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**Clipstone**



# Corporate Greenhouse Gas Inventory

Clipstone Investment Management Limited

March 2024

## Executive Summary & Introduction

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Climate change is affecting the entire world causing extreme weather events and rapidly changing climate conditions. It is our role as a global society to limit global warming to 1.5 degrees Celsius and achieve net-zero emissions.

Conducting a carbon footprint is the key first step in saving the planet. It is necessary to determine the extent of the emissions produced, establish reduction goals and measure progress against them.

Clipstone Investment Management Limited (Clipstone) has acknowledged their role in the need to take action, to understand where their emissions come from and what actions can be taken to reduce them.

This report provides a comprehensive account of Clipstone's carbon footprint arising from its operations covering the July 2022 - June 2023. This carbon footprint has been calculated in line with the Greenhouse Gas (GHG) Protocol covering Scope 1, 2 and partial Scope 3 emissions.

The total carbon footprint for Clipstone for the 2022 - 2023 annual year is 6.02 tCO<sub>2</sub>e. Most of these emissions are produced via employee commuting and business travel taken over the 2022-2023 annual year. The emissions broken down by Scope are as follows:

Scope 1: 0.00 tCO<sub>2</sub>e  
Scope 2: 1.87 tCO<sub>2</sub>e  
Scope 3: 4.15 t CO<sub>2</sub>e

By undertaking this exercise, MyCarbon have highlighted the key areas in which Clipstone can focus on to reduce emissions. These include switching to 100% renewable electricity or Renewable Energy Guarantee of Origin (REGO) certificates, maintaining low carbon commuting practices, uptake of virtual meetings and encouraging staff to switch to EV vehicles.

## Formal Notes

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Client: Clipstone

Date: 15.03.24

Reporting Period: July 2022 to June 2023

The accuracy of this GHG assessment is directly related to the quality of the data provided by the client.

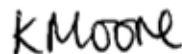
Primary data representative of activities occurred during the reporting period is used where available. In certain circumstances, secondary data in the form of estimates, extrapolations and/or industry averages is used where primary data is not available.

Assessments based largely on secondary data should only be viewed as an estimate of GHG emissions impact, and actual emissions may vary significantly. It is expected that all clients should aim to improve the proportion of primary data over time.

A Greenhouse Gas inventory produced by MyCarbon, an inventory service provided by Carbon Green Ltd.

**Katherine Moore**

Consultant at  
MyCarbon



DATE 13/03/24

**Dr. Toby Green**

Co-Found & Director  
at MyCarbon



DATE 13/03/24

If Clipstone are satisfied with the above information and the data provided is representative of authentic client activities within the reporting period of the 2022 - 2023, please sign below:

**Client Representative Name:** Richard Demarchi **Email:** Richard@Clipstone.co.uk

**Job title:** Chief Operations Director

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# 1. Introduction

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This is a greenhouse gas (GHG) inventory report for Clipstone for the July 2022 - June 2023 period, produced by MyCarbon.

Clipstone is a real estate investment management firm specialising in top calibre UK industrial investments.

This report follows the five main reporting principals as outlined by ISO 14064-1:

- **Transparency:** Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.
- **Relevance:** Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision-making needs of users – both internal and external to the company
- **Accuracy:** Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.
- **Consistency:** Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series
- **Completeness:** Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions

Clipstone has compiled a GHG inventory report for the July 2022 - June 2023 period to better understand their emissions and carbon footprint.

This report presents the findings of this exercise. The report follows the ISO 14064-1 standard entitled *Specification with Guidance at the Organisation Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*.

## 2. Context

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### 2.1 What is the importance of measuring greenhouse gases (GHGs)?

GHG emissions are contributing to global warming and climate change, which have been recognised as a key sustainable development issue. Many governments through local and international efforts are taking steps to reduce GHG emissions through national policies that include the introduction of emissions trading programs, voluntary programs, carbon or energy taxes, and regulations and standards on energy efficiency and emissions. As a result, companies must be able to understand and manage their GHG risks if they are to ensure long-term success in a competitive business environment, and to be prepared for future national or regional climate policies.

Quantification of GHGs emitted by a business or organisation's activities in the form of a carbon footprint is an important tool used by stakeholders to recognise their impact and take action, often through offsetting activities.

