

# SMEs and Net Zero

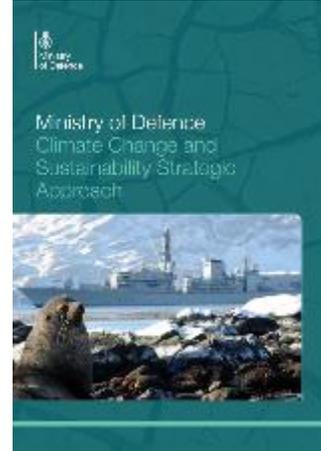
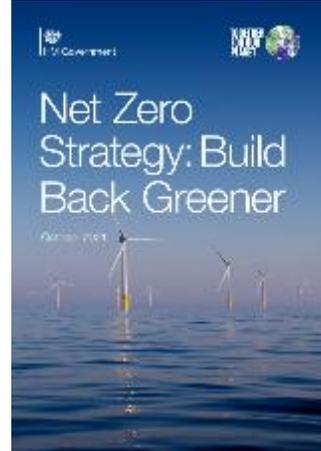
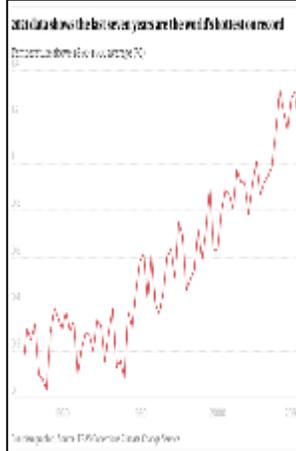
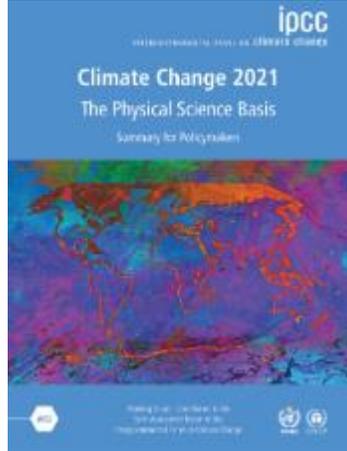
DPRTE

