

# UN GLOBAL COMPACT NETWORK UK

## NET ZERO REPORT 2022



**Global Compact**  
Network UK

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# FOREWORD



## Our impact journey

As part of the world's largest corporate sustainability initiative, it is our daily work to inspire and enable companies to operate more sustainably. This gives us a significant handprint to help make a positive difference, but that doesn't give us a free pass to operate unsustainably ourselves. In fact, for a variety of reasons, most notably 'walking the talk', we are committed to being an exemplar of sustainable development.

We are a small organisation, albeit not-for-profit, with the same challenges in minimising our footprint that any other organisation must tackle.

Carbon emissions reductions can be difficult for SMEs, with many emissions categories out of their control. However, SMEs play a critical role in unlocking the UK and global net-zero targets. In the UK, SMEs account for half of UK [business GHG emissions](#) and cover [61% of the UK workforce](#). So, alongside the role in reducing

carbon, there is a bigger opportunity to play a part in driving positive behaviour change amongst employees, customers, suppliers, and local communities. Charities too are key to achieving net zero. According to a [2021 survey by the Charity Finance Group](#) only 16% of charities have set net-zero targets, but they can play a crucial role, using their influence, purchasing, and investing power to drive change.

We have made a commitment to align with the UN-backed Race to Zero through the SME Climate Hub. We will halve our emissions by 2030 and achieve net zero by 2050. Of course, we are also acutely aware that reducing GHG emissions is only part of the solution – at the same time, we need to protect and regenerate nature and ensure a just transition that leaves no one behind. Our aim is to chart and share our journey, challenges, and learnings so that we can collectively learn and strive for a net-zero, nature-positive, and socially equitable future.



Steve Kenzie  
Executive Director  
UN Global Compact Network UK

# INTRODUCTION

## Who we are

The UN Global Compact Network UK's mission *is to promote sustainability leadership to create a world we want to live and do business in, by inspiring ambition, enabling action, and collaborating to shape the business environment.*

We are a registered charity, and our formal charitable objectives are to promote charitable sustainable development, relieve poverty, preserve and protect the environment, and promote ethical standards and conduct within businesses and the private sector in the UK.

The UN Global Compact Network UK has a membership of over 800 companies with a combined annual turnover of over 1 trillion GBP. We are dedicated to helping these businesses achieve their corporate sustainability goals through insight, programmes, partnerships, and advocacy.

Although we are independent, self-governed, and self-managed, we work closely with the [United Nations Global Compact](#) and act as a focal point for UN Global Compact participants in the UK.

The UN Global Compact is a global platform for business and non-business entities to proactively network and engage in the areas of human rights, labour, environment, and anti-corruption. Participation in the UN Global Compact is a widely visible commitment to the implementation, disclosure, and promotion of its ten universal principles.

You can find more information about the UN Global Compact [here](#) and read about our 2022 impact in our [2022 Annual Activity Report](#).



In 2022, we delivered 132 engagement activities for our members and the wider business community, reaching over 10,000 people







# Net zero commitment

In line with the UK Government's ambitions laid out in the [Net Zero Strategy](#), the UN Global Compact Network UK has made a commitment through the [SME Climate Hub](#) to:

- Halve our carbon emissions before 2030;
- Cut emissions to zero before 2050; and
- Share our progress on a yearly basis.

We recognise that to mitigate and avoid the worst impacts of climate change across the world, every business, no matter its size, must reach net zero by 2050 at the latest. This is in support of the goals of the [United Nations Framework Convention on Climate Change \(UNFCCC\)'s Paris Agreement](#) to limit global warming to 1.5°C and in recognition of the climate science published by [the Intergovernmental Panel on Climate Change \(IPCC\)](#).

As well as being a fundamental aim that aligns with our mission, the UN Global Compact Network UK is undertaking this net zero commitment to:

1. Demonstrate that we are committed to the standards we expect from companies. Through our programming and activities, we encourage members and other organisations to set net zero targets, particularly through the [Science Based Targets initiative](#) or the [SME Climate Hub](#).
2. Practically understand the challenges our member companies face. We recognise that there are a multitude of challenges associated with setting and achieving net zero targets and reporting emissions, so it is our goal to be able to help our members address questions and tackle obstacles they have throughout this complex process.
3. Create a good practice document for member companies to reference. There are many resources and guides that small and medium enterprises (SMEs) can use when writing their own net zero reports, but the abundance of information can often be overwhelming. As an SME ourselves, we would like to be able to point to our report for examples of what should be included and to what extent.