Offsetting is a particular method employed to reduce, remove, or prevent the release of GHG emissions into the atmosphere, which can be done through the purchase and retirement of carbon credits. Due to the tight control on carbon credits, retirement of a credit is the only method one can do to offset their carbon footprint. For example, if a business produced 100 tonnes of CO<sub>2</sub>, they would need to purchase and retire 100 carbon credits to become carbon neutral.

### 2.2 Reporting standards

When performing a GHG inventory, these assessments should align with one of two recognised standards for accounting and reporting corporate GHG emissions. The most well-known is the "Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard" (GHG Protocol, 2011) developed in a partnership of the World Business Council for Sustainable Development (WBCSD) and the World Resource Institute (WRI). The International Organization for Standardization (ISO) also produced the ISO14064 specification series, detailing specification and guidance for the organisation and project levels, as well as for the validation and verification of emissions.

Data supplied by clients is used in GHG assessments, which is quantified into GHG emission estimates by applying relevant and up-to-date emission factor(s) from reputable sources, like DEFRA. An emission factor is a representative value that attempts to relate the quantity of a pollutant released to the atmosphere with an activity associated with the release of that pollutant. Quality and accuracy of emission factors can vary between government publications and scientific research journals, therefore it is best practice to apply emission factors only from reputable sources, such as DEFRA.

GHG assessments quantify all six Kyoto Protocol GHGs, where applicable, and are measured in terms of tonnes carbon dioxide (CO<sub>2</sub>) equivalence, or tCO<sub>2</sub>e, where

equivalence means having the same warming effect as CO<sub>2</sub> over a period of 100 years. The six Kyoto Protocol gases are CO<sub>2</sub>, methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>) and perfluorocarbons (PFCs). The global warming potential (GWP) of each GHG are listed in Table 1.

**Table 1 | GHGs listed in the Kyoto Protocol and their Global Warming Potential (GWP)**

Greenhouse Gas	Chemical Formula	GWP (CO <sub>2</sub> e)
Carbon dioxide	CO <sub>2</sub>	1
Methane	CH <sub>4</sub>	28
Nitrous oxide	N <sub>2</sub> O	265
Hydro fluorocarbons	HFCs	Depends on gas
Sulphur hexafluoride	SF <sub>6</sub>	23,500
Perfluorinated compounds	PFCs	Depends on gas

## 2.3 Emissions Scopes

Emission sources can be broken down into three distinct categories called Scopes.

### 2.3.1 Scope 1

Scope 1 accounts for the direct GHG emissions occurring from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.: emissions from chemical production in owned or controlled process equipment.

### 2.3.2 Scope 2

Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat or steam consumed by the company. Purchased electricity, heat or steam is defined as electricity, heat or steam that is purchased or otherwise brought into the organizational boundary of the company. Scope 2 emissions physically occur at the facility where electricity, heat or steam is generated.

### 2.3.3 Scope 3

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company but occur from sources not owned or controlled by the company. Some examples of Scope 3 activities are extraction and production of purchased materials, transportation of purchased fuels and use of sold products and services.

The GHG Protocol describes the quantification of Scope 1 and 2 as mandatory, whereas Scope 3 emissions are considered optional. Depending

on the nature/remit of an organisation, Scope 3 activities can contribute a significant proportion of overall emissions, and therefore to gain a proper understanding of an organisation's GHG emissions it is advisable to include all relevant sources.



## 3 Methodology

### 3.1 Emission Factors

The methodologies used to collect and assess the emissions data varied throughout the inventory. The primary methodology used was multiplying GHG activity data by appropriate GHG emission factors. All methodologies were selected based on their ability to provide accurate and consistent results. The use of activity data and emission factors was feasible due to the availability of both accurate activity data and emission factors from reputable organisations.

MyCarbon uses the latest figures from DEFRA and peer reviewed literature for all common emission factors listed in Table 2.

