

CARBON ACCOUNTING REPORT

Apella Advisors

Accounting Period:

March 2019 –
August 31st, 2021



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The Ripple Starts Here

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Summary

The total carbon dioxide emissions from Apella Advisors' operations from March 2019 to August 2021 are estimated to be **34.78 tonnes of carbon dioxide equivalents (tCO₂e)**. The monthly distribution of emissions can be seen in Figure 1, and the cumulative total can be seen in Table 1.

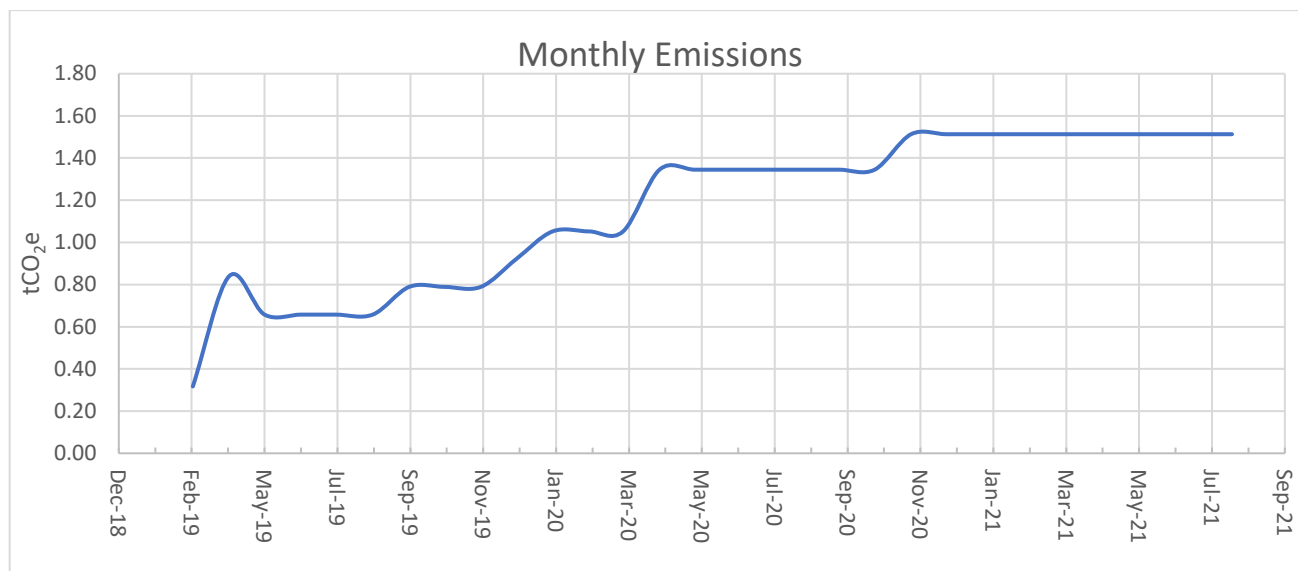


Figure 1. Monthly distribution of carbon emissions since Apella Advisors' inception

To ensure we don't underestimate our members' carbon footprint, we always apply a 20% uplift to their total calculated lifetime carbon emissions. We do this because the data we use, while based on scientific papers, are nonetheless estimates. The 20% helps us ensure our members are on the right side of any variations. The uplift also accounts for all minor emissions sources, such as from paper, the Apella Advisors' website, waste and so on. These sources are deemed too insignificant to appear in the report, but the 20% uplift ensures they're covered, and that Apella Advisors can't be accused of fudging the numbers or greenwashing. Applying this 20% uplift to Apella Advisors' final lifetime carbon emissions calculation brings Apella Advisors' current carbon impact to **41.73 tCO₂e as of August 31st, 2021**.

This report will analyse the emissions which make up the calculated total of 34.78 tCO₂e. See Table 1 below for a breakdown of the general emission sources that make up Apella Advisors' footprint.

Table 1. Breakdown of emission sources that make up Apella Advisors' footprint

| Activity | Emissions tCO ₂ e | % of total emissions |
|--------------------------|------------------------------|----------------------|
| Scope 1 | 0 | 0% |
| Scope 2 | | 43% |
| Electricity and heating | 14.89 | 43% |
| Scope 3 | | 57% |
| Energy related emissions | 4.49 | 13% |
| IT Equipment | 7.47 | 21% |
| Video conferencing | 0.07 | 0% |
| Commuter Travels | 7.87 | 23% |
| Total Emissions | 34.78 | 100% |

Introduction

Apella Advisors

Apella Advisors is a distinctive advisory firm established to help clients achieve their long-term goals and look to the future with confidence. This report provides a summary of the estimated carbon emissions from Apella Advisors' operations since March 2019.

