

# Introduction

## Achieving Net Zero is the Imperative of Our Generation

The transition to a net zero economy is the defining global issue of our generation.

Having a clear strategy and the language and tools to articulate the transition to net zero is the responsibility of all businesses and producers who are tasked with navigating this successfully.

## Change That Starts Here

At Material, we don't believe in standing still and we have an in-built belief in the power of business to affect real positive change on society and the environment.

We empower our clients to identify and understand their own spheres of responsibility and influence in relation to how they will directly reduce their own impacts... and we wholeheartedly practise what we preach.

Our social impact and environmental responsibility are central to who we are as a team and to the decisions we make individually and collectively, in the way we operate and the influence we can have, and our **Net Zero Roadmap sets out the steps we will take to transition to net zero.**

Our Net Zero Roadmap is a cornerstone initiative that sits within and informs many aspects of our broader Social and Environmental Sustainability (SES) Strategy which consists of three pillars:

- Reducing our Material Impact
- Empowering our Material People
- Mobilising our Material Leadership

Our SES Strategy outlines our specific near, mid- and long-term actions, initiatives, tasks and objectives, over a time period spanning 2021 to 2045 and ultimately to realising our net zero status in alignment with Scotland's national net zero ambitions.

## Our Net Zero Roadmap

# Signatories of the UN's SME Climate Hub

Material is a signatory of the UN's SME Climate Hub – also known as Race to Zero. This UN-backed global campaign rallies non state actors (businesses, cities, regions and institutions) to “take rigorous and immediate action to halve global emissions by 2030 to deliver a healthier, fairer zero carbon world in time”.

In keeping with the urgency of the objectives of Race to Zero and a maximum 1.5C pathway, Material joins thousands of organisations worldwide as SME Climate Hub signatories and in doing so we accept our responsibility to follow the rigours of the 5-Ps - Process to Pledge, Plan, Proceed, Publish and Persuade by:

1. Reducing our emissions across all scopes swiftly and with transparent action plans and robust near-term science-based targets.
2. Publicly disclosing our transition plans outlining our actions to meet Race to Zero criteria within 12 months, 2-3 years and again by 2030.

Our first voluntary Climate Hub Report has been published [here](#), where we have disclosed our current emissions and plans and targets to reduce further in line with achieving net zero by 2045.

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## Our Net Zero Targets

As well as committing to the Climate Hub's disclosure commitments, Material has established and will monitor and report our progress via the setting of data-led emissions reductions targets which we will have externally verified by an independent Environmental Consultant.

We have set the following specific net zero targets of

1. Achieving a 25% reduction\* in full scope emissions by 2028, **our own target to ensure we are on track to achieve subsequent target reductions.**
2. Achieving a 50% reduction\* in full scope emissions by 2030, **in line with Race to Zero and the Scottish Government's target.**
3. Achieving net zero\* by 2045, **in line with the Scottish Government's national target.**

(\* relative to our 2019 baseline)



## Our Net Zero Roadmap

# Our Footprint

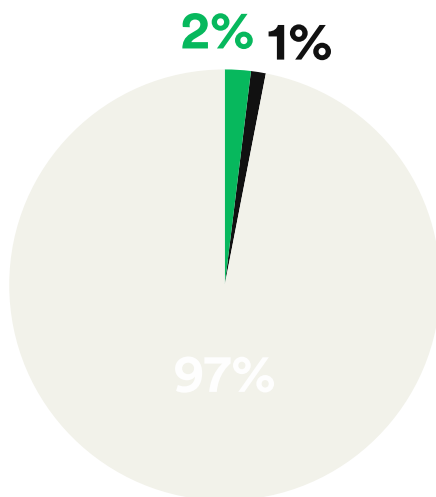
In calculating our emissions baseline, we closely followed the guidance set out in the 'Greenhouse Gas Protocol Corporate Standard', an international standard that is widely regarded as best practice for greenhouse gas (GHG) accounting and reporting. This has enabled us to understand our GHG emission footprint and develop our baseline emissions figure.

Our baseline calculations (2019) represent our footprint from 1st January 2019 to 31st December 2019. We have used 2019 as our representative baseline year, given the impact of the Coronavirus pandemic in subsequent years with emissions in 2020 and 2021 not being representative of a typical business year.