# MEASURING OUR EMISSIONS

## Consolidation approach

The information found below outlines the scope and boundaries within which this GHG inventory has been created.

**Organisation boundary:** The UN Global Compact Network UK operates from one shared office space in which it has no equity. For this reason, the UN Global Compact Network UK will consolidate its GHG emissions using the operational control approach, defined by the GHG Protocol, whereby a company accounts for 100% of the GHG emissions from operations over which it has control and does not account for emissions from operations in which it owns an interest but has no control.

**Operational boundary:** This GHG inventory will account for Scope 1, 2, and 3 emissions, as defined in the GHG Protocol.

### Scope 1: Direct GHG Emissions

Emissions that come from sources owned or controlled by the company such as those from the combustion of fuels in owned boilers, furnaces, vehicles etc.

### Scope 2: Electricity Indirect GHG Emissions

Emissions from the generation of purchased electricity, defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the source where the electricity is generated.

### Scope 3: Other Indirect GHG Emissions

A reporting category that encompasses all other sources of indirect emissions. Scope 3 emissions are the consequence of the activities of the company but occur from sources not owned or controlled by the company.

Further information on organisational boundaries and Scope 1, 2, and 3 emissions can be found in Green House Gas Protocol's [Corporate Accounting and Reporting Standard](#).





# Methodology

This chapter briefly explains our rationale for the different methodologies used in calculating our GHG emissions.

When considering the methodologies for calculating our Scope 3 emissions, we focused primarily on the availability of data; the expected proportion of total emissions that each category would make up; and our ability to influence GHG reductions in this category.

As shown in the data table on page 8, a significant proportion of our GHG emissions come from Scope 3: Category 1: Purchased Goods and Services, a large portion of which come from emissions related to the online platforms we subscribe to (e.g., Zoom, Microsoft Office, Pardot). Spend-based data was gathered throughout the year, and we then used the online [Enexo emissions management tool](#) to calculate emissions intensity. Due to the significance of these in our total, we would aim to improve the collection of more specific data in future assessments of our GHG emissions.

For Scope 3 Categories 5 (Waste), 6 (Business Travel), and 7 (Employee Commuting and Homeworking), we were able to gather more specific data which required input from all members of the team. Data for these categories was easily attainable but did require consistent effort on behalf of all employees to ensure that data was regularly inputted.

Many of the processes for collecting activity data and then applying relevant emissions factors were conducted manually. In future, we would like to automate these processes where possible to increase efficiency of collection and address potential human error.

We lease space in a shared office, giving us no direct control over energy consumption and who the energy provider is. We also do not own any private vehicles. For these reasons, we do not produce any Scope 1 and 2 emissions. Emissions related to the purchase of electricity for our office space is expressed in Category 8 of Scope 3 emissions.

## ASSUMPTIONS

Assumptions made during our data collection processes include the following:

- The amount of weekly waste produced does not fluctuate largely from week to week.
- Employees take the same form of transport to and from work.
- Employees use heating services at home for approximately 6 months of the year.
- We operate on a roughly 48-week year to account for the employee annual leave entitlement and the approximately two weeks of holiday at Christmas.
- The emissions associated with our upstream leased assets directly correlate to the annual rental sum.

## BASE YEAR RECALCULATION

The organisation will follow guidance provided by the GHG Protocol Corporate Standard for recalculating its baseline. The organisation aims to improve its data accuracy each year and will attempt to update historical data with any new methodologies where possible.



# Data

In 2022, our total emissions amounted to 47.1 tonnes CO<sub>2</sub>e, with most of this coming from Scope 3 Category 1 (Purchased Goods and Services) and Scope 3 Category 6 (Business Travel).