Table 2. Apella Advisors company information table

| Company information | |
|---------------------|-----------------------------------|
| Website: | www.apellaadvisors.com/ |
| Business Area: | Public Relations & Communications |
| Reporting period: | March 2019 – August 2021 |
| Number of Employees | 9 |

Accounting principles

The GHG accounting and reporting procedure is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition (GHG Protocol), the most widely used international accounting tool for government and business leaders to understand, quantify, and manage greenhouse gas emissions. It was developed in a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) in 2004.

According to the GHG, Protocol emissions are divided into direct and indirect emissions. Direct emissions are emissions originating from owned or controlled sources by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity's activities, yet they occur at sources owned or controlled by another entity. The direct and indirect emissions are:

- **Scope 1:** All direct GHG emissions, such as combustion of fuels in stationary and mobile sources, of which Apella has none. These would primarily arise from transportation or refrigeration of goods for a retail business.
- **Scope 2:** Indirect GHG emissions from the generation of purchased electricity, heat or cooling consumed by the company. This includes electricity, heat or cooling consumed during working hours from a remote-working location (eg. employees' home).
- **Scope 3:** Other indirect emissions, such as business/commuter travels, IT equipment (production, use, and end-of life emissions), waste, paper, investments, leased assets, and many more. This report accounts for the biggest Scope 3 sources and adds a uplift of 20% to account for additional emissions. Reporting Scope 3 emissions is officially optional, but for most businesses this is the largest source of emissions.

Data and assumptions

Given the nature of Apella Advisors' working conditions (mostly remote during a pandemic) data was collected from each employee about the energy uses relating to their remote working environment. Regarding remote working emissions, several estimations and assumptions were made. The amount of IT equipment was estimated by the number of employees, and estimates are based on a 227-day working year, with 10-hour days. These figures were extrapolated from employee data from a 3-month period. Additional emissions from video conferencing¹ were based on an estimated 4 hours of video conferencing per day, per employee.

From May 2019 to March 2020, Apella Advisors used an office space with 8 desks. Given an estimated 12 m² floor space per desk², the energy rating from a similar building in London was used to estimate Scope 2 emissions. Furthermore, an average 40-mile commute was assumed³, with a nearly 100% of employees' commutes by public transport to said office.

Given Apella Advisors' location in the UK, emission factors were sourced from a Defra (Department for Environment, Food and Rural Affairs) 2020 conversion factor report.

¹ Science Daily – Emissions of Video conferencing

² Commercial Real Estate Advise – Suggested office floorspace per employee

³ SME News - Average Commuting Distance in the UK

Results

Apella Advisors' carbon footprint accounts for both a period of office and remote work, which were split into specific months. Carbon emissions from March 2020 (office working) and July 2021 (remote working) were estimated in-depth, by scope and emission source and are outlined below. The total monthly emissions' figures from these were used to estimate Apella Advisors' emissions since March 2019.

See Figures 2 & 3 for a summary of the differences in emissions during office/remote work, for periods of a single month.

- The total carbon emissions from Apella Advisors' operations in July 2021 (remote working) are estimated to be 1.51 tCO₂e – at approximately **0.17 tCO₂e per employee per month**.
- The total carbon emissions from Apella Advisors' operations in March 2020 (office working) are estimated to be 1.05 tCO₂e – at approximately **0.13 tCO₂e per employee per month**.

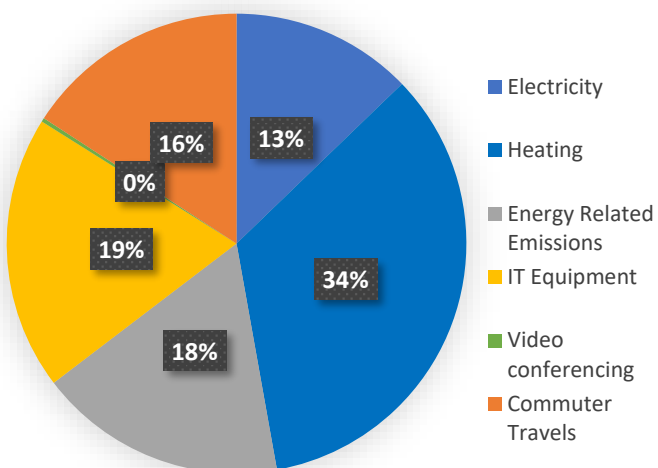


Figure 2. Emissions by source July 2021 (remote)

