



# Net Zero Strategy and Targets

## Introduction

Future Leap exists to give organisations the space, knowledge, contacts and tools to accelerate their sustainability journey and progress towards net zero. Whether by providing characterful co-working spaces, putting on informative events, or delivering business services, we ensure that we are constantly providing valuable solutions for our clients and community to improve their environmental impact.

We want to ensure that we are 'walking the talk' when it comes to action on climate. We realise the importance of ensuring that our own operations are as low-carbon as possible and that we have a robust plan to continually improve our performance. We are also a growing business and are subject to the same challenges faced by all organisations, and therefore have a duty to be honest and transparent about our progress.

This document provides an overview of our strategic approach to net zero and details the tactical actions we plan to undertake this financial year to ensure we meet our targets. The strategy covers all Future Leap branded operations, along with Future Leap Finance and Future Leap Ecofit. The strategy has been signed off at board level and will be reviewed annually to reflect progress and any changes to approach due to changing legislation, regulation or accepted best practice.

## Our Approach

Future Leap's approach to net zero adheres to the guidance outlined by the Science-Based Targets Initiative (SBTi) and the ISO Net Zero Standard. All our emission calculations follow the methodology outlined in the Greenhouse Gas Protocol.

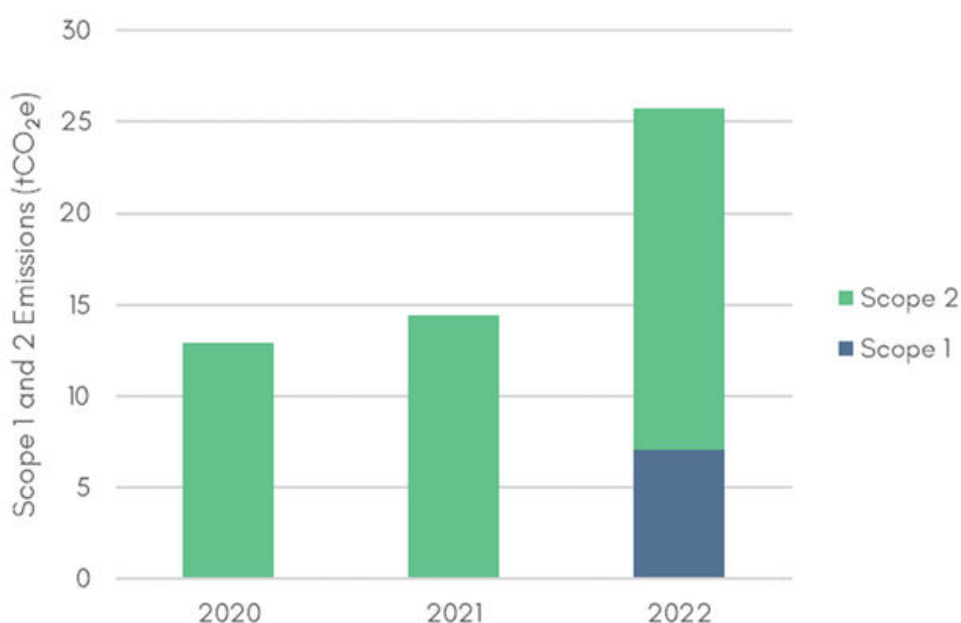
Whilst we have previously pursued a carbon-neutral strategy, choosing to rely on carbon credits to neutralise our scope 1 and 2 emissions, we have now adapted this strategy to comply with the UN IPCC's assessment that a carbon-neutral approach is not compatible with the goal of limiting temperature increase to 1.5oC above pre-industrial levels. This involves ensuring an absolute reduction in associated emissions by 90% no later than 2050. Alongside implementing strategies to reduce our emissions in line with net zero targets, we will be continuing to choose to offset our emissions to further mitigate our impact throughout the transition.

## Our Carbon Journey

### Scopes 1 and 2

Future Leap's flagship hub opened on Gloucester Road in Bristol in 2020. Since then, we have been consistently and accurately measuring our energy use. Significant investment was made to upgrade and electrify the heating system at Gloucester Road and therefore there are no scope 1 emissions associated with energy use at this site. Whilst we purchase our electricity from Ecotricity on a 100% renewable tariff, we are required to use location-based (UK grid average) reporting to track progress to net zero.

In 2022 we opened our second site in Clifton, taking on the challenge of decarbonising an older building. Whilst we are committed to this goal, financial and practical challenges have prevented us from progressing at our desired rate. Due to an increase in overall energy usage, and the addition of a gas-powered heating system at the Clifton hub, our company wide scope 1 and 2 footprint has increased.



The above graph represents our scope 1 and 2 emissions across the last three years of data collection.

- The first year (2020) was the period covering the COVID pandemic, with 2021 representing the first year of 'business as usual' emissions.
- Due to the opening of the Clifton hub, a subsequent jump in emissions (an increase of 44%) can be seen from 2021 to 2022.
- Relative to business growth, our scope 1 and 2 economic carbon intensity has reduced by 34% between 2020 (0.035 kgCO<sub>2</sub>e/£) and 2022 (0.023 kgCO<sub>2</sub>e/£).

