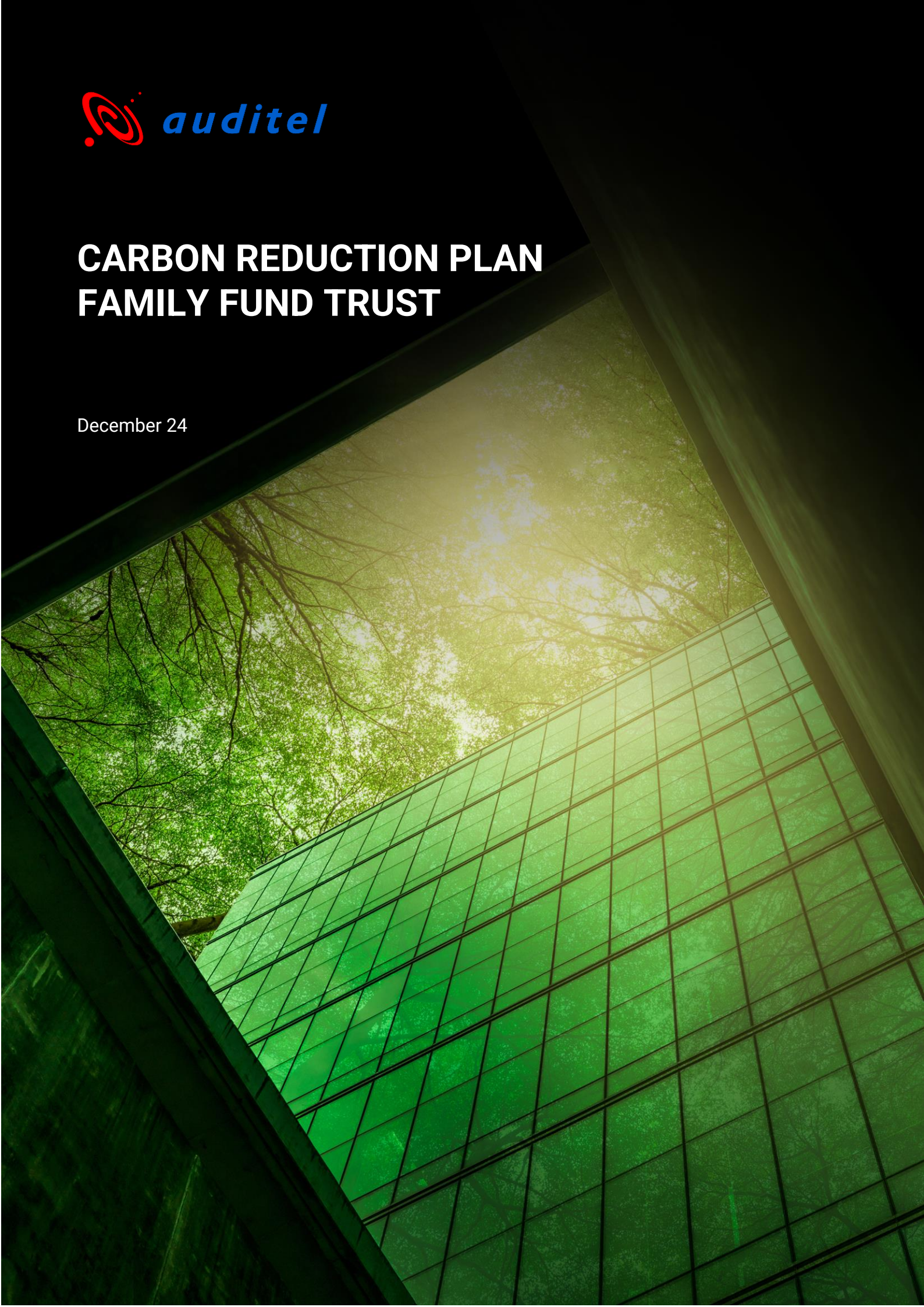




CARBON REDUCTION PLAN FAMILY FUND TRUST

December 24

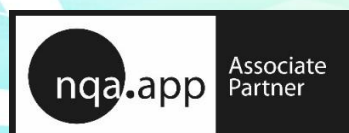


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Auditel's Credentials – Verification Bodies



Foreword

Family Fund Trust recognises how important it is to reduce any adverse impact we have on our environment. This Carbon Reduction Plan (CRP) outlines how we will do so by reducing our carbon emissions in both our operations and value chain in order to minimise our impact. Family Fund is committed to meet and, where possible, exceed our legal and regulatory requirements in this area.

