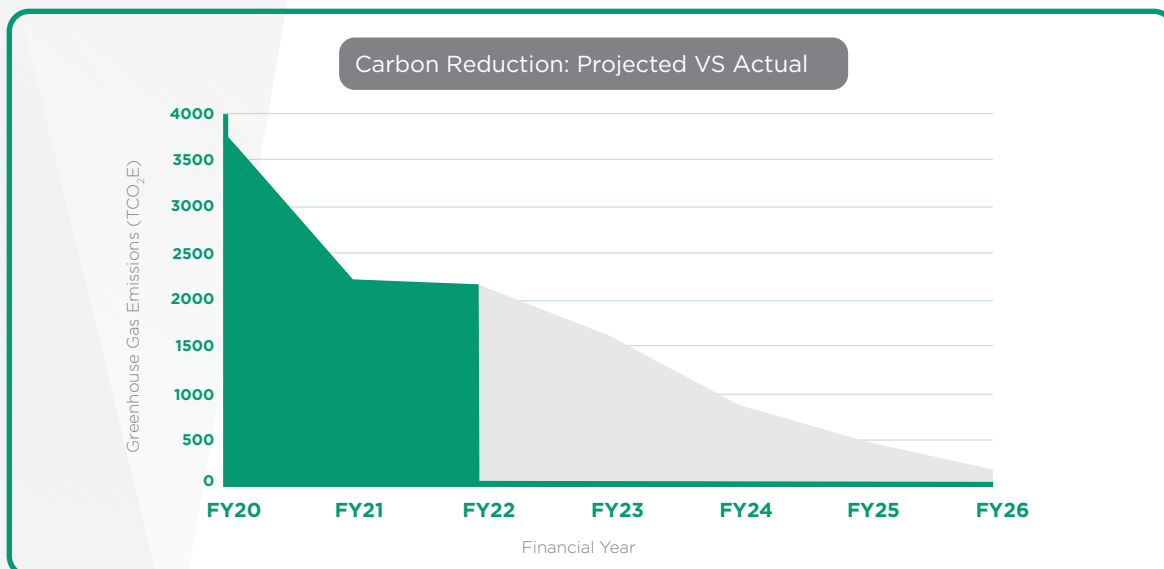


Figure 2

Graph showing Pinnacle's progress since FY20 baseline year, and target emissions until FY26.



Pinnacle will face challenges whilst aiming to achieve these targets, with a key one arising from the recent acquisition of two new businesses and winning a significant public sector contract. This will unquestionably result in a slower decrease in emissions initially, prior to the steadier decline as observed in the graph on page 14.

Long-term Targets (2035)

In the long term, Pinnacle aims to achieve Net-Zero in line with SBTs in 2035, with Scope 1 and 2 emissions cut by at least 95% and Scope 3 by 90%. Once all indirect emissions have reached a residual level, the remaining emissions will be removed via offsetting. The table below demonstrates Pinnacle's total GHG emissions, and the projected emissions required to meet the targets set for 2035.

Scope	Source	FY20	2035 (FY36)
1	Building & Road Fuel	3,134	157
2	Electricity (Grid)	445	22
3	Indirect Emissions (Supply Chain, Fuel, Utilities, Waste, Travel, Commuting)	17,136	1,703
Total Emissions (tCO2e)		20,715	1,882

Table 3

Pinnacle's Total GHG Emissions (tCO2e) to date, and projected emissions to achieve Net-Zero.

Actions to Take

**1**

We are switching to electric and hybrid vehicles and will aim to have an 85% electric fleet in 2025.

2

We are implementing a supply chain management system to provide important information on major emissions.

**3**

We are transitioning to 'green' utility tariffs, through our partnership with Planet First Energy.

**4**

We are implementing a 'Green Business Travel Programme' to promote sustainable alternatives for employee commuting.

5

We are developing employee education and engagement initiatives to reduce office and home-working emissions.

**6**

The Group will aim to account for emissions from home working.

7

Environmental and social benefits from offsetting schemes will be explored in line with Pinnacle's ESG Pillars.

Definitions

Carbon Neutral

'Companies, processes and products become carbon neutral when they calculate their carbon emissions and compensate for what they have produced via carbon offsetting projects' (ClimatePartner, 2022).

Climate Action Tracker (CAT)

Is an independent scientific analysis produced by two research organisations tracking the progress towards the globally agreed aim of holding warming well below 2.0°C, and pursuing efforts to limit warming to 1.5°C.

Direct Emissions

Greenhouse gas emissions from 'sources which are owned or controlled by the reporting entity' (GHG Protocol, 2022).

ESOS

Energy Savings Opportunity Scheme, is a mandatory energy assessment scheme for organisations in the UK that meet the qualification criteria. Organisations that qualify for ESOS must carry out ESOS assessments every 4 years. These assessments are audits of the energy used by their buildings, industrial processes and transport to identify cost-effective energy saving measures. Pinnacle meets the requirements for ESOS reporting.

Financial Year (FY)

1st April to 31st March.

Indirect Emissions

Greenhouse gas emissions which are 'a consequence of the activities of the reporting entity but occur at sources owned or controlled by another entity' (GHG Protocol, 2022).

Long-term Targets (LTS)

Similar to NDC's these are the binding long-term targets, set by each country, during the Paris Agreement.

Nationally Determined Contributions (NDCs)

Embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. The Paris Agreement requires each Party to prepare, communicate and maintain successive NDCs that it intends to achieve.

Net-Zero

'Net-Zero refers to a state in which the greenhouse gases going into the atmosphere are balanced by removal out of the atmosphere. The term Net-Zero is important because this is the state at which global warming stops' (Greenstone, 2022).

Science-Based Targets (SBTs)

'Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth (Greenstone, 2022).

Targets which are set under the Science Based Targets Initiative, claiming Net-Zero is reached when at least 95% of company-wide Scope 1 and 2 emissions and 90% of Scope 3 emissions have been reduced, without removal via offsetting (Science Based Target Initiative, 2021).

SBTi

Science Based Targets initiatives.

SECR

Streamlined Energy and Carbon Reporting is a requirement which is used to 'increase awareness of energy costs within organisations to provide them with data to inform adoption of energy efficiency measures and reduce impact on climate change'. It covers Scope 1, 2 and Scope 3: Category 6 (Business Travel) GHG Protocol emissions (UKGOV, 2022). Pinnacle meets the requirements for SECR reporting.

TCFD

Task Force on Climate-Related Financial Disclosures was created in 2015 by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks, and investors in providing information to stakeholders. Pinnacle does not currently meet the threshold for TCFD reporting.

1.5°C Trajectory

This came about from the United Nations Framework Convention on Climate Change (UNFCCC), stating the need to limit global temperature rise to 1.5°C above pre-industrial levels (IPCC, 2021).

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