



IKIGAI CONSULTING GROUP LTD.

CARBON REDUCTION PLAN PPN 006

IKIGAI CONSULTING GROUP LTD.

Carbon Reduction Plan

PPN 006 2024-25

Reporting Period: 1 March 2024 — 28 February 2025

Publication Date: 26 August 2025

Prepared by: ESG PRO Limited

Introduction

Ikigai is a specialist consultancy focused on organisational change and transformation within public services. With more than two decades of experience, the firm works alongside local government bodies such as councils, combined authorities, trusts and agencies to embed sustainable change and ensure that transformation programmes deliver lasting results. Its core services span interim management, executive search and management consulting, delivered through a deep understanding of sector-specific challenges and the cultural and strategic complexities that shape public service environments.

The consulting approach is built on the Ikigai Change Methodology, inspired by the Japanese concept of a reason for being and centred on holistic, person-focused service design and delivery. Collaboration is fundamental to how the company operates, with a strong emphasis on co-design with clients, systems thinking and agile practices. Ikigai also brings innovation to areas such as digital transformation, demand management, new operating models and continuous improvement, ensuring that its clients are equipped to respond to evolving needs with resilience and clarity.

Ikigai places equal weight on its values, purpose and social mission. The company works to demonstrate that commercial success and social good are not opposing goals but complementary ambitions. It operates with transparency, integrity and responsibility at every level, and reinvests directly into initiatives with tangible community benefit. These include projects aimed at tackling homelessness, supporting vulnerable young people and removing systemic barriers, reflecting a commitment to generating meaningful value for clients, communities and society as a whole.

This document is a PPN 006 report prepared by ESG Pro Limited on behalf of Ikigai. The report outlines the organisation's current greenhouse gas emissions, its chosen baseline year and the measures it is adopting to reduce its environmental impact. By commissioning ESG Pro Limited, Ikigai ensures that the report is fully aligned with best practice and government guidance, while also giving stakeholders a transparent and credible account of its carbon reduction commitments.

The preparation of a PPN 006 report is significant because it is now a requirement for organisations seeking to tender for central government contracts. It embeds sustainability as a central criterion in procurement and encourages organisations to integrate carbon reduction into their core operations. For Ikigai, this report goes beyond regulatory compliance; it demonstrates integrity, leadership and long-term responsibility, embedding environmental accountability within its operational strategy and contributing to the wider transition towards a low-carbon economy.

Methodology

Ikigai has retained full responsibility for the internal controls governing the collection, management and verification of the data presented in this Carbon Reduction Plan. In preparing the report, Ikigai has worked closely with ESG Pro Limited to ensure that all emissions calculations are robust, transparent and aligned with recognised reporting standards. The methodology applied follows the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, as well as the Corporate Value Chain (Scope 3) Standard, both of which are globally accepted frameworks for consistent and credible assessment of emissions across business operations and supply chains.

All emissions disclosed in this plan have been calculated using the most recent UK Government GHG Conversion Factors for Company Reporting, issued by the Department for Energy Security and Net Zero in collaboration with DEFRA. These conversion factors provide a consistent national benchmark for emissions reporting and ensure alignment with the UK's regulatory requirements under PPN 006, including those that govern Carbon Reduction Plan disclosures.

For the reporting period spanning 1 March 2024 to 28 February 2025, Ikigai has completed its first comprehensive greenhouse gas inventory. This establishes the organisation's official base year for carbon reporting, creating a benchmark against which all future reductions will be measured. The baseline provides a detailed picture of Ikigai's emissions footprint across its operational activities and relevant elements of its value chain, offering essential insights into areas for environmental improvement and long term strategic focus.

The calculation of greenhouse gas emissions for Ikigai has been carried out in accordance with the Greenhouse Gas Protocol, applying recognised international standards and using the most recent UK Government conversion factors for company reporting. The methodology ensures that results are consistent, transparent and aligned with national regulatory requirements, while also reflecting Ikigai's specific operational context.