Whether considering how to travel, what cup to drink from, where to hold a meeting and the myriad of other choices made in daily life, having carbon underpinning every choice made and every action taken must be integral to our vision, values, and strategic goals.

Last year we published our baseline carbon footprint for the calendar year 2021 to identify our primary emission sources. We also published the first version of our reduction plan to outline how we will begin to drive down emissions. We have more recently published our second carbon footprint, detailing our emissions in 2023. This report provides an update on our emissions and reasserts our reduction ambitions.



The engagement with our staff through this process has been invaluable in calculating our emissions and identifying how and where changes are needed. It's clear that the most significant way we can reduce emissions is by enabling our staff to do so.

Many of the measures that we plan to take to reduce our carbon footprint will also help us to operate more efficiently and reduce our costs. Using the information gathered and working with our staff and suppliers, we have set challenging targets and plan to provide regular progress updates on the challenges and successes we encounter in reducing our emissions.




Context

Climate change is a real and immediate threat for us all. Carbon dioxide (CO₂) levels have already reached their highest level for almost half a million years and are rising faster than ever. Like all organisations, Family Fund has a key role to play in mitigating the effects of climate change, both as an employer and through the products we provide.

Our challenge is to:

-  Reduce our carbon footprint
-  Prepare for the impacts of a changing climate

Aside from the moral and environmental case for taking action to tackle climate change there are many other drivers to address these issues, including:

-  **Leadership** - Taking strategic action towards reducing carbon emissions will ensure that Family Fund can lead the way in developing effective mechanisms to tackle climate change. This will help stimulate low carbon transitions across the region in which it operates.
-  **Cost** - With increasing pressure on all organisations to cut costs, reducing the amount Family Fund spends is a key driver for lowering our energy consumption.
-  **Reputation** - There is increasing pressure on organisations to act on climate change action. Failure to do so could lead to reputational risks and adversely affect the company's public image.

Reporting Standards and Scope

Our carbon accounting services are provided by Auditel who undertake a series of quality assurance checks in line with industry best practice to ensure that the Greenhouse Gas (GHG) statements represent a faithful, true, and fair account of GHG emissions from the data available.

The calculation of our carbon footprint was made in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

The process follows the principles of ISAE3410, Assurance Engagements on Greenhouse Gas Statements standard, but is not a formal assurance to the standard currently. It is carried out to ensure that the statement is considered materially correct, a fair representation of the Greenhouse Gases emitted and is prepared in alignment with the Greenhouse Gas Protocol and the relevant activities of Family Fund Trust.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Calendar Year 2021 (CY21) Footprint

In our 2021 Carbon Footprint Report, we created a baseline for our greenhouse gas emissions including all measurable scope 1, 2 and 3 emissions. Scope 3 emissions were responsible for 86% of our 2021 carbon footprint, with by far the largest source being Employee Commuting (including homeworking) at 77% of the total.

Greenhouse gas emissions data

According to the GHG Protocol

Emission category	Scope	%	All GHG (tCO ₂ e)	CO ₂ (tCO ₂ e)	CH ₄ (tCO ₂ e)	N ₂ O (tCO ₂ e)	SF ₆ (tCO ₂ e)	NF ₃ (tCO ₂ e)	HFCs (tCO ₂ e)	PFCs (tCO ₂ e)	CO ₂ e* (tCO ₂ e)
1 Scope 1 - Direct Emissions from operations	Scope 1	7%	10.69	10.67	0.01	0.01					
1.1 Stationary combustion	Scope 1	7%	10.69	10.67	0.01	0.01					
1.2 Mobile combustion	Scope 1										
1.3 Process emissions	Scope 1										
1.4 Fugitive emissions	Scope 1										
2 Scope 2 - Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Scope 2	7%	11.32								11.32
2.1 Purchased electricity market based	Scope 2	7%	11.32								11.32
2.2 Purchased steam, heating, cooling	Scope 2										
3 Scope 3 - Indirect emission in the value chain	Scope 3	85%	136.84	57.93	0.05	0.43					78.43
Upstream											
3.1 Purchased goods and services	Scope 3	0%	0.01								0.01
3.2 Capital goods	Scope 3										
3.3 Fuel- and energy-related activities	Scope 3	4%	6.32								6.32
3.4 Upstream transportation and distribution	Scope 3	2%	2.79	2.77	0.00	0.02					
3.5 Waste generated in operations	Scope 3	0%	0.15								0.15
3.6 Business travel	Scope 3	1%	2.17	1.79	0.00	0.01					0.36
3.7 Employee commuting	Scope 3	77%	125.40	53.36	0.04	0.40					71.59
3.8 Upstream leased assets (as lessee)	Scope 3										
Downstream		2%	3.02								3.02
3.9 Downstream transportation and distribution	Scope 3	2%	3.02								3.02
3.10 Processing of sold products	Scope 3										
3.11 Use of sold products	Scope 3										
3.12 End-of-life treatment of sold products	Scope 3										
3.13 Downstream leased assets (as lessor)	Scope 3										
3.14 Franchises	Scope 3										
3.15 Investments	Scope 3										
Total GHG emissions		100%	161.87	68.60	0.06	0.44					92.77

* this column contains all entries for which a further split in greenhouse gasses is not known

This table was constructed following the Greenhouse Gas Protocol reporting standards

The total emissions in this report include electricity emissions using the market-based method.