29th March 2023

QINETIQ

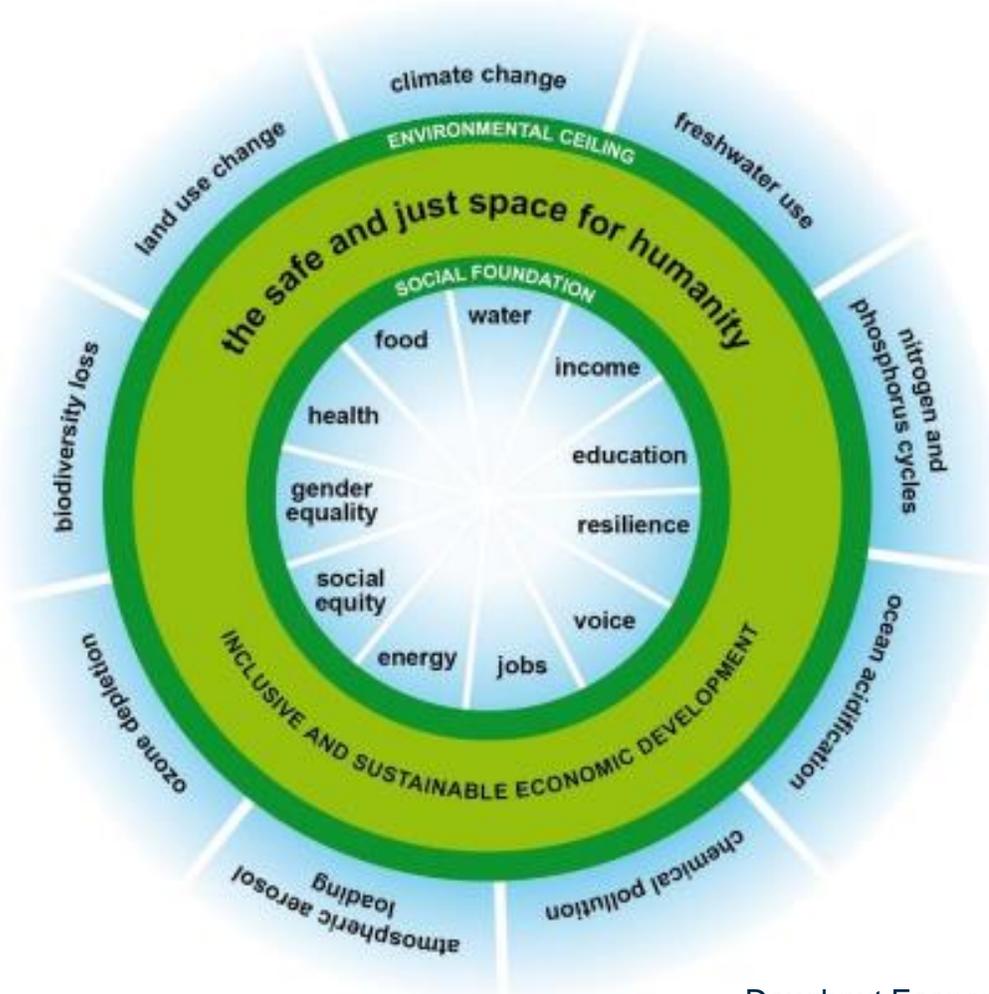


# Increasing focus on Climate Change





# The global picture



Doughnut Economics

## 2 years

- 1 Cost of living crisis
- 2 Natural disasters and extreme weather events
- 3 Geoeconomic confrontation
- 4 Failure to mitigate climate change
- 5 Erosion of social cohesion and societal polarization
- 6 Large-scale environmental damage incidents
- 7 Failure of climate-change adaption
- 8 Widespread cybercrime and cyber insecurity
- 9 Natural resource crises
- 10 Large-scale involuntary migration

## 10 years

- 1 Failure to mitigate climate change
