Carbon Reduction Plan For Two Chimps Coffee

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Our Commitment

Two Chimps Coffee is committed to achieving Net Zero emissions by 2045.

What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest science-based targets (SBTs). SBTs are greenhouse gas reduction goals set by organisations, they are defined as "science-based" when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. To achieve Net Zero under this scenario, we will need to reduce our absolute emissions by 90% from our baseline year.

SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as long-term targets.

Our near-term targets:

1. Reduce scope 1 emissions by 42% by 2030.
2. Maintain zero market-based* scope 2 emissions to 2030.
3. Reduce Scope 3 emissions by 42% by 2030.

Our long-term targets:

- Reduce our total market-based emissions (scope 1, 2 and 3) by at least 90% by 2045.
- Neutralise any residual emissions using verified carbon offsets.

Emissions covered by our targets:

- Scope 1 emissions: direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from the combustion of fuels in on-site boilers, furnaces, or vehicles.
- Scope 2 emissions: indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.
- Scope 3 emissions: all other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

*Purchased electricity emissions are measured in two ways: the location-based method and the market-based method. The location-based method takes into account the emissions intensity of the grid from which the electricity was purchased, whilst the market-based method also takes into account the emissions intensity of the tariff and suppliers the reporting organisation has specifically chosen. The market-based method can therefore take into account purchases of renewable energy via a tariff. We have chosen to set targets based on the market-based method.

Our Carbon Footprint

Baseline Emissions

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. We have chosen to set our baseline year as the 1st of January 2022 to the 31st of December 2022.

Baseline Year: 2022	
All scope 1, scope 2, and scope 3 emissions, excluding End-of-Treatment of Sold Product and Downstream Leased Assets, have been measured using the operational control approach. The scope 1 and 2 emissions of sites where we do not pay for the utilities directly or have the ability to make building upgrades are categorised under scope 3, in the Upstream Leased Assets category. We have adjusted the figures below in line with methodology and emission factor updates since the publication of our last report, see Appendix A for more details.	
Emissions	Total (tonnes CO_2e)
Scope 1	6.9
Scope 2	Market-based: None Location-based: None
Scope 3	110.6
Total Emissions	**Market-based: 117.4** **Location-based: 117.4**

Carbon Intensity Metrics

Metric	Carbon Intensity
Tonnes of CO_2e per Employee	35.6
Tonnes of CO_2e per £m of Revenue	326.0

Carbon intensity metrics are calculated using total market-based results.

Current Emissions Reporting

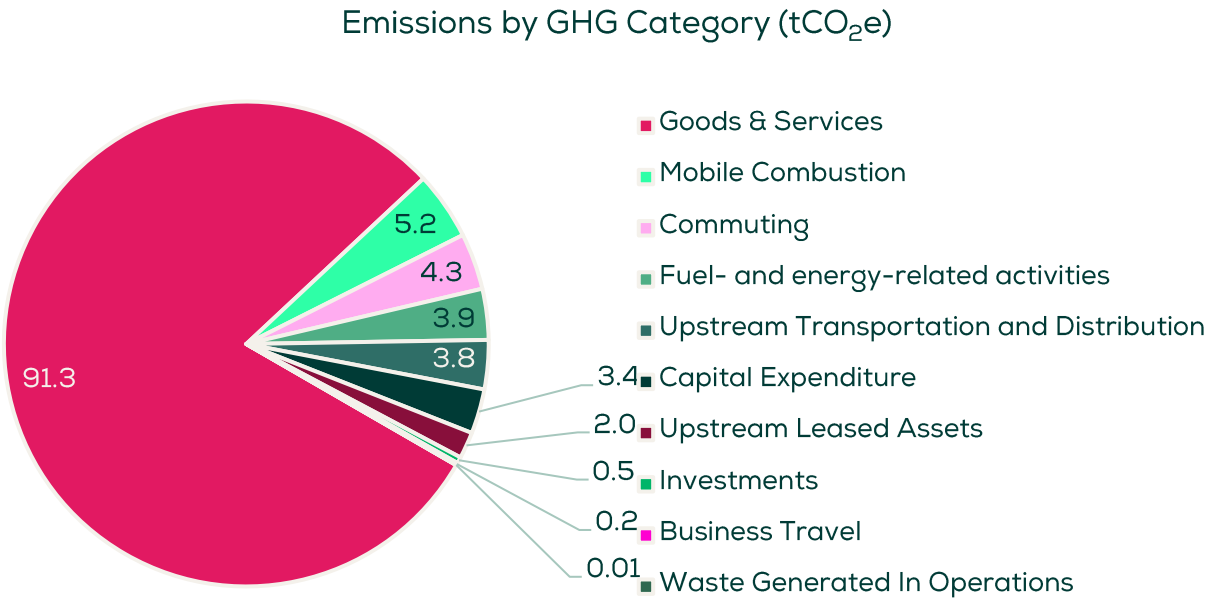
Current Year: 2024	
All scope 1, scope 2, and scope 3 emissions, excluding End-of-Treatment of Sold Product and Downstream Leased Assets, have been measured using the operational control approach. The scope 1 and 2 emissions of sites where we do not pay for the utilities directly or have the ability to make building upgrades are categorised under scope 3, in the Upstream Leased Assets category.	
Emissions	Total (tonnes CO_2e)
Scope 1	5.2
Scope 2	Market-based: None Location-based: None
Scope 3	109.3
Total Emissions	**Market-based: 114.5** **Location-based: 114.5**