Current Emissions Reporting

Calendar Year 2023 (CY23) Footprint

Our 2023 Carbon Footprint Report provides an update on our greenhouse gas emissions. Scope 3 emissions rose to 91% of the footprint with Employee Commuting (including homeworking) increasing to 83% of the total.

Greenhouse gas emissions data											
According to the GHG Protocol											
Emission category	Scope	%	All GHG (tCO ₂ e)	CO ₂ (tCO ₂ e)	CH ₄ (tCO ₂ e)	N ₂ O (tCO ₂ e)	SF ₆ (tCO ₂ e)	NF ₃ (tCO ₂ e)	HFCs (tCO ₂ e)	PFCs (tCO ₂ e)	CO ₂ e* (tCO ₂ e)
1 Scope 1 - Direct Emissions from operations	Scope 1	3%	4.40	4.39	0.01	0.00					0.00
1.1 Stationary combustion	Scope 1	3%	4.40	4.39	0.01	0.00					0.00
1.2 Mobile combustion	Scope 1										
1.3 Process emissions	Scope 1										
1.4 Fugitive emissions	Scope 1										
2 Scope 2 - Indirect emissions from the use of purchased electricity, steam, heating, and cooling	Scope 2	7%	11.58	11.46	0.05	0.07					0.00
2.1 Purchased electricity location based	Scope 2	7%	11.58	11.46	0.05	0.07					0.00
2.2 Purchased steam, heating, cooling	Scope 2										
3 Scope 3 - Indirect emission in the value chain	Scope 3	90%	154.04	124.47	0.19	0.33					29.05
Upstream											
3.1 Purchased goods and services	Scope 3	0%	0.08								0.08
3.2 Capital goods	Scope 3										
3.3 Fuel- and energy-related activities	Scope 3	3%	5.04	0.99	0.00	0.01					4.04
3.4 Upstream transportation and distribution	Scope 3	0%	0.35	0.28	0.00	0.00					0.07
3.5 Waste generated in operations	Scope 3	0%	0.08								0.08
3.6 Business travel	Scope 3	5%	7.73	5.66	0.01	0.03					2.04
3.7 Employee commuting	Scope 3	83%	140.76	117.54	0.18	0.29					22.75
3.8 Upstream leased assets (as lessee)	Scope 3										
Downstream		0%	0.39								0.39
3.9 Downstream transportation and distribution	Scope 3	0%	0.39								0.39
3.10 Processing of sold products	Scope 3										
3.11 Use of sold products	Scope 3										
3.12 End-of-life treatment of sold products	Scope 3										
3.13 Downstream leased assets (as lessor)	Scope 3										
3.14 Franchises	Scope 3										
3.15 Investments	Scope 3										
Total GHG emissions		100%	170.41	140.32	0.25	0.40					29.44

* this column contains all entries for which a further split in greenhouse gasses is not known

This table was constructed following the Greenhouse Gas Protocol reporting standards

The total emissions in this report include electricity emissions using the location-based method.

Actual vs Projected Carbon Emissions

In our 2023 Carbon Reduction Plan we set a target of a 24% reduction in emissions by 2027. Our current growth ambitions mean that this may not be achievable in absolute terms, however, we aim to meet this target in our emissions intensity, measured by the metrics *turnover* and *number of employees*.