**Table 1: Tonnes of CO<sub>2</sub>e by scope and category**

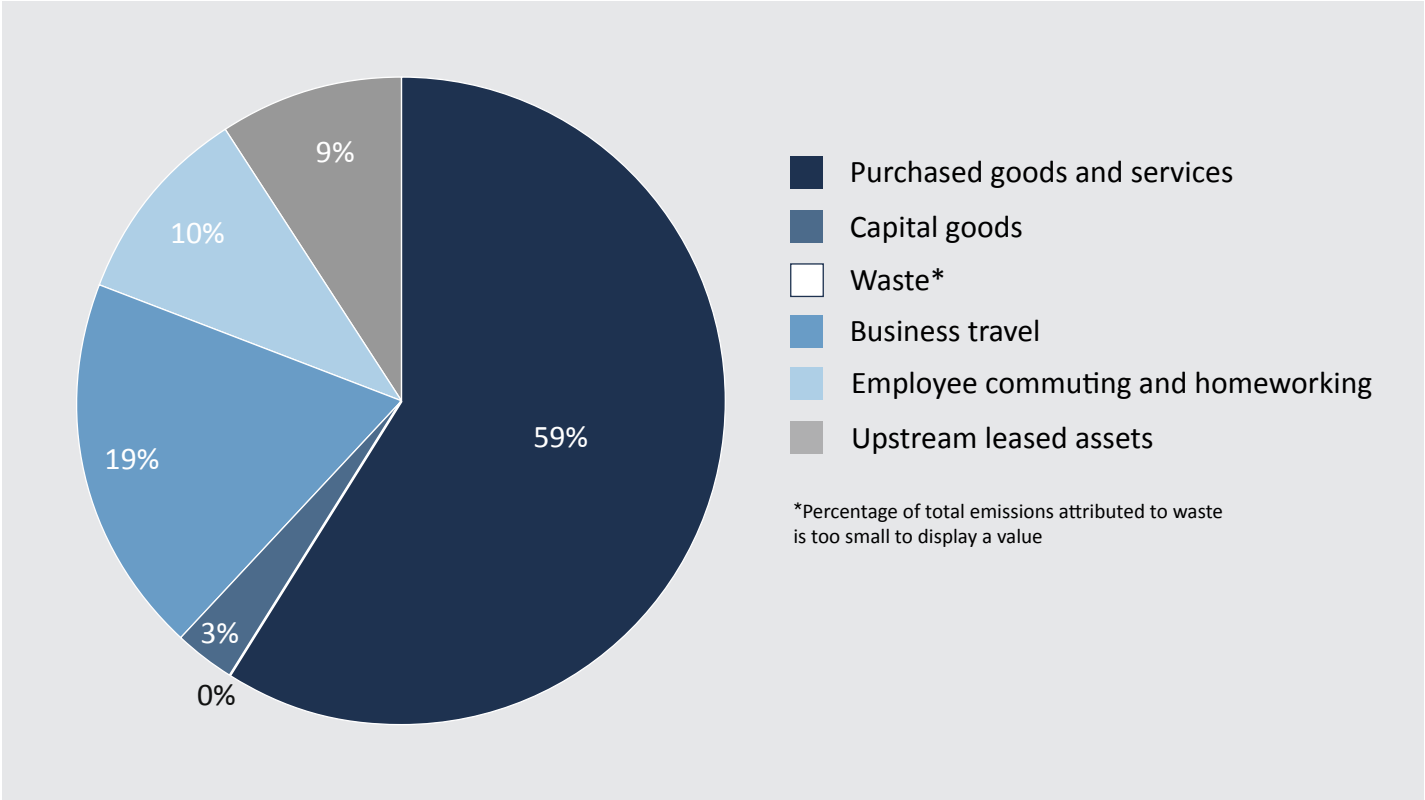
Scope and category	Metric tonnes CO <sub>2</sub> e
Scope 1: Direct emissions from owned/controlled operations	Not applicable (we do not have any direct emissions from owned/controlled operations)
Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Not applicable (we do not purchase electricity, steam, heating, or cooling for our own operations)
<b>Upstream Scope 3 emissions</b>	
Category 1: Purchased goods and services	27.83 tonnes CO <sub>2</sub> e
Emissions calculation methodology: <a href="#">Enexo methodology</a>	
Category 2: Capital goods	1.22 tonnes CO <sub>2</sub> e
Emissions calculation methodology: <a href="#">Enexo methodology</a>	
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Not applicable (we do not undertake any fuel or energy-related activities)
Category 4: Upstream transportation and distribution	Not applicable (we do not use transportation or distribution services)
Category 5: Waste generated in operations	0.175 kg CO <sub>2</sub> e
Emissions calculation methodology: ((average weekly weight of non-recyclable waste x emission factor) + (average weekly weight of recyclables x emission factor)) x 48 weeks	
Category 6: Business travel	8.797 tonnes CO <sub>2</sub> e
Emissions calculation methodology: sum of each employee's (trips taken in a year x distance travelled (km) x travel type-specific emission factor) + Enexo's methodology (hotel nights stayed x country-specific emission factor))	
Category 7: Employee commuting + home-working	1.252 tonnes CO <sub>2</sub> e (commuting) + 3.309 tonnes CO <sub>2</sub> e (homeworking) = 4.561 tonnes CO <sub>2</sub> e
Emissions calculation methodology: sum of each employee's (trips taken in a year x distance travelled (km) x travel type-specific emission factor) + EcoAct's methodology for homeworking	
Category 8: Upstream leased assets	4.51 tonnes CO <sub>2</sub> e
Emissions calculation methodology: Enexo methodology	
<b>Total upstream Scope 3 emissions</b>	<b>47.1 tonnes CO<sub>2</sub>e</b>
<b>Downstream Scope 3 emissions</b>	
Category 9: Downstream transportation and distribution	Not applicable (we do not use transportation or distribution services)
Category 10: Processing of sold products	Not applicable (we do not sell products)
Category 11: Use of sold products	Not applicable (we do not sell products)
Category 12: End-of-life treatment of sold products	Not applicable (we do not sell products)
Category 13: Downstream leased assets	Not applicable (we do not lease any assets)
Category 14: Franchises	Not applicable (we do not own any franchises)
Category 15: Investments	None or negligible (Global Compact Net-work UK does not make any direct investments. Employee pensions are invested in the UK Government's Nest Pension Fund)
<b>Total downstream Scope 3 emissions</b>	<b>0 tonnes CO<sub>2</sub>e</b>
<b>Total Scope 3 emissions (upstream + downstream)</b>	<b>47.1 tonnes CO<sub>2</sub>e</b>