Carbon Intensity Metrics

Metric	Carbon Intensity
Tonnes of CO_2e per Employee	22.0
Tonnes of CO_2e per £m of Revenue	268.0

Carbon intensity metrics are calculated using total market-based results.

Carbon Emissions Breakdown



Goods & Services emissions remain the largest source of emissions, totalling 91.3 tCO_2e. This reflects emissions from the production and delivery of the goods and services we procure. This category includes both emissions results from administrative purchases, e.g. insurance, vehicle repairs and website costs (12.3 tCO_2e) as well as our coffee, packaging and other goods for resale (79.0 tCO_2e). Mobile Combustion, which includes emissions resulting from fuel use in company-operated vehicles, accounted for 5.2 tCO_2e, while Commuting, including both employee travel to work and homeworking energy emissions, contributed 4.3 tCO_2e.

Fuel- and Energy-Related Activities added 3.9 tCO_2e to the footprint; this category includes upstream emissions from the energy we consume, such as emissions from the extraction, processing and transportation of fuels and transmission and distribution losses. Upstream Transportation and Distribution, covering emissions from delivery services, accounted for 3.8 tCO_2e. Capital Expenditure, which includes the emissions associated with purchasing assets such as machinery and IT, totalled 3.4 tCO_2e.

Additional smaller contributions came from Upstream Leased Assets (2.0 tCO_2e, includes site gas and electricity use), Investments (0.5 tCO_2e), Business Travel (0.2 tCO_2e), and Waste Generated in Operations, which was minimal at 0.01 tCO_2e. Overall, the results highlight that the vast majority of our emissions stem from upstream supply chain activities, underlining the importance of sustainable procurement practices and supplier engagement in reducing our carbon footprint.

Comparison of emissions

	2022	2023	2024	Change since 2022 (%)
Scope 1				
Stationary Combustion	None	None	None	None
Mobile Combustion	6.9	5.3	5.2	-24%
Fugitive Emissions	None	None	None	None
Process Emissions	None	None	None	None
Scope 2				
Electricity (Location-based)	None	None	None	None
Electricity (Market-based)	None	None	None	None
Heat & Steam	None	None	None	None
Scope 3 (Upstream)				
Goods & Services	84.6	84.6	91.3	+8%
Capital Expenditure	15.6	2.9	3.4	-78%
Fuel- and energy-related activities	3.6	3.5	3.9	+8%
Upstream Transportation and Distribution	3.1	3.4	3.8	+20%
Waste Generated In Operations	0.016	0.013	0.013	-20%
Business Travel	None	None	0.176	New
Commuting	1.6	1.7	4.3	+172%
Upstream Leased Assets	1.8	2.2	2.0	+15%
Scope 3 (Downstream)				
Downstream Transportation and Distribution	None	None	None	None
Processing of Sold Products	None	None	None	None
Use of Sold Products	None	None	None	None
End-of-Life Treatment of Sold Products	*Not yet measured*			
Downstream Leased Assets	*Not yet measured*			
Franchises	None	None	None	None
Investments	0.3	0.5	0.5	+76%
Location-based Total	117.4	104.2	114.5	-2%
Market-based Total	117.4	104.2	114.5	-2%