We have included Scope 1 & 2 emissions categories and relevant Scope 3 emissions as follows:

- **Scope 1:** Direct missions associated with sources controlled by Material, including our heating fuel consumption and company facilities. **2019 – 6.78 tonnes CO<sub>2</sub>e (2%)**
- **Scope 2:** Indirect emissions associated with the generation of energy, including our purchased electricity. **2019 – 2.3 tonnes CO<sub>2</sub>e (1%)**
- **Scope 3:** All indirect emissions that occur in our value chain, associated with activities such as waste disposal, capital goods, purchased goods and services, business travel, employee commuting. **2019 – 263.27 tonnes CO<sub>2</sub>e (97%)**

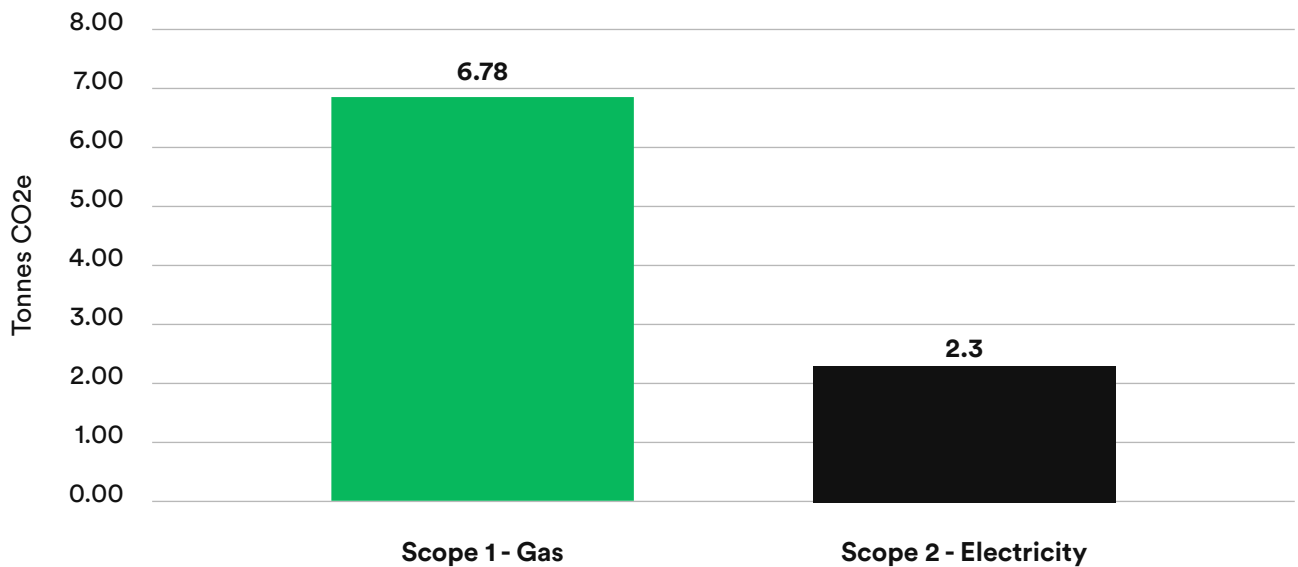
## 2019 Baseline



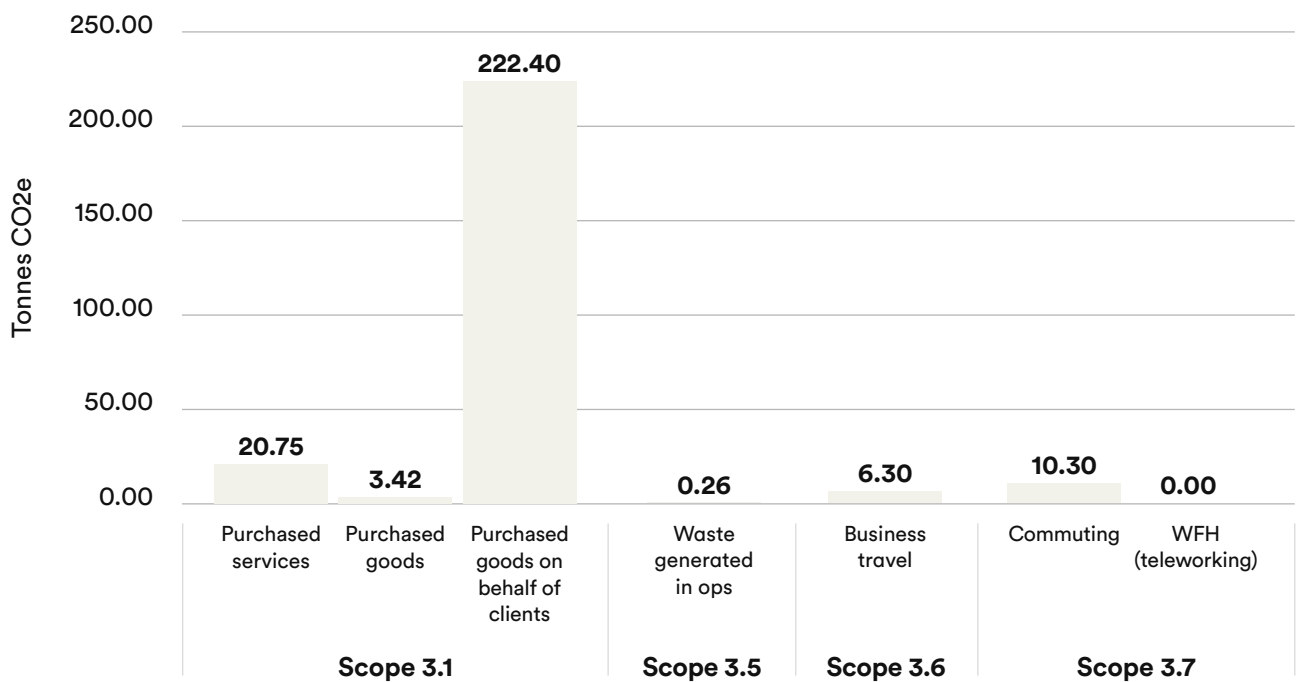
Results have shown that our Scope 3 emissions contribute the vast majority of our total emissions and within this, 'purchased goods and services on behalf of clients' account solely for 82% of our total emissions.