- 2 Failure of climate-change adaption
- 3 Natural disasters and extreme weather events
- 4 Biodiversity loss and ecosystem collapse
- 5 Large-scale involuntary migration
- 6 Natural resource crises
- 7 Erosion of social cohesion and societal polarization
- 8 Widespread cybercrime and cyber insecurity
- 9 Geoeconomic confrontation
- 10 Large-scale environmental damage incidents

World Economic Forum



COMMERCIAL IN CONFIDENCE

# The 5Ps & SDGs





# Environmental Social Governance (ESG)

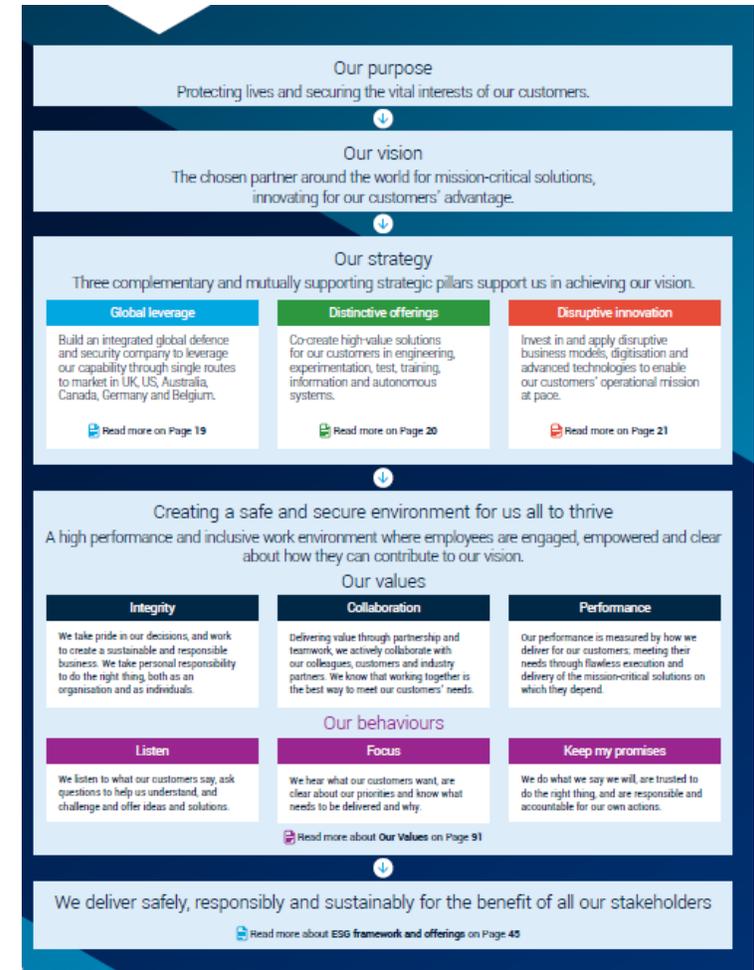
We deliver safely, responsibly and sustainably for the benefit of all our stakeholders