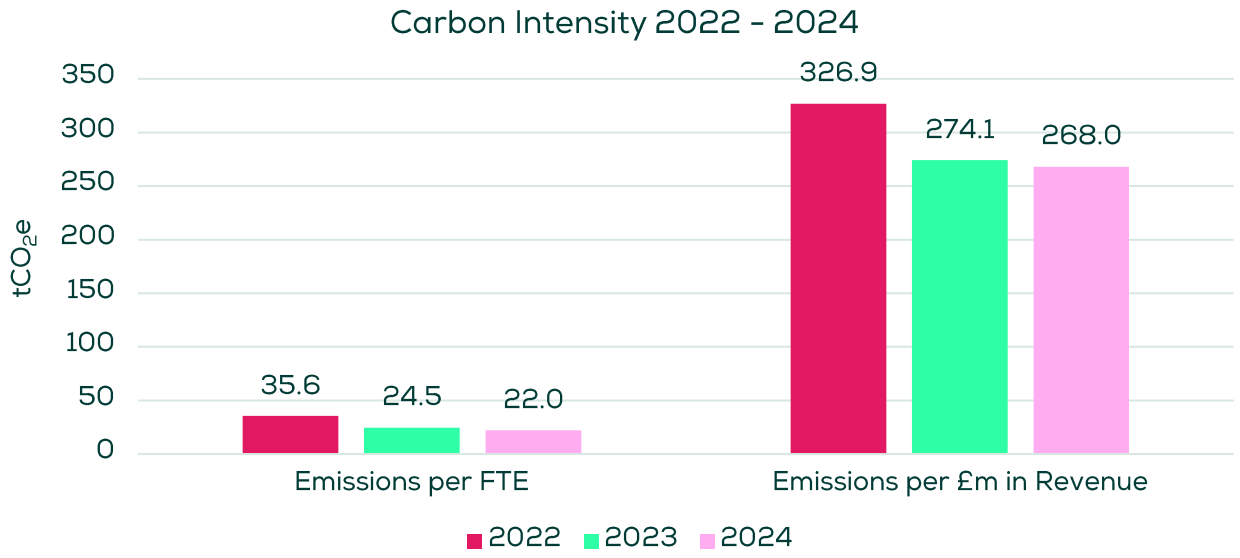
Our scope 1 emissions have decreased since our base year by 24%. This could be as a result of reduced company vehicle usage, however, we improved the data quality between 2022 and 2023 from estimated mileage to actual fuel consumption data, and this could have also caused the change in emissions. Fuel consumption has increased slightly between 2023 and 2024, however, emissions have still gone down between these years as a result of a decrease in emissions associated with forecourt diesel.

Our Purchased Goods & Services emissions have increased by 8% since the base year, mainly as a result of increased spending (which is expected considering the increase in our revenue). Capital Goods emissions have decreased significantly since the base year;

emissions were high in our first reporting year due to the purchase of a new vehicle. They have increased alongside spending since the previous year. Upstream Transportation & Distribution emissions have also increased, which was also expected due to an increase in sales and therefore deliveries. We ship the majority of our parcels through Royal Mail, and emissions associated with each parcel shipped via Royal Mail have decreased from 0.20 $kgCO_2e$ to 0.18 $kgCO_2e$ since the base year.

Our Commuting emissions have increased alongside an increase in our workforce size. There also seems to have been an increase in the commuting distance travelled by staff, but this could be due to an error in the data.