## Our Net Zero Roadmap

### 2019 Baseline: Scope 1 + 2



### 2019 Baseline: Scope 3



# Our Emissions Reductions Roadmap

## Our Targets

At Material, we are committed to reducing GHG emissions by 50% by 2030, using 2019 as our baseline year.

Our commitments are clearly focussed to:

- Reduce our emissions (Scopes 1 & 2)
- Reduce use of our resources (Scopes 1 & 2)
- Engage our employees (Scope 3)
- Work with our clients and suppliers via our influence (Scope 3)

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## Our Three Net Zero Missions

In 2019, Material established an internal 'Material Sustainability Committee', addressing the issues of environmental impact from the inside out. To help us achieve meaningful progression towards our net zero ambitions, we have broken our sphere of action and influence into the following three key missions:

### (i) Our Own Changes at Material

#### ***Initial steps to reduce our own Scope 1 and 2 emissions***

In order to deliver a reduction in our emissions, our internal 'Material Sustainability Committee' is helping us drive forward our carbon reduction targets. We have created a clearly defined reduction plan, allowing us to work smarter, greener and more efficiently. We have focussed initially on:

- Measuring and publishing our emissions baseline, in keeping with our role as a signatory of the SME Climate Hub.
- Pledging our 'Race to Zero' commitments fully.
- Identifying areas where we can reduce our Scope 1 & 2 emissions including our recent switch to 100% REGO and RGGO verified renewable energy and reducing our energy use by switching to LED lighting, Hive controlled heating and adopting power saving policies.
- Further improving waste management procedures by continuing and increasing segregated recycling, as well as introducing recycled product sourcing policies.
- Engaging with staff on where we can identify behaviour change together to reduce emissions within our office, including undertaking carbon literacy training and tracking our own footprints as individuals.
- Developing a clear procurement policy for our own purchased goods and services which will include end of life planning for all materials and goods that we procure for ourselves and on behalf of our clients.

## Our Net Zero Roadmap

### (ii) Influencing our Clients & Suppliers

#### *Addressing Scope 3 emissions*

Acknowledging the importance of addressing our Scope 3 emissions, we are beginning to map and collate supplier-specific data on our indirect emissions through our supply chains in 2024 and beyond.

We are committed to going further than our compliance obligations and having a truly positive social and environmental impact, whilst helping our clients and suppliers to do the same. We will therefore:

- Work with our clients and suppliers to help support them with their own net zero journey to reduce the carbon emissions associated with the products and services we procure from them.
- Provide 'Aligned Governance Standards & Environmental Values Policy' supplier guidance documentation as well as listing local, independent suppliers aligned with our own ethos for internal use via our 'Local & Independent First Sourcing Guidance'.
- We will further work with our suppliers to establish where they are on their own journey to net zero, to understand their own goals and intentions to ensure we are aligned.

We have noted the following key variables that Material can control in the short term (2024 - 2026):

1. Align with the right suppliers following mapping and research.
2. Factor their net zero milestones by their emissions.
3. Factor supplier locality and independence into decision-making.
4. Review key materials used by supplier and their emissions impact.

We will seek to achieve a more ambitious target by 2026, as we will have undertaken extensive mapping and research. Thus mitigating the impact of client purchasing on our emissions forecast.

### (iii) Services We Offer

#### *Material Change*

Material is driven to help businesses and brands become social and environmental sustainability leaders by identifying opportunities to achieve meaningful impact in a rapidly changing world as we all are moving towards a net zero economy.

We work with progressive businesses and brands that wish to lead the way for their employees, customers, and consumers, to play their part in a more sustainable and lower-impact future.