**Table 2 | Emission factors used in this assessment**

Category	Emission Factor	Reference
Electricity	0.20 kg CO <sub>2</sub> e / kWh	(DEFRA, 2023)
Water supply	0.18 kg CO <sub>2</sub> e / m <sup>3</sup>	(DEFRA, 2023)
Water treatment	0.20 kg CO <sub>2</sub> e / m <sup>3</sup>	(DEFRA, 2023)
Paper	919.40 kg CO <sub>2</sub> e / tonne	(DEFRA, 2023)
Waste paper	910.48 kg CO <sub>2</sub> e / tonne	(DEFRA, 2023)
National rail	0.04 kg CO <sub>2</sub> e / passenger.km	(DEFRA, 2023)
London Underground	0.03 kg CO <sub>2</sub> e / passenger.km	(DEFRA, 2023)
Small motorbike	0.08 kg CO <sub>2</sub> e / km	(DEFRA, 2023)
Bus	0.08 / passenger.km	(DEFRA, 2023)
Executive diesel car (Skoda Kodiaq)	0.28 kg CO <sub>2</sub> e / km	(DEFRA, 2023)
Luxury petrol car (Porsche)	0.16 kg CO <sub>2</sub> e / km	(DEFRA, 2023)
Executive diesel car (Audi Q5)	0.28 CO <sub>2</sub> e / km	(DEFRA, 2023)
Lower medium diesel car (VW Golf)	0.23 CO <sub>2</sub> e / km	(DEFRA, 2023)
Lower medium petrol car (BMW 440i)	0.26 kg CO <sub>2</sub> e / km	(DEFRA, 2023)
Lower medium petrol car (Golf TSI)	0.26 kg CO <sub>2</sub> e / km	(DEFRA, 2023)

### 3.2 Organisational Boundaries

The GHG Protocol Corporate Standard outlines two approaches for consolidating GHG data—the equity share approach and the control approach—through organizational boundaries. These are boundaries that determine the operations owned or controlled by the reporting company, depending on the consolidation

approach taken. In some cases, it may be possible to apply these approaches directly to emissions/removals associated with sequestered atmospheric carbon.

The GHG inventory report covers all Scope 1, 2 and 3 emissions for Clipstone. Details of the site included within the organisational boundary of this report are detailed below:

45 Albemarle Street  
London  
W1S 4JL

Clipstone has compiled a GHG inventory report for the July 2022 - June 2023 period to better understand their emissions and carbon footprint. The corporate organisational boundaries for the inventory were defined according to the requirements of **clause 4.1 of the ISO 14064-1 standard**. The control approach was used for the consolidation of corporate GHG emissions.

### 3.3 Identified Emissions and Exclusions

This report consists of partial Scope 3. The only emissions included in this report are:

#### Scope 1

- n/a

#### Scope 2

- Purchased electricity

#### Scope 3

- Purchased paper
- Water supply
- Waste generated
- Business travel
- Employee commuting

#### Excluded Emissions

Emissions excluded within this report are:

- Fuel and energy related activities
- Capital goods
- Upstream & downstream transportation
- Use of sold goods
- End of life treatment of sold products
- Processing of sold goods
- Upstream & downstream leased assets
- Franchises
- Investments



# Findings and Analysis

## 4 Scope 1, 2 & 3 Emissions

Table 3 | Scope 1, 2 and 3 emissions

Emission Source	Tonnes CO <sub>2</sub> e
Scope 1	0
Scope 2	1.87
Scope 3	4.15
<b>Total</b>	<b>6.02</b>

As listed in Table 3, the Scope 1, 2 & 3 GHG emissions for Clipstone for the 2022-2023 annual year, equalled 6.02 tCO<sub>2</sub>e.

### 4.1 Scope 1

There were no Scope 1 emissions.

### 4.2 Scope 2

Table 4 lists Clipstone's electricity location-based usage.

Table 4 | Scope 2 emissions

Emission Source	Consumption	Tonnes CO <sub>2</sub> e
Purchased electricity (kWh)	4,523.00	0.94
Communal electricity (kWh)	4,484.00	0.93
<b>Total</b>		<b>1.87</b>



### 4.3 Scope 3

Table 5 is a list of all the Scope 3 emissions.

Table 5 | Scope 3 emissions

Emission Source	Consumption	Tonnes CO <sub>2</sub> e
Water supply (m <sup>3</sup> )	42.00	0.01
Water treatment (m <sup>3</sup> )	42.00	0.01
Paper (kg)	64.00	0.06
Waste paper (kg)	64.00	0.00
Business travel (miles)	6,241.00	1.75
Employee commuting (km)	25,718.00	2.30
<b>Total</b>		<b>4.15</b>