Carbon Intensity Comparison



Whilst our total (market-based) carbon footprint has decreased by only 2% from the base year, and increased by 10% from the previous year, our emissions per FTE and per £m have both decreased. Emissions per FTE have decreased by 38% since the base year and 10% since the previous year, and emissions per £m in revenue have decreased by 18% since the base year and 2% since the previous year. This means that we would have been able to expect greater reductions in absolute emissions, if we were not growing each year.

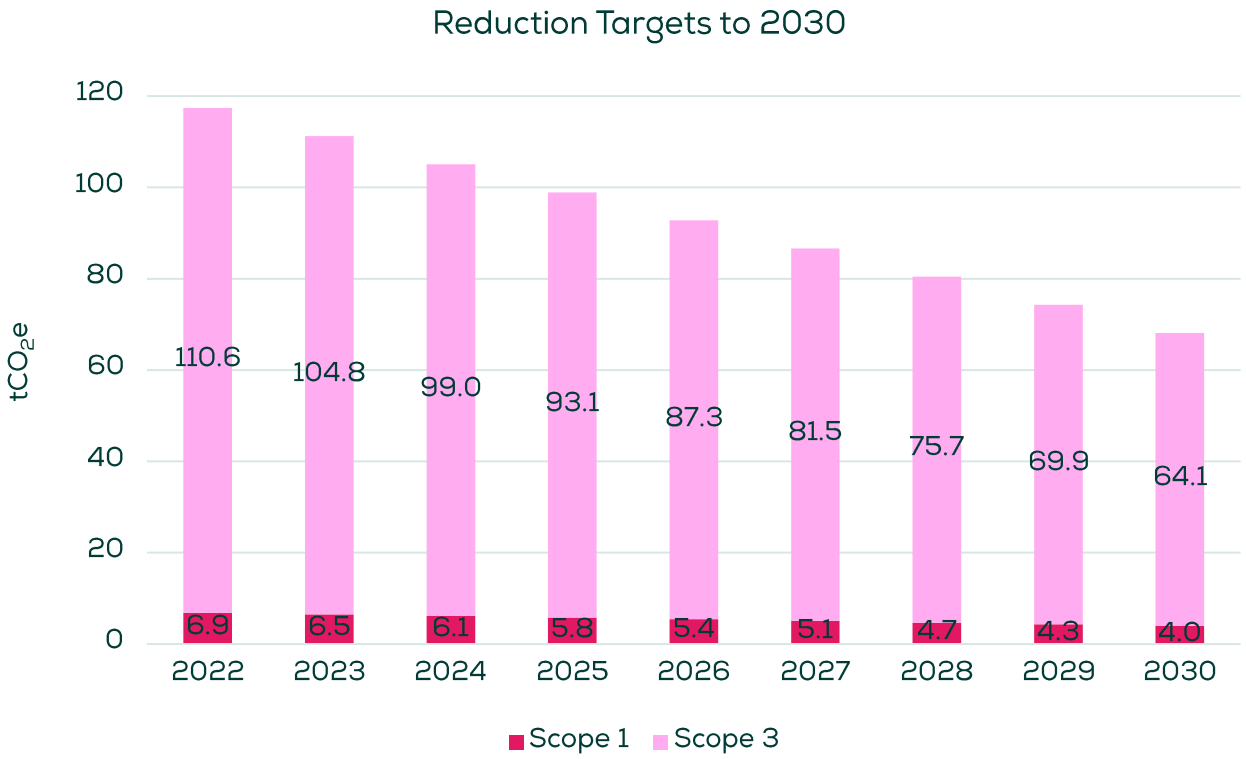
Carbon Reduction

Our Net Zero targets

Two Chimps Coffee is committed to achieving Net Zero by 2045. We have also set some near-term targets against which we will track progress to 2030:

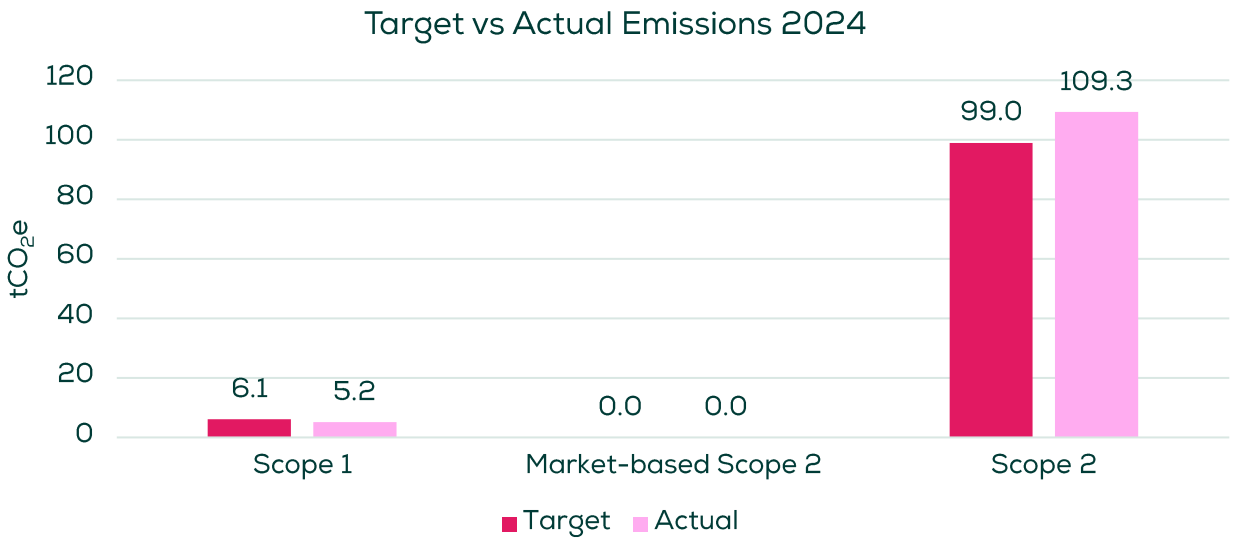
1. Reduce scope 1 emissions by 42% by 2030.
2. Maintain zero market-based scope 2 emissions to 2030.
3. Reduce Scope 3 emissions by 42% by 2030.

The below graph shows our reduction targets for 2030 based on our base year emissions. To achieve a linear reduction, we will be aiming to reduce scope 1 and scope 3 emissions by 5.25%. This is a scope 1 reduction of 0.4 tCO_2e and a scope 3 reduction of 5.8 tCO_2e each year. We will also need to maintain zero market-based emissions (this means we could begin to consume electricity via an asset we manage, but it must be supplied via a renewable energy tariff).



The above targets are based on absolute emissions. Absolute reduction targets must be set for scope 1 and 2 emissions, however, we may choose an intensity-based target for our scope 3 emissions should we continue to grow. The SBTi recommends that targets be reviewed every 5 years or with any major change to the business. We will likely review our targets alongside year 4 or 5, following our office move.

Progress



We are currently on track with our scope 1 and market-based scope 2 target, with scope 1 emissions measuring 5.2 tCO_2e against a target of 6.1 and zero market-based scope 2 emissions being maintained. As our scope 3 emissions have increased since the baseline year, we are currently off-track with this target, however, this is to be expected due to the current lack of supplier data availability.

Completed Carbon Reduction Initiatives

The following emissions management measures and projects have been completed or implemented.