We understand the challenges in tackling the complexities and regulations surrounding social and environmental strategies, responsibilities, and communications. So, our expertise helps our clients find solutions to these challenges, and create motivating communications that will lead behavioural change from the inside out, by:

- **DEFINING** a clear long-term strategy to establish and evolve their impacts, actions, goals, and commitments.
- **IDENTIFYING** opportunities focused on meaningful change in their specific sphere of influence.
- **BUILDING** their social and environmental sustainability strategy into the heart of your business.
- **COMPLYING** with regulations governing sustainability communications and best practice, ensuring credibility and transparency are cemented into their strategy and communication.
- **EXECUTING** internal and external communications with confidence.

We understand that as communication specialists, a key asset we have is that of 'Positive Influence' – the ability to positively influence the decisions that others make by sharing as we learn.

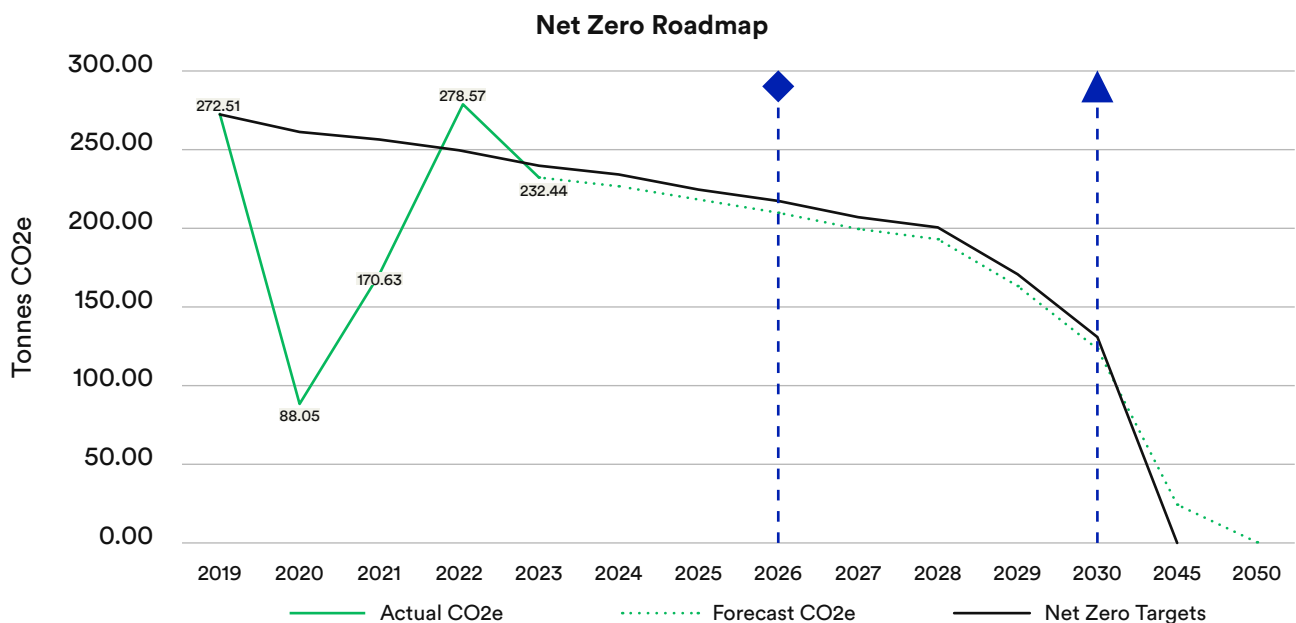


## Our Net Zero Roadmap

# Our Roadmap to Net Zero Visual

Our Net Zero Roadmap is modelled on the learnings from our emissions baseline which as stated previously, our Scope 1 & 2 operations only account for 3% of our emission but where our Scope 3 operations account for 97% and are dominated by purchases that we make on behalf of our clients.

As such, our Net Zero Roadmap will focus on the development of a critical body of internal and client-engagement processes and principles relating to service and materials sourcing as we progress to net zero targets by 2045 and beyond.



- ◆ **2024 - 2026:** Supplier, service & goods mapping and policy transformation:
1. Align with right suppliers
  2. Factor their Net Zero milestones by their emissions
  3. Factor locality and independence
  4. Review key materials used

- ▲ **2027 - 2030:** Supplier purchasing guidance in place and a non-gas fired boiler heating solution in the office

### Key drivers of change in tonnes CO2e

**2020** Decline: Covid pandemic.

**2021/2022** Increase: Projects returning to the calendar, clients with increased purchasing needs.

**2023** Decline: Energy tariff changes/Hive heating installed/LED lighting installed throughout office.

### Variables

- Until we have our supplier purchasing guidance in place, we are at the whim of type of client scope.
- Lower production work reduces our impact but also our fee.
- Our aim is to introduce the policies to mitigate and stabilise the impact of client purchasing and the associated emissions.