Scope 1 emissions represent direct greenhouse gas outputs from sources owned or controlled by the company. In Ikigai's case, there are no such emissions, as the organisation does not operate any combustion equipment, heating systems or other stationary sources, and it does not own or operate company vehicles. An assessment of operational boundaries confirmed the absence of mobile combustion, fugitive or process emissions, meaning that Scope 1 emissions are reported as zero for the reporting year.

Scope 2 emissions have been calculated using both the location based and market based approaches set out in the Greenhouse Gas Protocol. The location based approach applies the UK grid average conversion factor to the organisation's electricity consumption, ensuring comparability with other companies regardless of

supplier. The market based approach uses supplier specific factors from British Gas Lite and Fuse Energy, each reflecting the generation profile and renewable content of electricity supplied. The dual reporting method provides a transparent account of Ikigai's Scope 2 emissions by capturing both national grid intensity and supplier-specific sourcing.

Scope 3 Category 1, Purchased Goods and Services, has been calculated using the spend based method. This approach is applied when supplier-specific emissions data is not available and is widely recognised as a robust way of estimating upstream impacts. The value of procurement spend in each category was multiplied by an emissions factor representing the average carbon intensity per pound spent in that sector. The factors were obtained through Carbon Saver's Scope 3 CO₂e Factors tool, which is based on official government datasets. This provides a reliable estimate of the embodied emissions associated with the goods and services acquired by Ikigai.

Scope 3 emissions from waste disposal have been determined using the government's 2024 conversion factors for waste. Annual waste volumes were estimated by recording the number of non-recyclable and recyclable bags generated and converting this into annual tonnage for each stream. These were then assigned to the relevant categories: household residual waste for non-recyclables and commercial and industrial waste for recyclables. Each category was multiplied by the appropriate emissions factor, expressed as kilograms of carbon dioxide equivalent per tonne, and the totals were converted to tonnes. The results were added together to produce Ikigai's total emissions from waste.

Scope 3 Category 6, Business Travel, has been calculated by converting expenditure into activity data such as kilometres travelled or nights stayed. For air and rail travel, the average UK cost per kilometre was used to derive distance travelled. Taxi and bus journeys were estimated using cost per kilometre assumptions appropriate for each mode, while fuel purchases were converted into litres purchased and then into distance driven using average vehicle efficiency. Hotel stays were estimated by dividing total spend by the average nightly cost of UK business accommodation. Once activity data was established, the relevant government emissions factors were applied for each travel mode and accommodation category, and the results were aggregated into a total for business travel emissions.

Scope 3 Category 7, Employee Commuting, has not been included as a material source of emissions. Ikigai employs only one member of staff, meaning that commuting emissions are negligible and do not significantly affect the company's overall greenhouse gas profile.

Ikigai will review its Scope 3 categories annually to ensure that all relevant sources of indirect emissions are identified, assessed and reported where material. This review process allows the organisation to capture changes in procurement, waste generation, travel activity or supply chain dynamics and to refine its carbon accounting over time. Regular reassessment ensures that the company's

greenhouse gas inventory remains accurate, credible and aligned with both operational changes and evolving reporting standards.