## Our ESG framework

We have a clear framework and focus to deliver change in the three areas of ESG

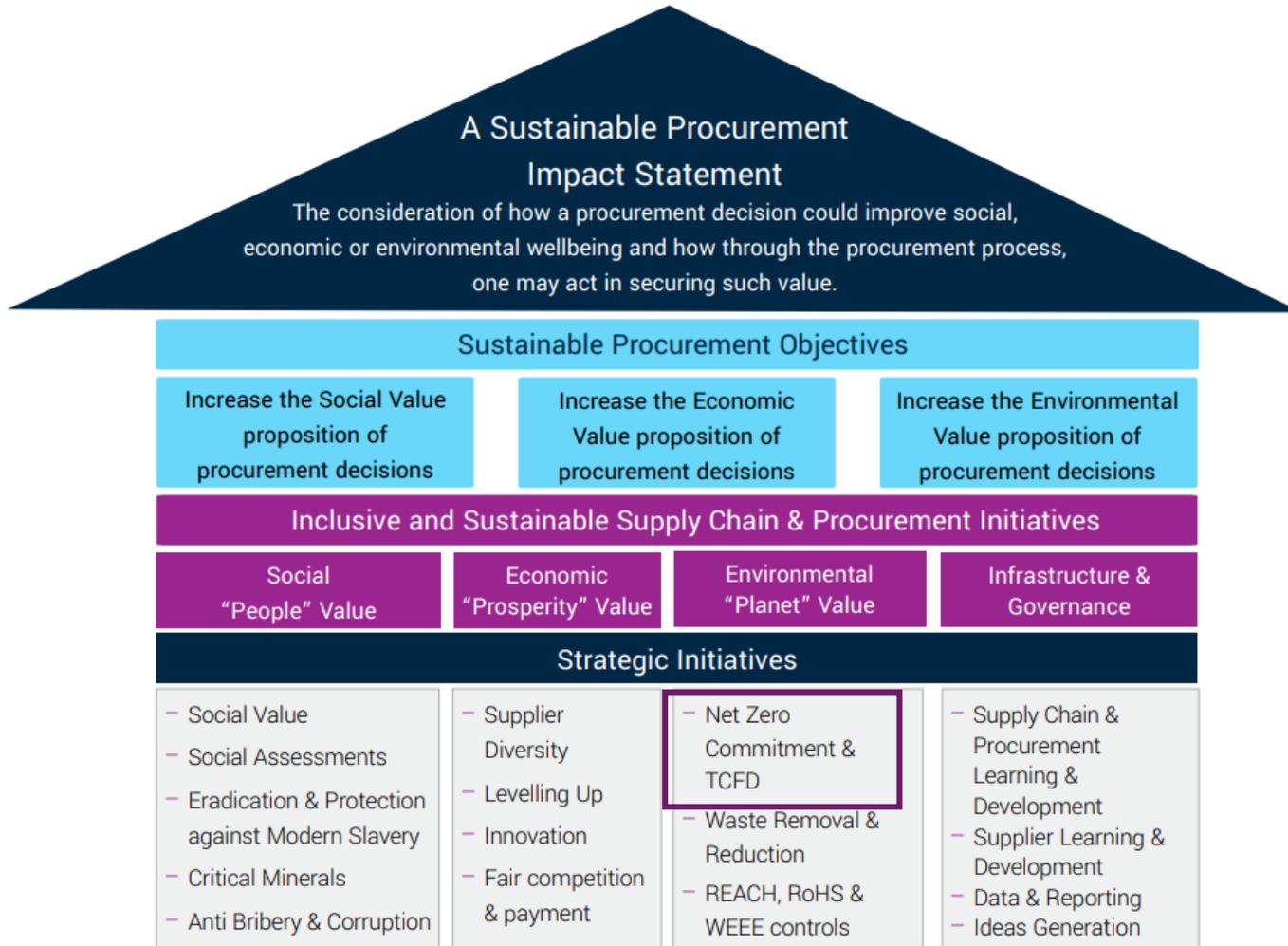
Environmental	Social	Governance
<ul style="list-style-type: none"> <li>Climate change; Net-Zero and resilience</li> <li>Sustainable solutions for customers</li> <li>Environmental management</li> <li>Waste and resources</li> <li>Conservation and biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Health, safety and wellbeing</li> <li>Employee engagement</li> <li>Diversity and inclusion</li> <li>Learning and development</li> <li>Reward and recognition</li> <li>Human rights and modern slavery</li> <li>Community and STEM outreach</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics</li> <li>Code of Conduct</li> <li>Anti-bribery and corruption</li> <li>Ethical trading policy</li> <li>Responsible and sustainable procurement</li> <li>Leadership ESG remuneration</li> </ul>

