

Fighting for clean air – our journey to reduce our own CO₂ emissions

Our commitment

In 2022, we launched our five-year strategy, Fighting for Breath. We set out our vision for a world where everyone has healthy lungs, and this included a commitment to fight for clean air for all, wherever you live or are born in the UK.

We recognised that we needed to ensure we were doing everything we could as an organisation to reduce our own impact on the environment, so we made a public commitment to halve our own CO₂ emissions over the life of our strategy by 2027. We also committed to update on our progress. This document sets out where we've got to as of 30 June 2023.

Our baseline

In 2022, we set about calculating our CO₂ emissions using the widely recognised approach of considering the three scopes of emissions:

- scope 1 emissions are the direct emissions an organisation makes, for example through vehicles
- scope 2 emissions are indirect emissions resulting from things like heating and cooling
- scope 3 emissions are other indirect emissions that occur because of things an organisation does, such as emissions associated with investments, pensions, and other services.

We established our baseline by making reasonable estimates, and wherever possible using published data. For example, our investments were held in funds with published estimates of CO₂ emissions per £ invested per year. It was important to us to use the best data available where we could, but also to use reasonable and consistent estimates where the data isn't perfect. This ensured we prioritised taking action as quickly as possible.

We calculated our baseline and made it clear where we should start. Like most organisations, our scope 3 emissions contribute the most to our carbon footprint.

Figure 1: Our baseline emissions

| Activity | Annual CO₂ emissions (tonnes) | Annual CO₂ emissions (% of total) |
|--|---|---|
| Direct office – gas consumption | 50.29 | 4.42% |
| Direct office – electricity consumption | 24.7 | 2.17% |
| Direct office – water consumption | 13 | 1.14% |
| Indirect office | 4.77 | 0.43% |
| Travel | 34.98 | 3.07% |
| Emissions attributable to annual pension contributions | 152.68 | 13.42% |
| Emissions attributable to our investment holdings | 857.62 | 75.35% |
| Total | 1,138.04 | 100% |

Action we've taken

Having identified where we could make the biggest reductions in our carbon footprint, we set out a plan to move our pensions and investments out of fossil fuels wherever possible.

Emissions relating to pensions were based on our annual contributions into the staff defined contribution pension scheme: we took the view that this was the element we were responsible for, as we have no way of knowing the value of an individual's pension pot. We used published estimates of annual CO₂ emissions per £ where these were available. We undertook a full market review and identified providers that could offer a default fund – that is the fund into which contributions are paid unless the employee specifies otherwise – which had significantly divested from fossil fuels. We launched our new pensions offer to staff in the summer of 2022, and as well as being well received by our team, it ensured a significant reduction in our annual carbon footprint related to pension contributions.

The other large area of focus was our investments, where our estimate was based on the amount held in investments and the funds' published estimates of CO₂ emissions per £ invested per year. Our trustees recognised that, as well as achieving a significant reduction in our carbon footprint, we could use our investments to help further our mission by divesting from fossil fuels, given the negative contribution to air pollution made by fossil fuel companies. We undertook a market review and identified a new provider who has taken a strategic decision to divest from fossil fuels, using the Paris climate accord as their chief benchmark. In the spring of 2023, we began moving our investments to our new chosen supplier, CCLA. As of 30 June 2023, this move was still underway with only the last few tranches to come across.

How are we doing?

To track progress, we measure our annualised CO₂ emissions, on a consistent basis, as at 30 June each year. This aligns with our financial year-end. By using an annualised figure, it smooths the impact of other changes such as the movement in our investment values, to ensure we're focussing on the impact of our actions and choices.

We last measured our annualised carbon emissions as at 30 June 2023, and compared the results back to our baseline.

Thanks to our initial action on pension contributions and investment holdings, we've achieved a 45% reduction in our carbon footprint, as shown in figures 2 and 3 below:

Figure 2: comparative carbon footprint, measured as at 30 June 2023 and shown as a percentage of baseline