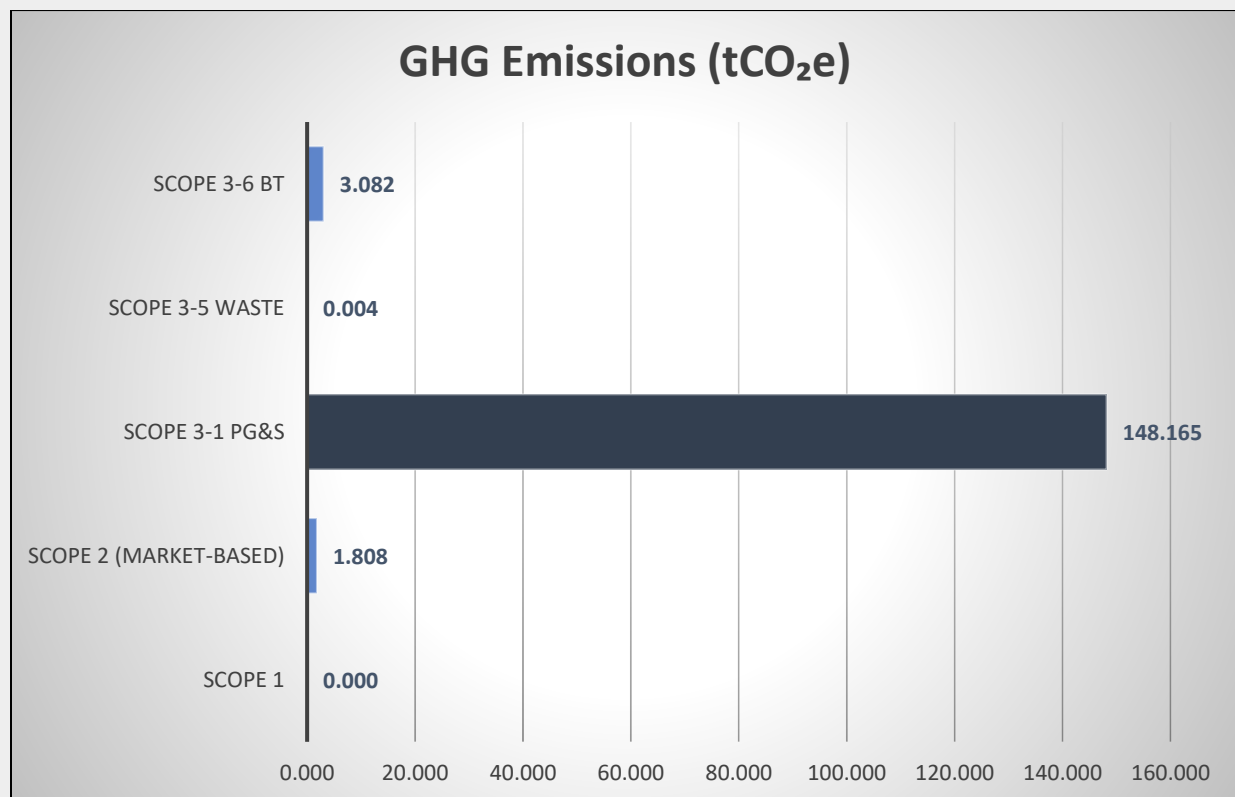
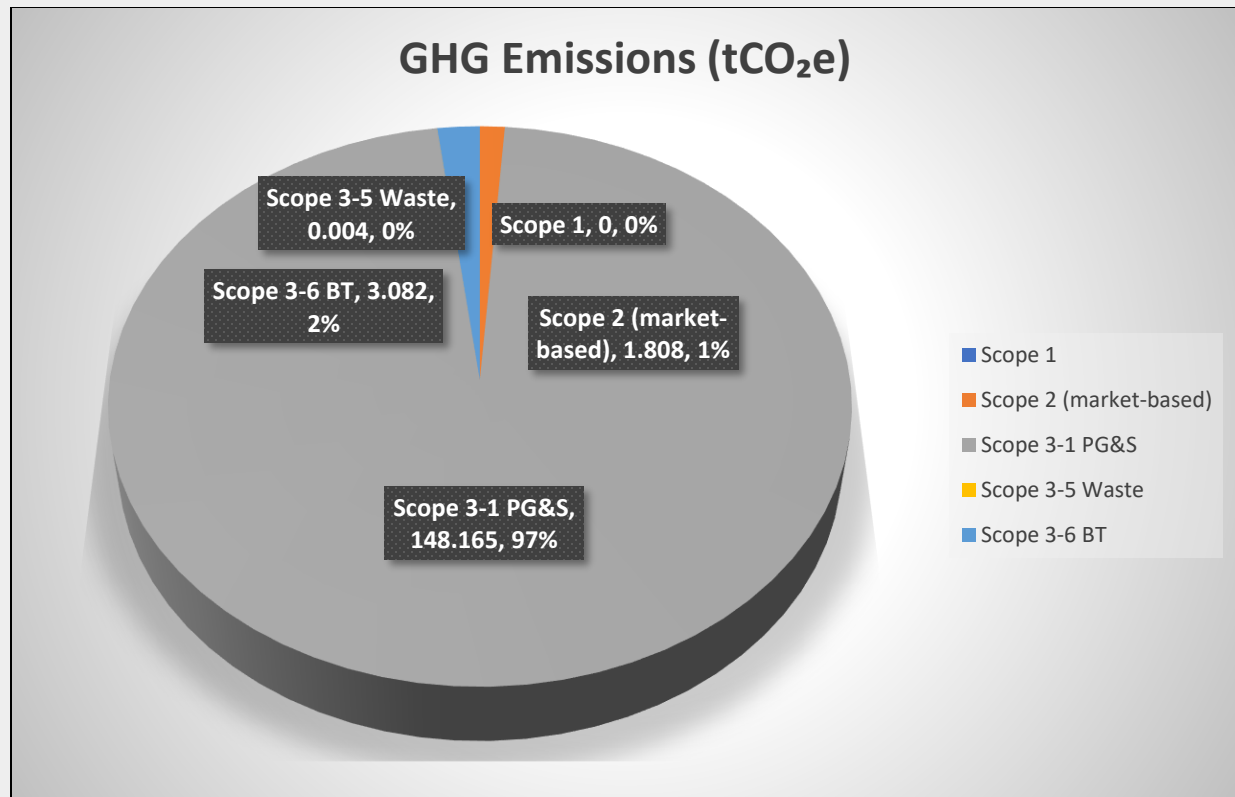
Together, these methods provide a comprehensive greenhouse gas inventory that is fully aligned with government reporting requirements and international standards, while remaining proportionate to the scale and structure of Ikigai's operations.