### 4.4 Emissions by Source

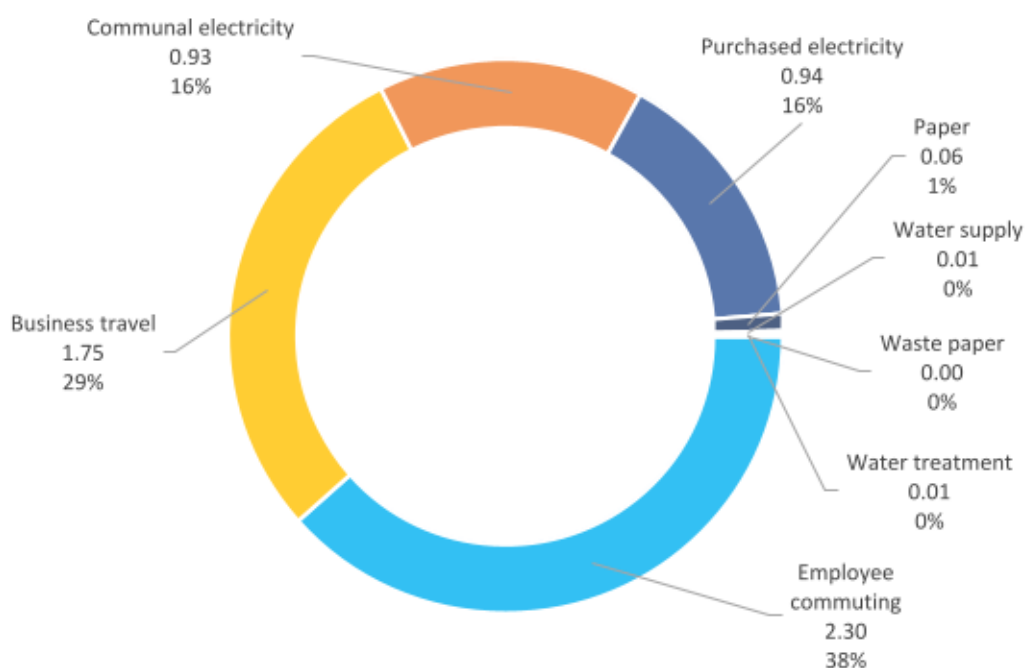


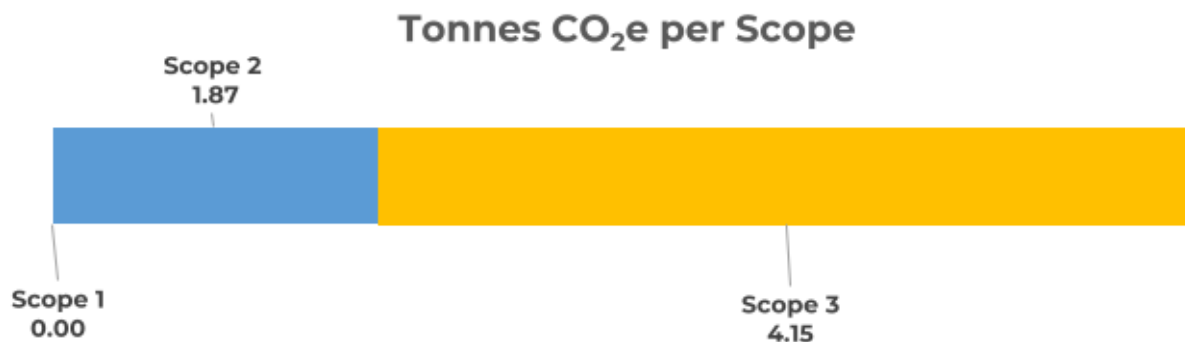
Figure 1 | % and tonnes CO<sub>2</sub>e of emissions

Figure 1 is a pie chart of the sources of emissions produced by Clipstone, percentage of Scope 3 emissions is evidenced.

The sources of these emissions listed from highest to lowest: Employee commuting (38%), business travel (29%), purchased electricity (16%), communal

electricity (16%), paper (<1%), water supply (<1%) and water treatment (<1%) and waste paper (<1%).

## 5 Emissions Summary



**Figure 2 | Summary of Clipstone's reported emissions**

The Scope 1, 2 & 3 GHG emissions for Clipstone for the 2022 - 2023 period equalled 6.02 tCO<sub>2</sub>e, which is 15.77% higher than the 5.20 tCO<sub>2</sub>e total from the July 2021 – June 2022 annual year.

There were no Scope 1 emissions reported for Clipstone in the 2022 - 2023 annual year.

Scope 2 emissions resulted in 30.99% of total emissions, 1.87 tCO<sub>2</sub>e.

