Carbon Reduction Plan

Pinnacle Group Limited

FY23

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).

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 – Categories 4, 5, 6, 7 & 9, as required by the Technical standard for Completion of Carbon Reduction Plans and 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)	1,361 (Waste, business travel data (rail/ air/ hotel), employee commuting and upstream/ downstream transportation and distribution). Scope 3 categories 4 & 9 - Upstream/ downstream transportation and distribution have been excluded from this carbon emission figure as they do not apply to our organisation. Pinnacle does not deliver any goods or services via a third party and all transport emissions relating to our delivered services by our own transport are captured in our Scope 1 and 2 reported emissions.
Total Emissions	**4,940**

Current Emissions Reporting

Reporting Year: FY23	
EMISSIONS	TOTAL (tCO$_2$e)
Scope 1	2,241 (FY20: 3,134 28% decrease)
Scope 2	88 (FY20: 445, 80% decrease)
Scope 3 (Included Sources)	1,013 (FY20: 1,361, 26% decrease) (Waste, business travel data (rail/ air/ hotel), employee commuting and upstream/ downstream transportation and distribution). Scope 3 categories 4 & 9 - Upstream/ downstream transportation and distribution have been excluded from this carbon emission figure as they do not apply to our organisation. Pinnacle does not deliver any goods or services via a third party and all transport emissions relating to our delivered services by our own transport are captured in our Scope 1 and 2 reported emissions.
Total Emissions	**3,342 (FY20: 4,940, 32% decrease)**

Emissions reduction targets

At Pinnacle, we have worked rigorously over the past 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, we are committed to achieving Net Zero on direct emissions in **2025** by reducing Scope 1, 2 and Scope 3.6 (Business Travel) emissions by **95%** to **190** tCO$_2$e compared to 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.

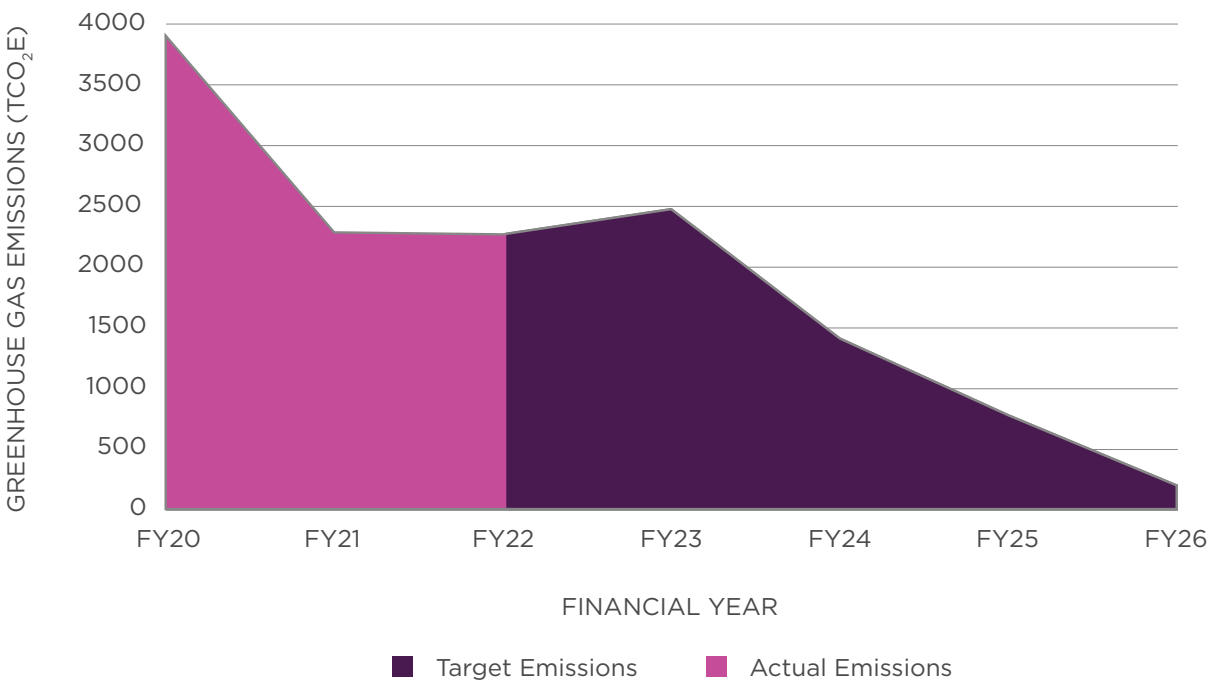In the longer term, we are committed to achieving Net Zero on total emissions in 2035.