Greenhouse Gas Inventory 2024-25

Emission Source	GHG (tCO ₂ e)	Energy Use (kWh)
Scope 1	0	0
Scope 2 (Market-Based)	1.80	6,500
Scope 2 (Location-Based) *	1.34	6,500
Scope 3-1 Purchased Goods and Services	148.16	N/A
Scope 3-5 Waste	0.004	N/A
Scope 3-6 Business Travel	3.08	N/A
Totals	153.06	6,500

*Scope 2 (Location-Based) is not included in the total.

Intensity Ratio	GHG tCO ₂ e
tCO ₂ e per Full-Time Employee (FTE)	154.40
tCO ₂ e per £100,000 Revenue	15.21



Emissions Reductions Targets

Scope 2

Ikigai could strengthen the management of its Scope 2 emissions by combining reduced electricity consumption with more robust supplier engagement. With an annual use of 6,500 kWh, the footprint is modest, yet emissions differ depending on supplier factors. The company could adopt operational measures such as automated shutdown routines for IT equipment and timed power settings for shared devices to lower demand. Regular monitoring of electricity bills and half-hourly data could provide assurance that savings are real. From a procurement perspective, Ikigai could prioritise supplier contracts that guarantee genuinely low carbon generation rather than relying on certificates alone, in line with the tightening requirements of the Science Based Targets initiative. Maintaining both market based and location based reporting will ensure transparency and comparability over time.

Scope 3 Category 1: Purchased Goods and Services

For Purchased Goods and Services, which represent the majority of Ikigai's emissions, the most effective strategy could be to focus on the procurement process. The company could introduce environmental criteria into contracts with its principal suppliers and place greater weight on working with service providers that can demonstrate measured carbon footprints and credible reduction plans. Over time, Ikigai could replace spend based estimates with supplier specific data, ensuring greater accuracy and influence over the supply chain. Given that its core operations rely on professional services, software and recruitment advertising, supplier engagement could deliver meaningful reductions in the most material part of the footprint.

Scope 3 Category 5: Waste in Operations

Although waste emissions are immaterial in scale, Ikigai could maintain accurate monitoring through consistent data collection and annual verification. The company could request regular reports from waste contractors, confirm that streams are categorised in line with government conversion factors, and retain records such as weigh notes or disposal certificates. In cases where services are delivered on client premises, it would be important to clarify operational boundaries to avoid any duplication or omission of waste related data.