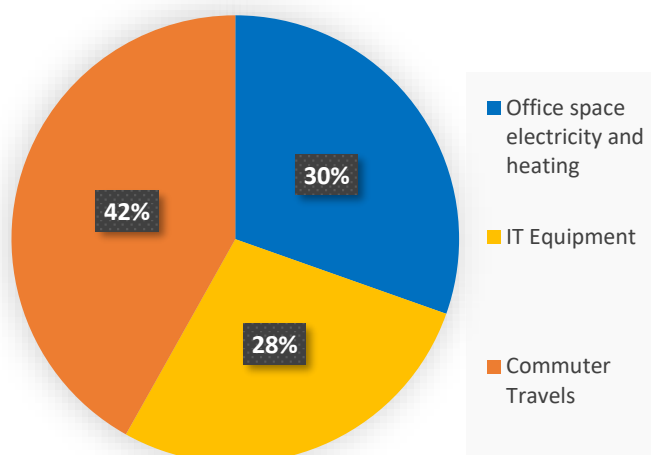


Figure 3. Emissions by source March 2020 (office)

While remote working is typically considered to have a lower carbon footprint than office working, the emissions per Apella Advisors' employee shows a slight benefit of office working in terms of emissions. As Figure 2 shows, the main source of emissions for remote working comes from heating home offices. Apella Advisors' employees on average, have a large house (average of 4.5 bedrooms), with an energy rating of D, heated with natural gas, which makes working remotely more carbon-intensive.

Carbon benefits can be further maximised by taking account of seasonal energy use variation. There are clear benefits of heating one single shared office space in the winter and potential savings from working remotely in the summer months (lack of air conditioning).

July 2021 – Remote working monthly emissions

Table 3 below outlines the sources of emissions while working remotely, over a month. These figures were estimated from the information provided by Apella Advisors' employees in a questionnaire about a remote working period.

Table 3. Summary of emissions by source and scope for July 2021 (remote working)

| Activity | Consumption | Unit | Emissions tCO ₂ e | % of monthly total |
|------------------------|-------------|---------|------------------------------|--------------------|
| Scope 1 | | | | 0% |
| Scope 2 | | | | 47% |
| Electricity | | | | 13% |
| Grid non renewable | 825 | kWh | 0.19 | 13% |
| Renewable | 220 | kWh | 0.00 | 0% |
| Heat | | | | 34% |
| Natural Gas & Oil | 26773 | kWh | 0.51 | 34% |
| Heat pump | 757 | kWh | 0.01 | 1% |
| Scope 3 | | | | 53% |
| Grid electricity T&D | 1045 | kWh | 0.02 | 1% |
| Natural Gas T&D | 26773 | kWh | 0.24 | 16% |
| IT Equipment | 36 | Devices | 0.29 | 19% |
| Video conferencing | 76 | Hours | 0.00 | 0% |
| Commuter Travels | | | | 16% |
| Car | 642 | miles | 0.18 | 12% |
| Train/bus | 1048 | miles | 0.06 | 4% |
| Other | 12 | miles | 0.00 | 0% |
| Total emissions | | | 1.51 | 100% |

These figures are based on 9 employees working from home offices. Electricity usage was taken as a proportion of the average household consumption of 3,578 kWh⁴, with an average UK household with 2.95 bedrooms⁵. Gas usage was taken as a proportion of the average household consumption of 13,495 kWh⁶.

⁴ Department for Business, Energy & Industrial Strategy, 2020. Subnational Electricity and Gas Consumption Statistics.

⁵ Department for Business, Energy & Industrial Strategy, 2020. Greenhouse gas reporting: conversion factors 2020.

⁶ Which Reporting - Average UK home sizes (2020)

March 2020 – Office working monthly emissions

Table 4 below outlines the sources of emissions while working in an office space, over a month. These figures were estimated based on an estimated office floor space, and an assumed average 40-mile commute.

Table 4. Summary of emissions by source and scope for March 2020 (office working)

| Activity | Consumption | Unit | Emissions tCO ₂ e | % of monthly total |
|-------------------------------|-------------|-----------------------------------|------------------------------|--------------------|
| Scope 1 | | | 0 | 0% |
| Scope 2 | | | | 29% |
| Office space emissions | 96 | Floorspace area (m ²) | 0.32 | 30% |
| Scope 3 | | | | 70% |
| IT Equipment | 36 | Devices | 0.29 | 28% |
| Commuter Travels | | | | 42% |
| Car | 200 | miles | 0.06 | 5% |
| Train/bus | 6804 | miles | 0.38 | 37% |
| Other | 0 | miles | 0 | 0% |
| Total emissions | | | 1.05 | 100% |

Office working monthly emissions calculations required more assumptions than calculations for remote working; however, we can be confident that emissions are not underestimated by the 20% uplift. The office space emissions were calculated using an Energy Certificate Rating from a similar office building, which provides a figure for emissions per square meter (that includes emissions from electricity, heating, and cooling).

Timeline

This timeline below (Table 5) uses the calculated monthly carbon emissions for remote working (July 2021) and office working (March 2020) to extrapolate historic emissions. The figures are scaled backwards and adjusted based on the number of employees. Given these estimates, months of remote or office work with the same number of employees will have equal emissions.

