

Overbury

Scope 3 emissions report 2023

Introduction

Why Scope 3 carbon is the big one for our business

Like many businesses in recent years, we've been reporting on our Scope 1 and 2 emissions. These are published in our parent companies' carbon reports and, for the most part, the findings are straightforward. But, as we now know, Scope 1 and 2 tell only a fraction of the story.

Since turning our attention to Scope 3 emissions, we've learned just how huge and complex this area of regulation is, and how much more work we need to do. We're ready to publish a report on our Scope 3 emissions, with as much honesty and transparency as this challenging exercise demands.

Our findings are by no means perfect. Nor do they cover every last molecule of carbon dioxide. This, we've discovered, is the nature of the beast. But we're keen to share where our true carbon impacts are, and to use this report to help improve our working practices, along with our partners in supply and manufacturing.

First a little context for anyone who's unfamiliar with carbon emissions reporting standards. We've written our report based on the Greenhouse Gas (GHG) Protocol, which categorises three areas of measuring and reporting.

- **Scope 1.** These are emissions that a company makes directly, for example by burning fuel for vehicles and boilers that it owns and runs itself.
- **Scope 2.** These are emissions that a company makes indirectly, such as when the electricity and energy it buys for heating and cooling buildings is being generated (usually elsewhere) on its behalf.
- **Scope 3.** These are all the emissions for which a company is indirectly responsible up and down its value chain. They include emissions related to a company's purchase, transportation and distribution of goods and services, as well as their customers' use of sold products. They also account for business-generated waste, end-of-life product disposal and employee commuting and business travel.

While Scope 1 and 2 emissions are largely within a company's control – both to regulate in the first place and to address down the line – Scope 3 emissions involve so many other parties that it's difficult to measure, manage and map a solution for their impact.

It's come as no surprise, then, to see in glaring numbers that Scope 3 carbon is the big one for us – bigger than Scope 1 and 2 by a long, long way. The same is true for many businesses – especially those whose carbon footprint, like ours, extends to the extraction, manufacture and processing of

raw materials. This report has given us the data to support our belief that, in the fit out sector, Scope 3 is pretty much the whole ball game.

Our methodology

How we measured our data (and kept perspective on the minutiae)

We approached this mammoth task using the measurements and calculations described in the table below. We took guidance from the [GHG Protocol](#), and sometimes Google. We encountered difficulties, limitations and errors along the way, and have tried to acknowledge these in writing up our findings.

For example, we had trouble obtaining embodied carbon data for mechanical, electrical and plumbing (MEP) components and found a general lack of environmental product declarations (EPDs). We even had trouble sourcing TM65s, which would have at least given rough figures.

There's an element of overlap in Scope 1, 2 and 3 reporting. With this in mind, we've focused our Scope 3 efforts on a.) areas that are less likely to be covered in Scopes 1 and 2, and b.) areas where we can have the greatest impact on our carbon emissions. This comes down to the embodied carbon of the materials we use in the products we install.

We've also focused on data that's meaningful and robust. We've made sure our numbers are accurate enough to inform our strategy, without getting too tangled in precise decimal points. We'd rather invest our energies in reducing our emissions than consume time and team members in a warren of advanced maths. The scale of the exercise (and the carbon impact we're talking about) is so great that fractional figures quickly fade into insignificance.

Results

Now for the numbers

Here are the findings for our Scope 3 emissions. On the left you'll see notes in relation to our business and the guidance we followed to make our calculations.

Overbury	2022 (tCO ² e)
Overbury total emissions	253,748 tCO ² e
Scope 1 emissions <i>What:</i> These are based on the fuel we use in our company vehicles and on-site generators, as well as fugitive emissions that leak from our AC systems. <i>How:</i> To make our calculations, we took the amount of gas that had to be refilled into the system this reporting year, then used government conversion factors (GCFs) to translate them into carbon emissions.	390 tCO ² e
Scope 2 emissions <i>What:</i> These include emissions from our permanent offices and the energy we use on our sites.	605 tCO ² e

<p>How: We took energy records from our utility bills and actual meter readings, then used GCFs to calculate the associated carbon emissions.</p>	
Scope 3 emissions	252,751 tCO ² e
<p>1. Purchased goods and services</p> <p>What: This category includes the embodied carbon of the materials we directly procure and those procured by our supply chain for use on our projects, as well as the Scope 1 and 2 emissions for our service providers and subcontractors.</p> <p>How: In part, we took carbon data for the products we use, as well as Scope 1 and 2 emissions for our service providers, and used these to add up the associated emissions. We also calculated our spend on the different types of product and service we procure and used an open asset database to convert the spend into carbon emissions.</p>	117,776 tCO ² e
<p>2. Capital goods</p> <p>We don't have any capital goods, so this was not reported.</p>	Not applicable to our business
<p>3. Fuel and energy related activities not included in Scope 1 and 2</p> <p>What: These include the emissions associated with transmission and distribution (T&D) losses of purchased electricity, plus well-to-tank (WTT) emissions of purchased electricity and fuel (emissions from the production, processing and delivery of a fuel).</p> <p>How: We took data from our Scope 1 and 2 reports, then used GCFs to convert these into T&D loss and WTT emissions.</p>	173 tCO ² e
<p>4. Upstream transportation and distribution</p> <p>What: This covers emissions from the transportation of goods from our tier 1 suppliers.</p> <p>How: We worked with our supply chain to obtain transportation data, including vehicle type, miles travelled and associated carbon emissions.</p>	823 tCO ² e
<p>5. Waste generated in operations</p> <p>What: This relates to the type, quantity and disposal method of our waste. It includes any waste arising from our company activities and office waste, as well as wastewater management.</p> <p>How: We used GCFs for different waste streams and disposal methods to calculate the associated carbon emissions.</p>	254 tCO ² e
6. Business travel	681 tCO ² e