Activity	Completion Date	Scope
Enforce a reuse-first approach to all materials, resulting in the production and disposal of less packaging, e.g. donation of high-strength PE bags to a wedding company for storage of furniture, or reuse of cardboard boxes to deliver wholesale coffee.	2016	3
Package all coffee in 100% recyclable packaging.	2020	3
Measure the carbon impacts of business activities each year and use results to create an annual Carbon Reduction Plan and track progress against SBTi-aligned targets.	2022	1, 2 & 3

Ensure electricity is purchased through a 100% renewable or low-emissions tariff. (Old site)	2022	2
Collect emissions data from our main courier (Royal Mail) for use in the footprint. Royal Mail has a Net Zero target of 2040, meaning we should be able to continue to use them throughout our Net Zero journey.	2022	3
Use Krystal web hosting services, Krystal web hosting is powered by 100% renewable energy. They are also B Corp certified and part of the 1% for the Planet scheme.	2023	3
Create a Green Team to lead initiatives.	2023	1, 2 & 3
Implement behaviour change initiatives within the workplace for the reduction of emissions, including clear messaging for turning off lights, monitors, computers, and other electrical appliances where appropriate. We will assign roles and responsibilities to Green Team members.	2023	1, 2 & 3
Implement energy efficiency measures to reduce the overall amount of electricity consumed at sites. Optimise operational procedures and implement energy management systems.	2023	1, 2 & 3
Create spaces for environmentally positive / sustainability conversations (internal comms, newsletters, Slack, Teams, etc).	2023	1, 2 & 3
Ensure regular maintenance of all assets to minimise the need for unnecessary/early replacements and extend the lifespan of goods.	2023	1, 2 & 3
Improve access to recycling stations around all premises and use signage to increase recycling of all waste types.	2023	1, 2 & 3
Offer a Cycle-to-work Scheme to support staff with low-emission commuting.	2023	3
Create a Responsible Procurement Policy and a Sustainable Travel Policy.	2024	3
Create content for our website to communicate our commitments to customers.	2024	3

Future Carbon Reduction Plans

We are committing to action the following emissions management measures and projects in line with our Net Zero targets.

Activity No.	Activity	Target Date	Category
<u>Site & Fleet</u> We will be moving into a new site in July 2025. To ensure the collection of high-quality utility data and to limit emissions, we are committing to the following actions:			
1	We will ensure that we take reliable monthly or quarterly meter readings for electricity and water.	2025	Electricity, Water Use
2	We will accurately track the amount of Liquid Petroleum Gas (LPG) used to power our roaster throughout the year.	2025	Stationary Combustion
3	We will collect waste reports from our new waste management company and check with Positive Planet that these are detailed enough for future waste calculations. If not, we will collect data ourselves throughout the year.	2025	Waste Generated in Operations
4	We will ensure electricity is purchased via a 100% renewable energy tariff.	2025	Electricity
5	We will consider installing renewable energy generation technologies on our new site, e.g. solar panels.	2030	Electricity
6	We will look into installing electric vehicle (EV) charging facilities.	2026	Mobile Combustion
7	We will switch our company's internal combustion engine (ICE) vehicle to an EV as soon as possible, but by 2030 at the latest.	2030	Mobile Combustion
<u>Procurement</u> In 2024, we began contacting our suppliers to find out if they were able to provide emissions data. Below are follow-up actions for our key suppliers:			
8	<u>Covoya</u> In our most recent reporting year, 36% of our total Goods & Services spend was with Covoya. We will reach out to them to ask if	January 2026	Goods & Services

	they are able to provide us with any emissions data (see Appendix B for email template) and share the response with Positive Planet.		
9	<u>Falcon Coffees</u> Falcon Coffee is currently measuring its scope 1, scope 2 and scope 3 emissions and disclosing them via the Climate Disclosure Project. In their CDP disclosure, they shared that they are aiming to achieve Net Zero by 2050. We were unable to use these emissions in the footprint as they currently exclude emissions associated with coffee production, processing or harvesting (which means around 31% of emissions may be missing). Falcon Coffees is participating in a project (2022 – 2024) alongside the University of Brighton to devise a method for measuring emissions from coffee production and processing. They have committed to including the excluded upstream emissions in the future, once better data is available. Ahead of our next measurement, we will get back in touch with Falcon Coffees to inquire about the progress of the measurement project. Once they are able to provide total organisational emissions, including the upstream emissions associated with coffee production, or emissions specific to coffee purchased by Two Chimps Coffee, we will be able to use this data rather than spend on the footprint.	January 2026	Goods & Services
10	<u>The Bag Broker</u> We have also already been in touch with The Bag Broker regarding emissions data; they were able to provide organisational emissions data, but the most recent measurement period was 2022. We will reach out to them again and ask if they will have any more recent emissions data to share in the near future, and if they plan on measuring any product-specific emissions.	January 2026	Goods & Service