Board/Exec sponsorship;  
Small central team/cross functional working

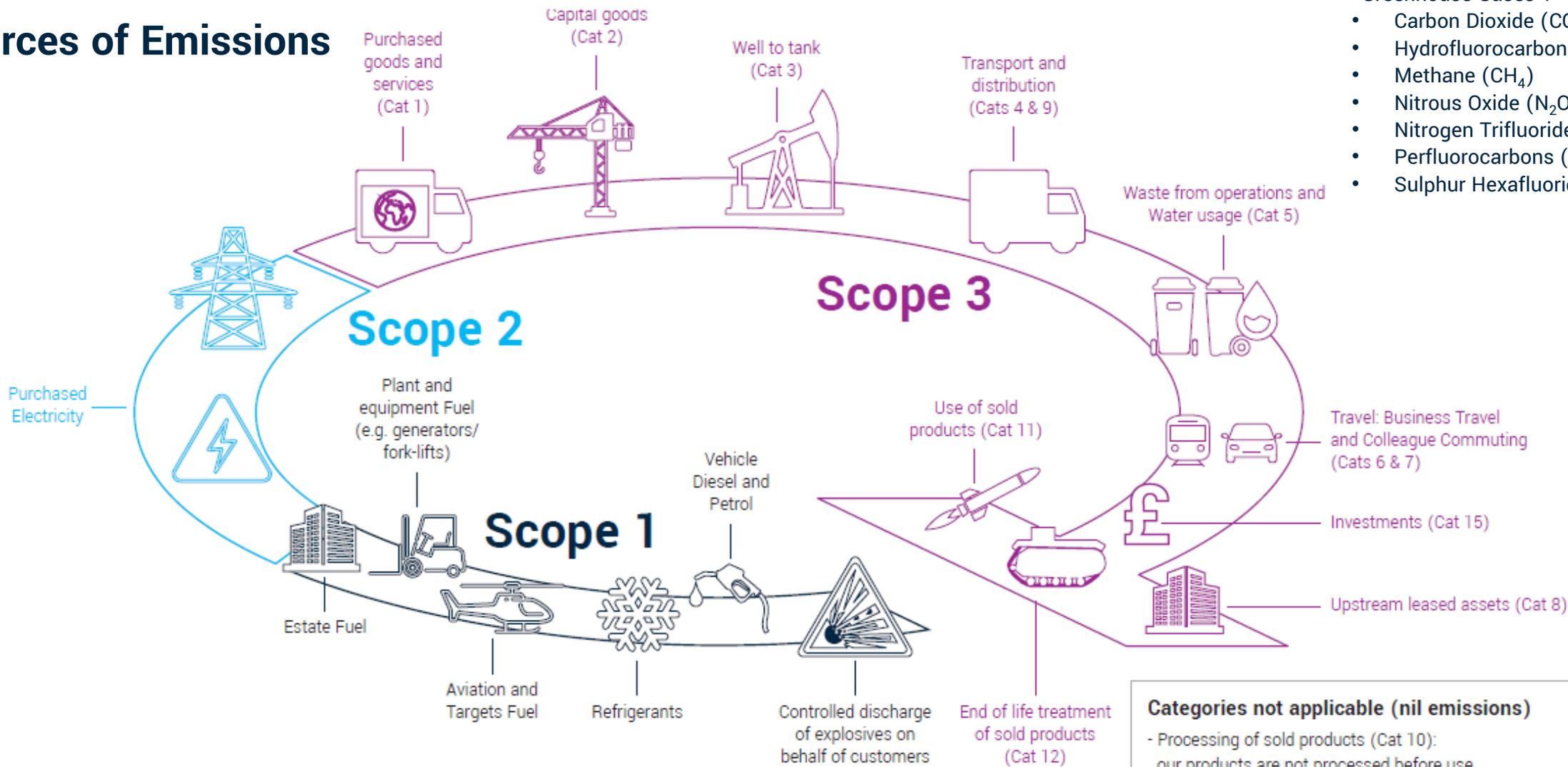




# Sustainable Procurement



# Sources of Emissions



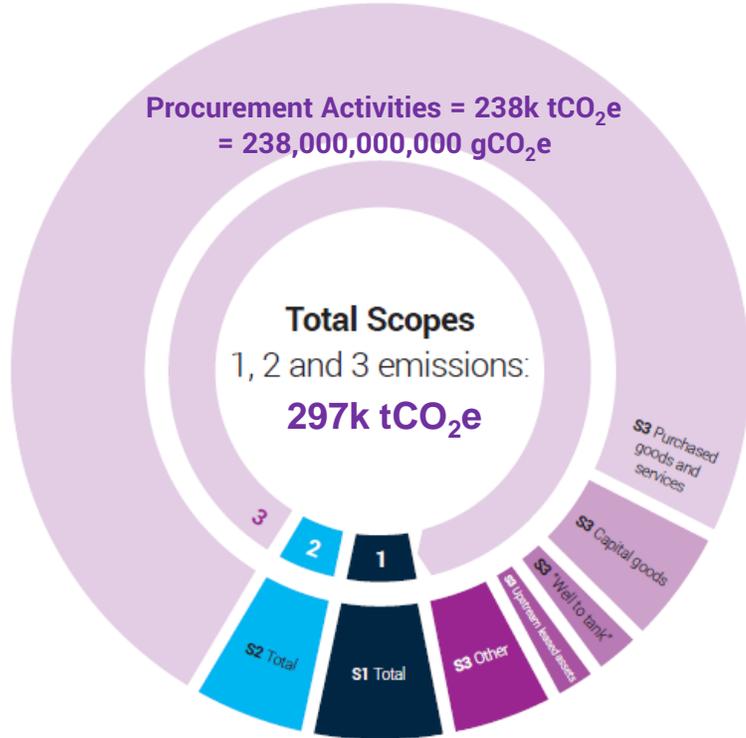
- “Greenhouse Gases”:
- Carbon Dioxide (CO<sub>2</sub>)
  - Hydrofluorocarbons (HFCs)
  - Methane (CH<sub>4</sub>)
  - Nitrous Oxide (N<sub>2</sub>O)
  - Nitrogen Trifluoride (NF<sub>3</sub>)
  - Perfluorocarbons (PFCs)
  - Sulphur Hexafluoride (SF<sub>6</sub>)