<p>What: This includes any business-related journeys – by air, rail, taxi and different fuel-type cars.</p> <p>How: We took our expenses data to calculate the total miles travelled for different transport methods, then used GCFs for the different vehicle types to calculate our business travel emissions.</p>	
<p>7. Employee commuting</p> <p>What: This covers our employees’ day-to-day travel to work.</p> <p>How: We gave our staff a survey to obtain data on how they travel to their permanent location of work and their distances travelled. We then created average assumptions and applied these across the business based on location and role to calculate commuting associated emissions.</p>	1,119.26 tCO ² e
<p>8. Upstream leased assets</p> <p>We don’t have any upstream leased assets, so this was not reported.</p>	Not applicable to our business
<p>9. Downstream transportation and distribution</p> <p>We don’t have any downstream transportation or distribution, so this was not reported.</p>	Not applicable to our business
<p>10. Processing of sold products</p> <p>Due to the nature of our business and product, this category was not deemed relevant, so this was not reported.</p>	Not applicable to our business
<p>11. Use of sold products</p> <p>What: This category is based on the type of product or service a company produces.</p> <p>How: For our business, we did a calculation based on the project area (in m²) that we delivered in 2022 (based on an average 10-year lifespan of an office) using the CIBSE benchmark. Moving forward, we’ll calculate this using our CarboniCa tool.</p>	122,787 tCO ² e
<p>12. End of life treatment of sold products</p> <p>What: Similarly, this category is based on the type of product or service a company provides.</p> <p>How: We calculated ours using our CarboniCa tool and metrics obtained via EPDs and benchmark data.</p>	9,135 tCO ² e
<p>13. Downstream leased assets</p> <p>We don’t have any downstream leased assets, so this was not reported.</p>	Not applicable to our business

14. Franchises We don't have any franchises, so this was not reported.	Not applicable to our business
15. Investments We don't have any investments so this was not reported. This is calculated and reported by our parent company, Morgan Sindall.	Not applicable to our business

Conclusions

The unsurprising, the shocking and the scary

- It's all about Scope 3. We knew these emissions would be dominant, but we didn't know the overwhelming scale.
- Scope 3 accounts for 99.61% of our carbon emissions. This is clearly where we need to channel our efforts.
- Fit out has a problem. While there are achievable wins in terms of designing out materials and reducing wastage, the way to significantly lower our carbon impact is largely down to manufacturers producing much lower carbon products, and the industry finding a way to drive much greater reuse of materials.
- Some manufacturers are doing great things, but we need the leaders to keep driving down embodied carbon – and the followers to catch up fast.
- Use of sold products – the fit out industry can continue to drive down operational energy through specifying low-energy lighting and HVAC systems and new efficient technologies. Most of all, we need to close the performance gap, working with our clients and the occupants of our fit outs to ensure the spaces are being used efficiently in line with how they are designed.
- We should put time where the carbon is. Turns out it's less about the transportation of products, which has historically had a bad rep. For higher carbon products, the carbon impact of their shipping is a mere speck compared to the embodied carbon of their extraction and production.
- The same goes for commuting and business travel, whose combined carbon impact is around 1% of our Scope 3 emissions. It's not nothing, but it's tiny compared to that of all the products we install through our supply chain, and use of the fit outs we build which account for 95%. Not to say that we shouldn't work to reduce our carbon footprint caused by travel – we'll absolutely do that – but we'll put more time and resources into areas that have the biggest impact.
- Reuse, reuse, reuse. We knew this already but, with the evident limitations (and our lack of control) on reducing embodied carbon in new products, we must overcome any barriers to reusing and repurposing products. As a sector, this should be a common goal.

The way forward

How we must now tackle Scope 3 – all of us together

The more of us in the fit out industry who put pressure on reducing our Scope 3 emissions, the better a market we'll create for lower carbon products, lower carbon design and greater reuse.

At some point, we'll reach a critical mass where project managers, designers and contractors, without even trying particularly hard to reduce their carbon impact, will deliver low carbon spaces due to the low carbon nature of the now-standard methods.

But we can't just wait for the sector to get there organically. We need everyone to understand that Scope 3 is where all the carbon is – and how every decision we make will impact our carbon output.

Sustainability professionals need to produce better resources and communications that make it easier for people to recognise the carbon impact of their choices and decisions.

We strongly encourage both our supply chain partners and our competitors to get their Scope 3 figures out there as soon as possible. Some sectors have developed a transparent culture where competing companies publish their numbers for the benefit of the wider industry. We need to foster this collaborative approach across fit out if we're going to drive carbon right down.

While it's difficult to pinpoint what constitutes net zero ambition, one thing's for certain: we need to commit, and we need to work together, in tackling Scope 3 emissions as part of our plans.