11	We will email our pension provider, requesting emissions data about our employees' pension funds for use in the 2025 footprint.	January 2026	
12	We will consider running a more formal supplier survey to capture supplier data from a wider range of our suppliers.	January 2027	Goods & Services
13	We will keep a detailed asset list that contains purchase date, make, model, other item details and cost. This will support Capital Goods calculations, where Product Carbon Footprint (PCF) data can often be used in the place of spend if detailed purchase data is available. Send a draft version of this to Positive Planet with some example products to check that it includes everything needed for the calculation.	July 2025	Capital Goods
Goods Transportation			
14	We are already receiving high-quality data from one of our couriers, Royal Mail. Alongside our 2025 measurement, we will request an emission report from DHL for our 2025 deliveries. We are currently using weight and distance data for DHL, which is medium-quality, but an emissions report would be much more accurate.	January 2026	Upstream Transportation & Distribution
Measuring our End-of-Life of Sold Products and Downstream Leased Asset Emissions			
15	To measure our downstream product emissions, we need to know the total weight of goods sold (e.g. coffee, plastic packaging, cardboard packaging, etc) within the year. The categories should be as specific as possible when it comes to packaging, as different emission factors exist for different types of plastics. We will start by seeing what we can collect for 2024, and then tackle any gaps.	July 2026	End-of-Life Treatment of Sold Products
16	Similar to the Capital Goods Asset list, we will keep a similar list for the goods we lease to other organisations (mainly coffee machines). Again, product Carbon Footprint data, or even technical specifications, can be used to	July 2026	Downstream Leased Assets

	estimate emissions associated with the product's use. Here, we should also keep track of which businesses the goods were leased to and for how long.		
Company Culture			
17	3 of our employees will be attending Carbon Literacy training over the next year. We will also consider getting accredited as a Carbon Literate organisation and certifying more of our staff.	March 2026	All categories

Declaration and Sign-off

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

This Carbon Management Plan has been reviewed and approved by the Two Chimps Coffee Executive Team.

Signed on behalf of Two Chimps Coffee:

Andy Cross

Name: Andy Cross

Position: Director

Date: 13/6/25

1 https://ghgprotocol.org/corporate-standard
2 https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Appendix A. Carbon Accounting Methodology and Emission Factors Disclaimer

Carbon accounting guidance and emission factors provided by external bodies such as DEFRA and the GHG Protocol may be subject to change periodically due to improvements in data quality, calculation methods, and industry best practices. As these updates are outside our control, we may need to remeasure and restate emissions occasionally for previous years to ensure comparability and alignment with current standards, maintaining the accuracy of emissions data and the integrity of Net Zero targets. When changes occur, our approach would be to remeasure the previous year's measurement year and base year, alongside the most recent measurement. Alternatively, a statement explaining changes and the lack of comparability will be added to reports.

Appendix B. Covoya Template Email

"For the past three years, Two Chimps Coffee have been measuring and reporting carbon emissions and working to reduce them. We are committed to reaching Net Zero by 2045 and have already made significant progress towards this target.

Part of our scope 3 footprint is made up of emissions belonging to our suppliers. We are currently estimating these emissions using spend-based data and factors, but as this method relies on industry averages, it is not specific to our supply chain.

To improve this calculation, we are looking to collect emissions data from you on an annual basis. You would need to have either measured your full scope 1, scope 2, and upstream scope 3 emissions or have completed product carbon footprint assessments for some/all of the products we purchase from you. Have you started to measure emissions at all?

It would also be great to find out more about any carbon reduction targets you have set (e.g. near-term or Net Zero targets).

Please let me know more about where you are in this journey and whether you will have any emissions data to share with us now or in the near future."

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