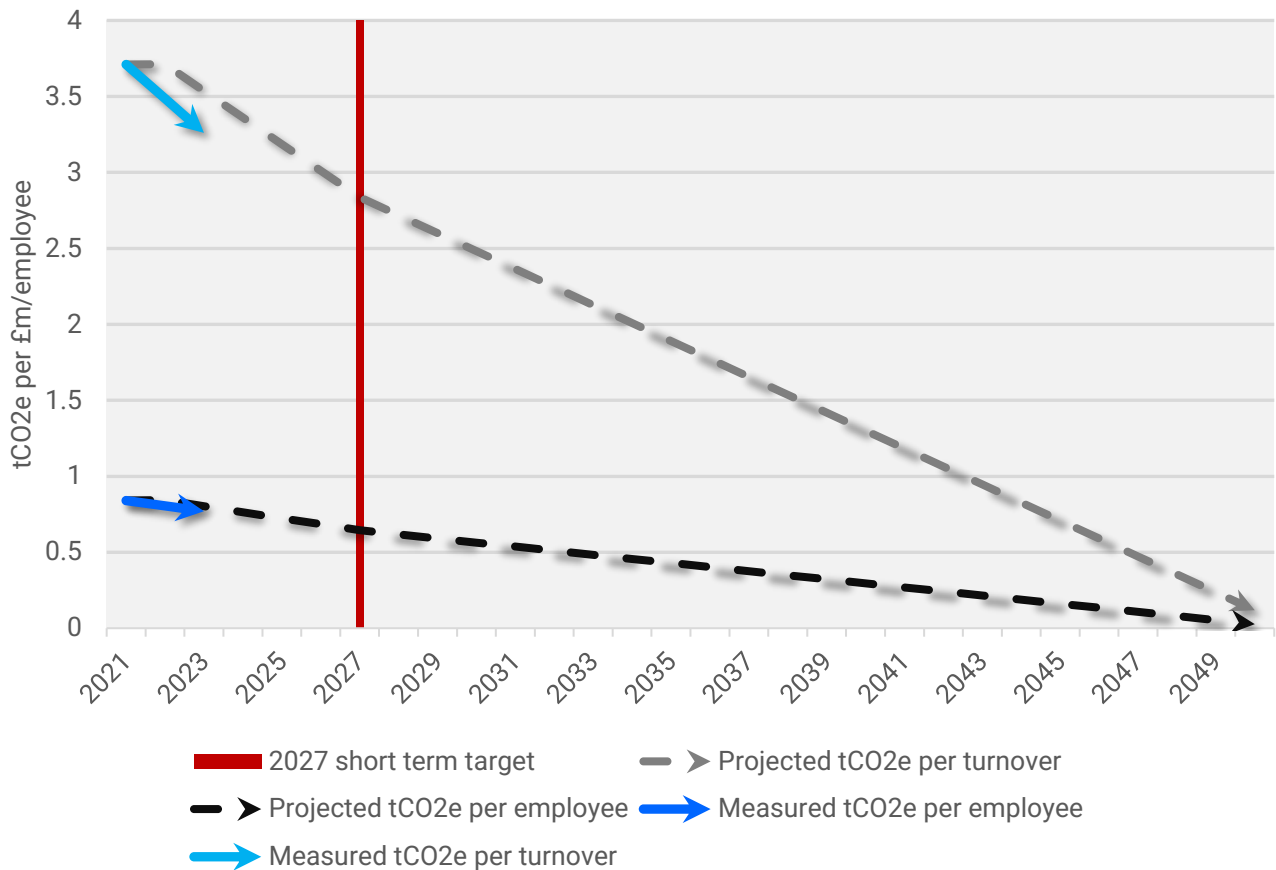
Absolute emissions

In absolute terms, there is a 5% overall increase in our reported emissions in CY 2023 versus CY 2021 (excluding a 4.65 tonne reduction market based reduction). The primary source of this rise came from employees commuting and homeworking, with emissions in this category increasing by over 15 tCO₂e (12%).

Emissions Intensity

Emission intensity reduced in 2023 versus the CY 2021 baseline. Whilst employee numbers and turnover increased by 15% and 20% respectively, the tonnes of carbon emitted per employee fell by 9% and the tonnes of carbon emitted per £ million turnover by 12%.

The below chart shows our measured emission intensity versus long term projections.



Future Projections & Reduction Targets

Future projections are based on the measures shown in the *Existing and Future Carbon Reduction Measures* sections of this report. They also account for the declared aims and projections for wider emission reductions, such as the UK's decarbonisation of power generation and zero emission vehicle (ZEV) mandate. In line with SBTi's net zero targets, it is anticipated that permanent carbon removal and storage will be utilised to counterbalance any residual emissions that cannot be eliminated.

In order to reach the goal of significant emission reductions and net zero by 2050, we have adopted the following targets:

1. A 24% reduction in emissions intensity for all emissions by 2027 from the CY21 baseline.
2. A 90% overall reduction in scope 1, 2 & 3 emissions by 2050 from the CY21 baseline.

Our long term projection currently shows a reduction to 3% of baseline emissions in 2050 - this will be revised periodically to reflect the most likely scenario as new data becomes available.

Existing Carbon Reduction Measures

We have implemented a number of measures to begin driving down our emissions, some of which will be expanded as operations allow.