Scope 3 Category 6: Business Travel

Business travel is a necessary part of delivering public service transformation projects, but Ikigai could reduce its footprint by improving both methodology and behaviour. A shift from expenditure based estimates to activity based data would enhance accuracy, for example by capturing kilometres, mode and class of travel through booking records and expense claims. Reduction measures could include a rail first approach for domestic intercity travel, the wider use of virtual meetings for

early stage client engagement, and restrictions on taxi use to first and last mile connections only. By embedding these practices, the company could lower travel emissions and demonstrate clear alignment with client expectations on sustainable delivery.

Annual Scope 3 review and methodology improvement

Ikigai could carry out a structured review of Scope 3 each year to ensure accuracy and comparability. This would involve updating calculations with the most recent government conversion factors, reviewing expenditure mapping, and assessing whether categories remain material. Where Scope 3 data coverage exceeds forty percent of total emissions, the company could continue to expand supplier engagement to ensure at least sixty seven percent of its Scope 3 is under reduction commitments, consistent with Science Based Targets initiative guidance. A clear record of methodological changes and data improvements would help demonstrate progress and strengthen credibility with stakeholders.

Absolute Reduction Targets

Ikigai could strengthen its long-term climate strategy by adopting absolute reduction targets that are fully aligned with the Science Based Targets initiative. Reducing combined Scope 1 and Scope 2 emissions by at least four point two percent each year from the 2024 to 2025 baseline would ensure the company remains consistent with a one point five degree trajectory. Although the direct footprint is small, the company could maintain a clear reduction pathway that demonstrates its commitment to science-based climate action rather than relying on growth-adjusted or relative measures.

The most material challenge lies in Scope 3, which accounts for more than ninety five percent of the baseline inventory. For this reason, Ikigai could pursue a supplier engagement target that ensures at least sixty seven percent of purchased goods and services emissions are covered by supplier-level targets or commitments by 2029. This approach would reflect both the materiality of Scope 3 and the guidance set out by the Science Based Targets initiative for service-oriented firms. Over time, Ikigai could move beyond engagement by requesting suppliers to provide measured emissions data, enabling a gradual shift away from spend-based calculations towards more accurate disclosures.

Net zero could be achieved by 2040, a decade ahead of the UK's statutory deadline, by reducing absolute emissions by at least ninety percent before addressing any residuals. This would require continuous investment in efficiency, cleaner energy procurement, and supply chain collaboration, while reserving carbon removals for the final stage. By setting out a clear interim trajectory, Ikigai could provide clients and partners with confidence that its contribution to public service projects is underpinned by a verifiable commitment to climate responsibility.

Intensity reduction targets

In addition to absolute reductions, Ikigai could track progress through intensity-based measures that reflect efficiency relative to business growth. The current baseline of 15.21 tCO₂e per one hundred thousand pounds of revenue provides a useful benchmark. By targeting a reduction to 9.00 tCO₂e per one hundred thousand pounds by 2030, Ikigai would demonstrate that growth in client delivery can be decoupled from rising emissions. A longer-term reduction to 1.50 tCO₂e per one hundred thousand pounds by 2040 would align intensity improvements with the net zero trajectory.

These intensity-based targets could be particularly valuable for investors, clients and employees who wish to understand how emissions evolve alongside business performance. They allow stakeholders to track whether efficiency gains are being delivered even in periods of expansion. They also provide assurance that emissions reductions are embedded into the operational model rather than achieved solely through contraction or offsetting.

To ensure robustness, Ikigai could commit to recalculating intensity figures each year using audited revenue and headcount data. This would help maintain comparability across reporting cycles and strengthen transparency. Combining absolute targets with intensity metrics would enable Ikigai to show both a clear science-based pathway to net zero and an efficient use of resources as it expands its services to public sector clients.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and the 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 standard¹ and uses the appropriate government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



.....
Nick Chenery, Managing Director – Ikigai Consulting Group LTD.

Date: 26/08/2025

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³<https://ghgprotocol.org/standards/scope-3-standard>