During the reporting year, we continued to work alongside our carbon reduction consultants, Greenstone, to ensure the Group's reporting is robust and meets the very best industry standards. In addition, we published two key documents outlining our commitment, targets, and initiatives to achieving Net Zero on both direct and indirect emissions including, our ESG Impact Report and our Plan to Net Zero.

Since our baseline year, we have seen significant emission reductions particularly in scope 1 (28%) and scope 2 (80%). These reductions are a direct result of our efforts to reduce reliance on fossil fuels through Project Electrify and Project Green Energy. Both projects are working towards the decarbonisation of our operations by transitioning 85% of our fleet to EV's and procuring green energy tariffs for the buildings we occupy. Additionally, our scope 3 emissions have seen a reduction of 26% over the same period. This is largely attributable to our Responsible Procurement Policy and our partnership with national supplier, Bunzl.

Following the acquisition of two business, significant contract wins and the transition towards a post-pandemic hybrid working style, employee and fleet numbers have increased significantly leading to an

increase in commuting and business travel activities. Our year-on-year direct and indirect emissions have increased 13% and 46% respectively. Subsequently, our progress towards achieving a continual downward trajectory has not been achieved, as shown in the graph below. We are confident that we can still achieve the required 90% reduction in our emissions, from current year figures, to reach our SBTi aligned short-term targets.

Carbon Reduction: Target vs Actual (Direct Emissions to FY26)

Carbon Reduction Projects

Since our FY20 baseline, we have commenced or completed various initiatives and projects that directly work towards reducing emissions and the Group's impact on the environment. These equate to a reduction of 1,311 tCO$_2$e, or 34.5%, against the FY20 baseline. Below is a brief outline of some of the initiatives and projects, current, completed or planned.

Certification and Accreditations

Pinnacle Group has achieved certification and accreditation in the following ISO management standards, which form the basis of the Group's 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

Plan to Net Zero

We published our Plan, which details our pathway to achieve Net Zero on direct emissions in 2025 and total emissions in 2035. The plan will be pivotal in guiding our journey by ensuring we remain on track and monitor our progress to achieve Net Zero carbon emissions.

Carbon Footprint Awareness Sessions

The ESG team recently developed Carbon Footprint Awareness Sessions that are being delivered across all parts of the . The sessions provide a simple summary of our targets and how we will meet them, what this means in terms of emissions reductions, divisional/functional carbon footprint breakdowns and areas for improvement. The aim is to enhance all employees' understanding of our Net Zero journey so we can collectively reduce the Group's emissions through engagement and involvement.

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 guides our approach to optimise our impact, which is measured through our annual ESG Impact Report.

Project Switch

Pinnacle 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. This will allow us to further reduce emissions and our impact on the environment by reducing the use of non-environmentally friendly products. As part of the partnership, Bunzl has committed to offsetting carbon emissions associated with Pinnacle's deliveries.

Project Electrify

Project Electrify commenced in FY22 with the aim of reducing the Group's reliance on fossil fuels by replacing existing petrol and diesel vehicles with an EV alternative. This includes rolling out charging infrastructures across our various sites and depots and analysing driver behaviour and distances travelled to ensure there is no impact on service delivery. Approximately 15% of the company's fleet has been converted to EV already, which is expected to increase closer to 25% in the next reporting period. In addition, a salary sacrifice scheme has been implemented, giving employees the option to lease EVs through a company benefit scheme. The aim is to have c85% of the fleet electric in 2025.

Procurement of 'Green' Energy

The Group 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. 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 it is, alternative heat sources / options will be considered. Currently, the Group has transitioned over 20% of its offices and depots to green energy tariffs with a potential annual saving of 17 tCO_2e.

Responsible Procurement Policy

As a responsible business and a company that is committed to Business for Good and Procuring with Purpose, governed by our Responsible Procurement Policy, we aim to replace the use of harmful chemical products and consumable products used in the delivery of our contract cleaning and grounds maintenance 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 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

Future Carbon Reduction Projects

'Green' Business Travel Programme

We 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).

Supply Chain Management System

A new supply chain management system has been identified and will be rolled out during the next reporting period. The system will allow us to capture more detailed information of our supply partners. It will help to ensure we have better visibility and can more easily identify areas where we are able to deliver meaningful impact by developing supply partnerships that benefit the economic, environmental, and social well-being of our communities, clients, and colleagues. This will deliver on our commitments under our ESG Framework and support them in their ongoing journey to being a responsible business to deliver meaningful, lasting change.

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[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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[3].

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: 4 October 2023

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1   https://ghgprotocol.org/corporate-standard
2   https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
3   https://ghgprotocol.org/corporate-value-chain-scope-3-standard