Procurement of 100% Green Gas

For our York office, we now procure 100% Green Gas. This is biomethane produced from a range of organic materials including maize, rye, food residues and landfill gas injected into the gas transport network. It is backed by Renewable Gas Guarantee of Origins (RGGO's) and enables a substantial reduction in our Scope 1 emissions.

Procurement of 100% renewable electricity

For our York office, we have procured 100% renewable electricity, backed by Renewable Energy Guarantees of Origin (REGO) certificates. This is procured from Smartest Energy with the Carbon Trust annually providing assurance that Smartest Energy's supply products and their related fuel mixes comply with the quality criteria required by the GHG Protocol Scope 2 Guidance. This allows us to report zero scope 2 market-based emissions.





This will also reduce our electric "Well to Tank" emissions. These are the scope 3 emissions caused by the extraction, refining and transportation of primary fuels before their use in the generation of electricity.

Reducing postage

We frequently send and receive application forms to and from the people we help. To reduce our paper use, printing and postage, we have moved to a policy of sending these by email rather than post. This helps to reduce our scope 3 emissions.

Minimising travel

We have introduced processes to reduce our travel emissions by:

-  Hosting virtual, rather than face to face, meetings whenever possible
-  Travelling as a team when multiple team members are meeting in same place.
-  Combining meetings wherever possible to minimise business travel.
-  Introducing systems and processes that allow hybrid working for staff wherever appropriate to the role and needs of the organisation.

Future Carbon Reduction Measures

We plan to implement further measures to drive down our emissions, including:

Eradicating gas use

In 2025, we are moving our operations into a new property, which will allow us to eradicate mains gas from our emissions inventory. This may mean that we can report zero scope 1 emissions in our future footprints.

More efficient heating





Our new property has a new, more efficient and zonally controlled VRF HVAC system allowing us to minimise our electric emissions.


Improving hot water efficiency


We will also improve the efficiency of our hot water heating system by switching to point of use electric hot water heaters at our new site.

Enabling more informed commuting and homeworking

We plan to continue with our hybrid working policy which allows staff members to work from home. However, we will also provide guidance to show staff where there is potentially a net benefit in minimising carbon emissions by either commuting to the office or working at home. This is a complex issue because there are a variety of factors that impact on this decision, such as:

-  The time of year and whether the heating system is in use. In summer there are likely to be much less emissions caused by working from home.
-  Whether the heating system is likely to be on regardless of whether an employee is working from home i.e. if someone else is already at home.
-  The type of heating system used at home e.g. a heat pump is likely to create much less emissions than a gas boiler.
-  The “carbon intensity” of the electricity from the energy supplier/tariff an employee uses at home.

 The commuting method used e.g. public transport vs car vs walking/cycling.

 If commuting by car, the type of car used (vehicle size and fuel).

We will provide data to enable low emission choices by our staff.

Helping employees switch supplier

We plan to assist employees, especially those that frequently work from home, to switch to a 100% renewable electricity tariff and/or “green gas” where possible.

This will include helping employees to identify their current supplier/tariff generation type, make them aware of potential renewable alternatives and how to switch to them. This process will also enable more accurate data collection for our future footprints.

Longer-term initiatives

Longer term measures we are considering are shown below.

Reducing our imported energy

Although we have switched to more sustainable procurement for our energy supplies, we are aware that we should reduce our imported energy where possible to minimise emissions. We will continue discussions with our landlord to determine what practical measures we can take to reduce our office energy consumption. For example.

- Investigate installation of Solar PV panels at our office to reduce our imported electricity.
- Introduce air conditioning controls to reduce our office electricity consumption.
- Introduce intelligent heating controls to manage and reduce gas consumption in the office.

Decarbonisation of business travel & commuting

- We anticipate further de-carbonisation of business travel and employee commuting as some employees move to Hybrid or full Electric Vehicles. Increased utilisation of an Electric Vehicle charging hub located in the vicinity of our office will enable this transition.

More accurate data collection

- Creating more detailed expense records detailing start and destination of each business mile travelled and what mode of transport was used. Automated software may be considered to reduce the administrative burden. This will allow us to more accurately capture and report our business travel emissions.

Commitment Statement

Family Fund Trust is committed to achieving Net Zero emissions by 2050.

Family Fund Trust commits to

1. By 2027: reducing our emissions intensity by 24% versus our CY21 baseline.
2. By 2050: reaching net-zero greenhouse gas emissions versus our CY21 baseline.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and approved by our board of Trustees.

Signed on behalf of Family Fund Trust & Family Fund Business Services

Position:



Name:

Cheryl Ward

Date:

4 December 24