Table 5. Timeline of monthly carbon emissions

| Month | Employees | Remote/Office | Emissions tCO ₂ e |
|--------|-----------|---------------|------------------------------|
| Mar-19 | 2 | Remote | 0.32 |
| Apr-19 | 5 | Remote | 0.84 |
| May-19 | 5 | Office | 0.66 |
| Jun-19 | 5 | Office | 0.66 |
| Jul-19 | 5 | Office | 0.66 |
| Aug-19 | 5 | Office | 0.66 |
| Sep-19 | 6 | Office | 0.79 |
| Oct-19 | 6 | Office | 0.79 |
| Nov-19 | 6 | Office | 0.79 |
| Dec-19 | 7 | Office | 0.92 |
| Jan-20 | 8 | Office | 1.05 |
| Feb-20 | 8 | Office | 1.05 |
| Mar-20 | 8 | Office | 1.05 |
| Apr-20 | 8 | Remote | 1.34 |
| May-20 | 8 | Remote | 1.34 |
| Jun-20 | 8 | Remote | 1.34 |
| Jul-20 | 8 | Remote | 1.34 |
| Aug-20 | 8 | Remote | 1.34 |
| Sep-20 | 8 | Remote | 1.34 |
| Oct-20 | 8 | Remote | 1.34 |
| Nov-20 | 9 | Remote | 1.51 |
| Dec-20 | 9 | Remote | 1.51 |
| Jan-21 | 9 | Remote | 1.51 |
| Feb-21 | 9 | Remote | 1.51 |
| Mar-21 | 9 | Remote | 1.51 |
| Apr-21 | 9 | Remote | 1.51 |
| May-21 | 9 | Remote | 1.51 |
| Jun-21 | 9 | Remote | 1.51 |
| Jul-21 | 9 | Remote | 1.51 |
| Aug-21 | 9 | Remote | 1.51 |

Conclusions

Given the lack of international flights and other work travel due to remote working conditions, Apella has a commendably small carbon footprint of only 34.78 tCO₂e, which comes to **41.73 tCO₂e** with a 20% uplift. Given current monthly emissions, this equates to approximately **19.16 tCO₂e per year**, at **2.1 tCO₂e per employee**.

What does 41.73 tCO₂e equate to?



9 return business-class flights from London to New York



165,000 miles in a medium sized petrol car



3.5 hectares of British woodland sequesters this each year

This shows the huge positive impact you're having on reducing your emissions with minimised business travel, especially the absence of long-haul flights.

This carbon emissions' report is the first step on Apella Advisors' My Carbon Zero journey and will be updated annually with your continued membership with The Pond Foundation. We offer our services to guide your business' carbon reduction strategy and investments in a great selection carbon projects. Given Apella Advisors' low footprint, having a negative carbon footprint (climate positive) is mere steps away, which is an incredibly powerful thing!

It is key for Apella Advisors to limit your emissions as you grow, aiming to decrease your per-employee emissions. We suggest that when taking on an office, you choose an office which is environmentally positive, powered by renewable energy, with an energy rating of C or higher. Furthermore, we suggest you encourage better carbon behaviour from employees through a free My Carbon Zero individual membership. Apella Advisors' Carbon Balance Sheet can be found just below – this is how you will track your carbon reduction and investment actions! Following this we outline a potential RRRl strategy for Apella Advisors to follow so that future emissions are limited, and your carbon is balanced.

Thank you for taking credible climate action with us!

Apella Advisors' Carbon Balance Sheet (CBS) as of August 31st, 2021

Carbon Balance Sheet to be filled in as Apella Advisors' makes carbon investments and reduces their emissions.

| | 2019 tCO ₂ e | 2020 tCO ₂ e | 2021 tCO ₂ e |
|-----------------------------------|----------------------------|----------------------------|----------------------------|
| Assets | | | |
| R1 Carbon reduction strategy | | | |
| R2 Project investments* | | | |
| R3 Carbon project investment** | | | |
| Total Assets | 0 | 0 | 0 |
| Liabilities | | | |
| Scope 1 emissions | 0 | 0 | 0 |
| Scope 2 emissions | 2.26 | 6.76 | 5.69 |
| Scope 3 emissions | 4.76 | 8.83 | 6.41 |
| Total liabilities | 7.01 | 15.60 | 12.10 |
| Lifetime liabilities | | | 34.78 |
| Lifetime liabilities + 20% | | | 41.73 |
| Carbon Balance | | | -41.73 |

*R2 investments reduce emissions, not directly sequestering carbon (eg. sponsoring girls' education, investing in renewable energy, and so on). Therefore, these investments don't affect your carbon balance, but are still hugely encouraged!

*R3 investments sequester emissions directly, which are the projects we promote on our website.

Annex

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