In addition to the opening of Future Leap Clifton, our business service offerings have seen significant growth with the development of both Future Leap Finance and Ecofit. Due to this, Future Leap will use 2022 data to baseline scope 1 and 2 emissions as this more accurately represents of our current performance and business operations. We will not adjust this baseline with the opening of future sites and will make operational commitments to ensure that any new ventures contribute to achieving our overall net zero targets.

### **Scopes 3**

*True net zero requires all material elements of scope 3 to be included within carbon footprint assessment and subsequent reduction targets.*

Future Leap has been monitoring 'operational' scope 3 categories since 2020 including business travel, commute, working from home, waste and water, however we are not satisfied with the accuracy of the data collected. As a result, we will be undertaking a fully comprehensive scope 3 analysis, which will also reflect the operational changes mentioned above. This recalculation will be combined with our 2022 scope 1 and 2 baseline to provide the starting point from which our net zero targets will be established.

Our scope 3 assessment will include the following:

Category	Description	Included?	Reason for Not Including	Department Responsible for Data Collection
Purchased Goods and Services	Emissions from all purchased goods and services	Yes	N/A	Finance
Capital Goods	Emissions from the purchase of any fixed assets	Yes	N/A	Finance
Fuel and Energy Related Emissions	Well-to-tank and transmissions and distribution emissions relating to fuel and electricity use	Yes	N/A	Operational Managers
Upstream Transportation and Distribution	Emissions from the movement and storage of purchased goods.	No	As our Café is now run and managed by Restore, no regular deliveries are made to Future Leap at either hub. Any one-off deliveries or courier services will be picked up and accounted for in 'Purchased Goods and Services'.	N/A
Waste Generated	Emissions from the disposal of waste generated from operational activities and wastewater treatment	Yes	N/A	Operational Managers
Business Travel	Emissions from the transportation of staff for business related activities (excluding company owned vehicles)	Yes	N/A	All Staff Members
Employee Commute	Emissions from the transportation of staff from their homes to workplace	Yes	N/A	All Staff Members
Working from Home	Emissions associated with staff working from home	Yes	N/A	All Staff Members

Category	Description	Included?	Reason for Not Including	Department Responsible for Data Collection
Upstream Leased Assets	Emissions from assets leased	Yes	N/A	Operational Managers
Downstream Transportation and Distribution	Emissions from the movement and storage of sold/hired goods	No	As our Café is now run and managed by Restore, we will no longer be transporting our own products to various locations.	N/A
Processing of Sold Products	Emissions associated with the processing of products sold by a third party	No	No products are sold for further processing.	N/A
Use of Sold Products	Emissions from the use of goods sold	No	No electrical or fuel consuming goods are sold.	N/A
End of Life Treatment of Sold Products	Emissions from the disposal and treatment of sold goods	No	Our retail department sells goods on behalf of third parties, with products not owned by Future Leap.	N/A
Downstream Leased Assets	Emissions from the operation of assets leased to third parties	Yes	N/A	Consultancy Team
Franchises	Emissions from the operation of franchises	No	No franchises are owned.	N/A
Investments	Emissions associated with investments	Yes	N/A	Future Leap Finance

## Target Setting

Future Leap has set the **long-term target of achieving net zero carbon emissions by 2040**. Our long-term target requires a 90% reduction in all relevant emission categories from our all-inclusive 2022 baseline. In order to maintain our net zero ambition, Future Leap's **near-term target is a 64% emissions reduction by 2030 from 2022 baseline**.

These targets reflect the challenges in achieving true net zero, while also reflecting the level of ambition required to meaningfully limit the impacts of climate change. Additionally, these targets exceed the requirements outlined in the SBTi and ISO Net Zero Standard, demonstrating our commitment to robust action on climate.

## **Carbon Reduction Priorities 2023-24**

The following represent the actions we will achieve before the next strategic review, scheduled for October 2024.

We are very aware of the difficulties in gathering robust and accurate data, particularly with respect to scope 3 emissions. Therefore, our main priorities for the current financial year are to improve our monitoring and data collection processes. These actions will be integral to ensuring scope 3 reduction and will be achieved through:

- Supporting our internal finance team to ensure all purchases are assigned relevant SIC codes.
- Improving our supplier 'code of conduct' to determine company-specific emissions data, ensure commitment to net zero and allow sustainability performance monitoring.
- Increasing staff engagement by implementing live tracking and emissions measurement of their own commute and working from home emissions.
- Working with Future Leap Finance to account for investment emissions.
- Developing an agreed set of net zero principles for business development and expansion relating to any Future Leap branded ventures.

To further reduce our scope 1 and 2 emissions, we will:

- Install solar PV on the Gloucester Road hub and monitor its impact.
- Undertake a thermal imaging assessment of the Clifton hub to better understand the heat efficiency of building fabric.
- Determine options and efficiency savings for reducing scope 1 and 2 emissions at the Clifton hub, including behaviour change, system controls and operational efficiencies.