**Figure 1:** QinetiQ’s greenhouse gas footprint by scope and category as defined by the Greenhouse Gas Protocol.



# Our current emissions footprint... and what that looks like in real life

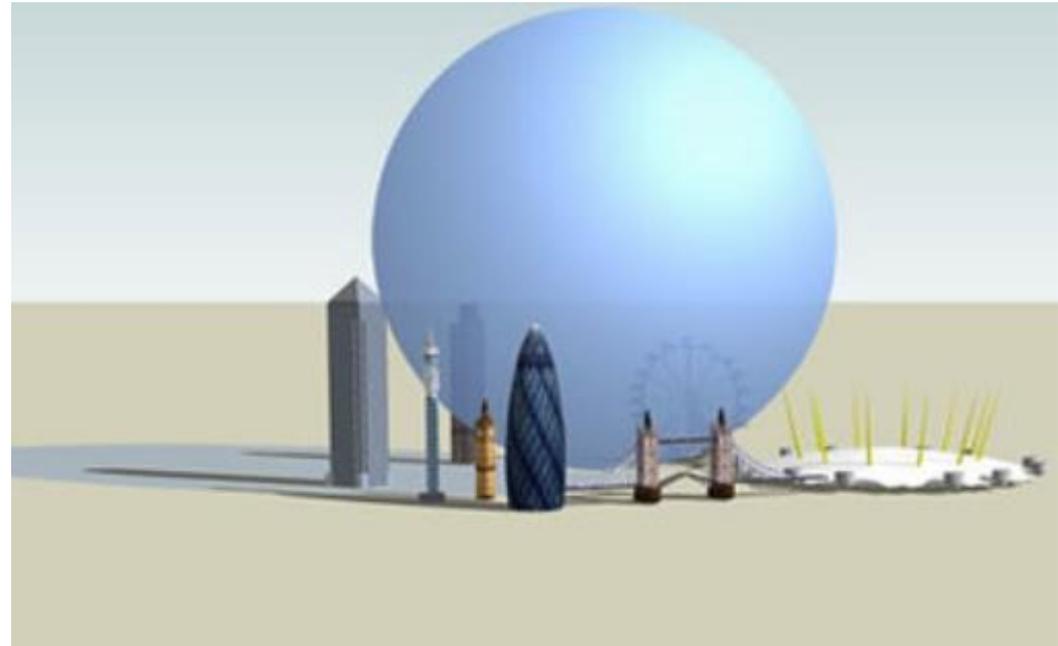
## Our FY22 emissions footprint



## 1 tonne CO<sub>2</sub>



## 140 thousand tonnes CO<sub>2</sub> Less than 6 months of QinetiQ's Scope 1+2+3 emissions



1 x Text Message sent = 0.014g CO<sub>2</sub>e



1 x Email sent = 4g CO<sub>2</sub>e



1 mile driven in an average brand new petrol or diesel car = 159g CO<sub>2</sub>e



# QQ Targets

Timeframe	Scopes 1&2	Scope 3	Total
2020	Base year	Base year	Base year
2030 (our near-term target)	-50% absolute reduction	-30% absolute reduction	-33% absolute reduction
2050 or sooner	Net-Zero	Net-Zero	Net-Zero

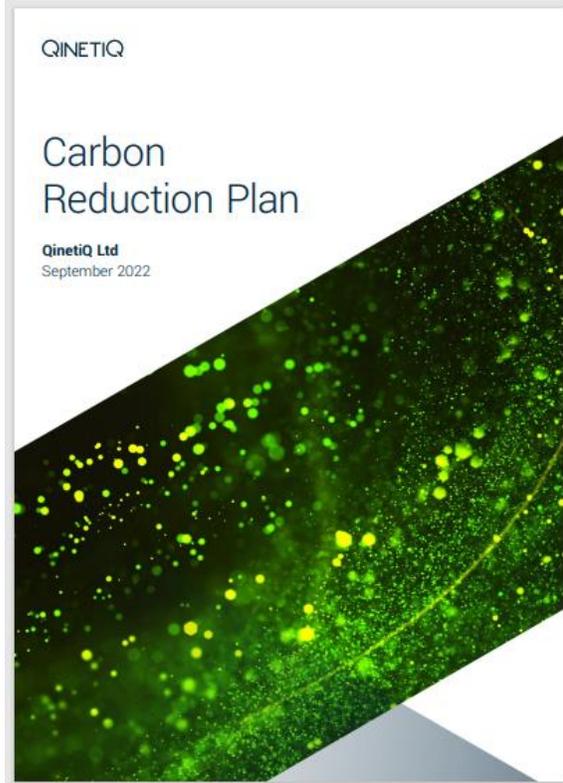
COMPANY/FINANCIAL INSTITUTION ▲	TARGETS		
	NEAR TERM ⇅	LONG TERM ⇅	NET-ZERO ⇅
<b>Qinetiq</b> United Kingdom (UK), Europe	1.5°C	1.5°C	FY2050

**BUSINESS AMBITION FOR 1.5°C**  





# Communicating





# Everything has a footprint

By 2030

2.5 tonnes



9 tonnes



13 tonnes



Dell Latitude 5400

Report produced June, 2019

From design to end-of-life and everything in between, we work to improve the environmental impact of the products you purchase. As part of that process, we estimate the specific impacts throughout the lifecycle. This includes the contributions from materials, manufacturing, distribution, use and end-of-life management.