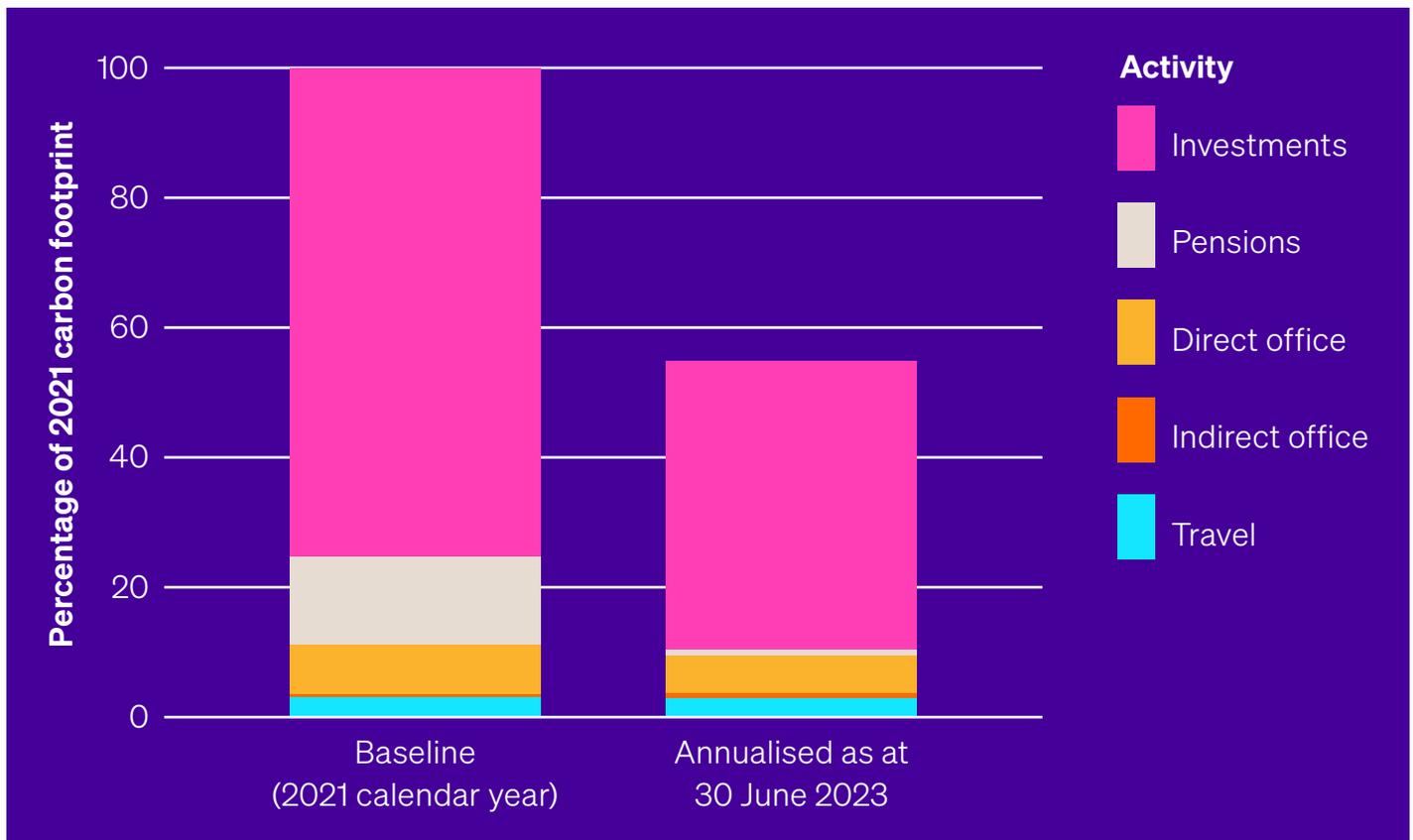


Figure 3: Annualised CO₂ emissions as at 30 June 2023, including variance against baseline

| Activity | Annual CO₂ emissions in 2022/23 (tonnes) | Variance against baseline (2021) |
|--|--|---|
| Direct office – gas consumption | 27.95 | 44% reduction |
| Direct office – electricity consumption | 26.68 | 8% increase |
| Direct office – water consumption | 13 | No change |
| Indirect office | 7.25 | 52% increase |
| Travel | 33.43 | 4% reduction |
| Emissions attributable to annual pension contributions | 10.07 | 93% reduction |
| Emissions attributable to our investment holdings | 506.05 | 41% reduction |
| Total | 624.44 | 45% reduction |

Next steps

Through 2023–24, we will complete the move of our investments to our new provider. We will also be moving to a new, more modern and energy-efficient office, which we hope will reduce our carbon footprint further. As part of our office move, we will be re-using as much furniture as possible to reduce the carbon cost of the move.

Our projections show that we will achieve the commitment of halving our emissions at some point during the 2023–24 year. Once this is achieved, we will review our remaining opportunities to reduce our carbon footprint. We will also take the opportunity to continuously review our measurement of our carbon footprint as new data becomes available, ensuring any revisions are applied all the way back to the baseline so that we’re measuring on a consistent basis. By doing this, it means that we are living our value of always pushing for better.

From 2023–24, it is our intention to incorporate this progress reporting into our annual report.