# Significant sources of emissions

Graph 1: Percentage of total emissions by category



The UN Global Compact Network UK does not have any Scope 1 or 2 emissions, so like many office-based and professional services organisations, Scope 3 emissions are our focus with regard to carbon emissions reductions.

Of the Scope 3 categories material to our organisation, the greatest source of emissions comes from **Category 1: Purchased Goods & Services**. The figure of 27.83 tonnes CO<sub>2</sub>e for this category was determined using the emissions calculator and tracking tool, [Enexo](#), and is based on our spend data for 2022 (more information on this methodology can be found in the Appendix). We were

surprised that this category made up the largest share of our emissions, as we had anticipated that other categories would be more highly emitting (business travel, for instance).

This outcome reflects the large portion of our total expenses related to legal, accounting, and publisher fees, as well as technical and employment services such as Zoom, Pardot, LinkedIn, Applied, Microsoft Office, etc. As a small organisation with members dispersed across the nation, we rely on external service providers to help drive our outreach efforts and maximise our overall impact.

Our second largest area, **Category 6: Business Travel**, contributed 8.797 tonnes CO<sub>2</sub>e to our total emissions. Notably, our employees took six business trips by plane last year, contributing 7.1 tonnes CO<sub>2</sub>e to the total. Due to the global nature of our organisation as an entity associated with a UN body, business travel by plane is necessary for some of our operations. The plane journeys undertaken by our employees this year included:

- Two employees flew to the Democratic Republic of the Congo to host a business roundtable where Congolese companies shared their experience on the issues of child labour and heard about a project run by the Partnership Against Child Exploitation (PACE) Consortium to end the worst forms of child labour.
- Two employees flew to Dubai to attend the UN Global Compact's Annual Local Networks Forum, where Local Network representatives from around the world gathered to discuss how, as a global organisation, we can better guide and influence business activities and implement sustainability initiatives in line with the Ten Principles.
- Two employees flew to Copenhagen to attend a UN Global Compact Local Network Regional Meeting, an annual gathering of UN Global Compact Local Networks from Europe to facilitate plan-sharing, networking, and learning.

While air travel contributes heavily to our carbon emissions, it is our belief that the benefits from these journeys give back to the global community in other ways.

In anticipation of business travel contributing significantly to our overall footprint, we were mindful of only flying by plane when necessary and used other forms of transport where possible. For example, two of our employees attended a peer learning event in Paris, France, and instead of flying – which would have been less expensive and faster – they travelled by train. We will continue to make these conscious choices when booking travel or making the decision to travel at all, as evidenced by the new additions to our Travel Policy.