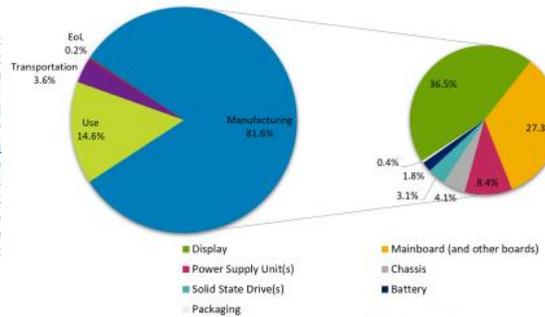


This product's estimated carbon footprint:

315 kgCO<sub>2</sub>e +/- 65 kgCO<sub>2</sub>e

Estimated impact by lifecycle stage with breakout for manufacturing by component:

Dell uses PAIA (Product Attribute to Impact Algorithm) to perform product carbon footprints. PAIA is a streamlined LCA tool developed by [MIT's Materials System Laboratory](#). It takes into consideration important attributes of the product which can be correlated to activities in order to calculate the product carbon footprint.

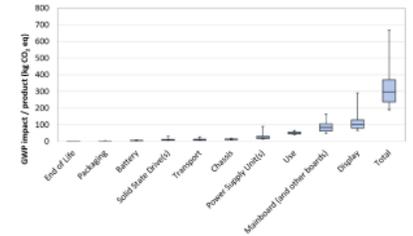


Est. product carbon footprint, page 1



Dell Latitude 5400

As part of our commitment to transparency, the chart to the right demonstrates the degree of uncertainty that exists within the PAIA model for product carbon footprinting, based on assumptions we have made for select variables.



Assumptions for calculating product carbon footprint

Product Weight	1.55 kg	Screen Size	14"	Assembly Location	China
Product Lifetime	4 years	Use Location	EU	Energy Demand (Yearly TEC)	22.07 kWh

315 kgCO<sub>2</sub>e



1 of these products... has a footprint approx. equivalent to **driving 772 miles** in a passenger car.



10 of these products... have a footprint approx. equal to what **3.7 acres of US forests** can absorb in a year.



100 of these products... have a footprint about the same as the annual average carbon footprint of **6 people**.

To help our customers and other stakeholders contextualize product carbon footprint values, we provide these approximate equivalencies. Please remember these are estimates and should not be used for emission inventory or formal carbon footprinting exercises.

Calculations are based on the following methodologies: 2.45 miles driven per 1 kg CO<sub>2</sub>e (source: [U.S. EPA](#)); approx. 850 kg CO<sub>2</sub>e absorbed per acre of forests over a year (source: [U.S. EPA](#)); global personal carbon footprint estimated at 5 MT CO<sub>2</sub>e per person (source: [World Bank](#)).

Disclaimer: This PCF was calculated using the PAIA model, version 1.2.4, 2019. Results shown here are subject to change as the tool is updated.

Est. product carbon footprint, page 2

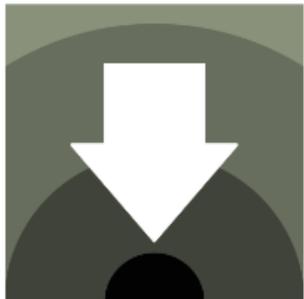


# What are we looking for from you?

PILLAR

# 1

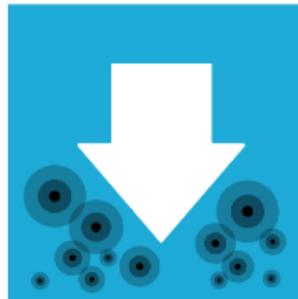
**REDUCE  
YOUR OWN  
EMISSIONS**



PILLAR

# 2

**REDUCE  
YOUR VALUE  
CHAIN  
EMISSIONS**



PILLAR

# 3

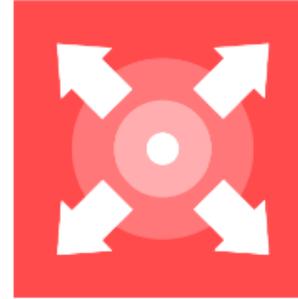
**INTEGRATE  
CLIMATE  
INTO YOUR  
STRATEGY**



PILLAR

# 4

**ACCELERATE  
CLIMATE  
ACTION  
IN SOCIETY**



- Commit to Net Zero
- Establish science based targets
- Calculate Scopes 1-3
- Carbon Reduction Plan
- Technical innovation
- Process efficiencies
- Propose lower carbon options
- Collaborate with us, peers, trade associations
- Challenge your supply chain
- T&Cs: Chancery Lane Project
- Switch to a green energy tariff

[smeclimatehub.org](https://smeclimatehub.org)



Thank you



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