Scope 3 made up 69.01% of total emissions from Clipstone, 4.15 tCO<sub>2</sub>e.

Employee commuting resulted in the largest source of emissions within Scope 3, totalling 55.42% of Scope 3 total reported emissions (2.30 tCO<sub>2</sub>e). Business travel was the next highest emissions, responsible for 42.03% of emissions within Scope 3 (1.75 tCO<sub>2</sub>e). The remaining contributing sources to Scope 3 emissions were paper, waste paper, water supply and water treatment, resulting in <1 tCO<sub>2</sub>e respectively.

## 6 Hotspot Analysis

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In this carbon footprint for Clipstone, an in-depth analysis of Scope 1, 2 and partial Scope 3 emissions from July 2022 to June 2023 has been conducted. This section focuses on the highest sources of emissions which are vital to be identified for improving environmental performance.

When it comes to Clipstone's overall operations, the 6.02 tCO<sub>2</sub>e footprint can be described as expected for a company of Clipstone's size. However, by continuing to make emission improvements, Clipstone can inspire others to take action.

It is recommended that Clipstone repeat the greenhouse gas report process for the next year and that as part of this, they quantify their full Scope 3 emissions to develop a comprehensive emissions profile. As an investment company, many of Clipstone's emissions will be in their investments. MyCarbon can accurately measure investment emissions (e.g. those from buildings heating, cooling, construction/maintenance and electricity) and provide actions to make emission and cost reductions. Undertaking these recommendations will provide a positive impact on the carbon footprint of Clipstone should they recalculate their emissions again in the future. It is important to continuously measure emissions and set targets against them.

As described in Section 5, the areas that produced the highest emissions from Clipstone for the 2022 - 2023 annual year were employee commuting and business travel. Listed below are some key recommendations that will enable Clipstone to engage in reduction measures and limit the emissions produced from these "hotspot" areas in the future.

To address Scope 2 emissions, Clipstone should switch to use 100% renewable energy for their offices. This switch is a quick win and reduces the business's reliance on fossil fuels. An alternative to this is the purchase of Renewable Energy Guarantee of Origin (REGOs). The certification denotes the underlying source, location and year of generation.

An energy audit of the office is recommended. Inefficiencies would be pinpointed therefore providing energy emission and cost saving opportunities. High-level suggestions from such an audit include switching to LED lighting technology, promoting employee behaviour change to encourage energy savings, reduction in the use of standby mode for laptops, monitors and chargers.

The Scope 3 category was expected to be the highest as operations are office-based so there will be limited fuel and electricity consumption.

MyCarbon commends that low-carbon and mostly public transport is utilised by Clipstone's commuting employees. This has been maintained as part of Clipstone's low-carbon agenda since the June 2021 - July 2022 annual year.

Reduce business travel and replace non-key face-to-face meetings with online meetings. This is a quick win for Clipstone. Additionally, encourage staff to adopt



EVs if/when they are replacing their vehicles. This will reduce carbon emissions and the vehicles are likely to have fewer running costs. Consider an electric car scheme as a company benefit.

Continuous improvements decisively set Clipstone apart from other businesses, signalling a serious commitment to mitigate climate impact, reduce liabilities and improve resource efficiency.

## References

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- [1] DEFRA, "Greenhouse gas reporting: conversion factors 2022," 2 June 2022. [Online]. Available: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021> [Accessed 19 December 2022].

## Contact Details

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# Carbon Offsetting



## Certificate of Offset Status

Options to offset are displayed in the certificate table below.

**Table 6 | Certification summary of offset status**

<b>Organisation:</b>	Clipstone			
<b>Certification of Offset Status:</b>	-			
<b>Reporting Period:</b>	-			
Scope	Emission Source Category	Required or Recommended	Coverage	tCO <sub>2</sub>
<b>1</b>	Direct emissions from operations that are owned or controlled by the reporting company	•		
	Direct emissions from owned, leased or directly controlled mobile sources	•		
<b>2</b>	Indirect emissions from the generation of purchased electricity, heat, steam or cooling	•		
<b>3</b>	Business Travel			
	Transportation of good			
	Purchased goods & services			
	Waste generated in operations			
	Leased assets & capital goods			
	Investments & franchises			
	Employee commuting & home working			
<b>Offset total (tCO<sub>2</sub>e)</b>				-