However, as our travel was limited in 2022 following the COVID-19 pandemic and as we continue to grow in number of employees, we expect that our carbon emissions associated with business travel and employee commuting will rise in 2023. For this reason, we are investigating the best options for offsetting our emissions through credible, place-based schemes.



## Data accuracy

The UN Global Compact Network UK is a small organisation with just 18 employees at the end of 2022 (reaching 22 at our peak in 2022), so many of our calculations were done manually using employee-specific data. For example, we were able to track every day that every employee commuted into the office or worked from home, what kind of transport they used, and what distance was travelled in our Employee Homeworking and Commuting Tracker document. We were also able to keep track of all business trips taken, even minor taxi trips within London. While this allowed us to have highly specific data, it also means that there is room for human error associated with collecting the data and performing the calculations.

As our number of employees grows, we may explore the option of using an employee commuting tracking software, (i.e., TripShift) to automate this process, streamline emissions calculations, and improve overall data quality.

To calculate our emissions from waste disposal, employees weighed our general waste and recycling over a series of weeks to determine a weekly average. This was an inaccurate process, as the weights varied greatly across measurements and the weekly average did not account for the fluctuation in attendance in the office across the year. Going forward, we aim to improve this data by taking more frequent measurements.

Emissions from purchased goods and services and capital goods were calculated using Enexo's emissions calculator tool, which processes our comprehensive spend data from the year, so we rely on their accuracy within this calculation method. We do not currently have the resources to outsource the calculation or auditing of our emissions data. We recognise that there may be errors in our calculations and inefficiencies in our processes. We aim to improve our data accuracy and transparency as we continue the data collection and calculation process and refine our systems over time.



# NEXT STEPS

## Reducing our emissions

While our organisation is already net zero across our own operations (Scopes 1 and 2), we recognise the importance of reducing our indirect emissions (Scope 3) across our value chain.

Now that our organisation has taken the first step to understand the sources and magnitude of our carbon emissions, we can explore actions for direct reductions in key areas and influencing behaviour where emissions are not directly controlled.

Additionally, we would like to investigate categories of emissions that are optional to account for (such as emissions associated with our events or website traffic).

It is our intention to share more information on reduction actions and our progress on these in our 2023 Net Zero Progress Report.



## Governance, management, and strategy

Our Environment Team is responsible for our sustainability and net-zero strategy, reporting to the Executive Director who in turn reports to the UN Global Compact Network UK Board.

We will be forming a cross-functional Net Zero Task Force, co-ordinated and led by the Environment Team. The task force will set up work plans for the year including the development and implementation of our transition plan, co-ordinating with the necessary stakeholders to develop and implement supporting policies, processes, and projects.

The task force will conduct quarterly monitoring and risk assessments to provide sustainability updates to the Board through our quarterly Board pack.

The task force will then oversee the completion of our annual Net Zero Progress Report, which will be published each spring.



## ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the United Nations Secretary-General, the UN Global Compact is a call to companies worldwide to align their operations and strategies with Ten Principles in the areas of human rights, labour, environment and anti-corruption. Its ambition is to accelerate and scale the global collective impact of business by upholding the Ten Principles and delivering the Sustainable Development Goals through ambitious, accountable companies and environments that enable change. With more than 20,000 companies and 3,800 non-business signatories based in over 160 countries, and 62 Local Networks, the UN Global Compact is the world's largest corporate sustainability initiative – one Global Compact uniting business for a better world.

For more information, visit [www.unglobalcompact.org](http://www.unglobalcompact.org)

## ABOUT THE UN GLOBAL COMPACT NETWORK UK

The UN Global Compact Network UK is part of the world's largest responsible business initiative, the United Nations Global Compact, connecting UK companies and other organisations in a global movement dedicated to driving sustainable growth. Through an extensive programme of activity, it promotes practical sustainability leadership, shared knowledge across sectors, and actively shapes the responsible business environment to create a world we want to live and do business in.

The United Nations Global Compact's universally recognised Principles, rooted in UN treaties, provide a robust foundation from which it leads UK business action on the Sustainable Development Goals (SDGs).

For more information, follow them on [LinkedIn](#) (UN Global Compact Network UK) and [X](#) (@globalcompactUK) or visit [unglobalcompact.org.uk](http://unglobalcompact.org.uk)

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