



# SME Climate Commitment

IES Annual Progress  
Report 2023



## About the SME Climate Commitment

The [SME Climate Commitment](#) is the official pathway for small and medium sized businesses, or any organisation with under 500 employees, to join the United Nations global [Race to Zero](#) campaign. In making this commitment, we join a wide range of governments, businesses, cities, regions, and universities around the world that are committed to limiting the risks and impacts of climate change and achieving net zero carbon emissions, pledging to:

Halve our greenhouse gas emissions before 2030

Achieve net zero emissions before 2050

Disclose our progress on a yearly basis



## Our Sustainability Ethos

As a company, IES are profoundly aware of the need to reduce our dependency on fossil fuels and to preserve our planet for future generations. We have dedicated the past 29 years to delivering technology to reduce the energy and carbon impact of the global built environment; helping to create more than one million efficient buildings globally.

While we are proud of the impact we have made with our technology to date, we recognise that it is imperative that we also look to the emissions generated across our own business and take concrete action to reduce the impact of our operations. In joining the SME Climate Commitment, we have pledged to scale up the efforts of our [existing environmental policy](#) to fully play our part in the Race to Zero.

# Annual Progress Update 2023

Since joining the SME Climate commitment in 2021, we have been using our in-house tools to measure the emissions (both direct and indirect) of our business.

A team of IES consultants collected data from a range of sources, including utility bills, travel receipts, surveys and existing metering infrastructure, to provide a baseline of IES’ carbon emissions and identify key target areas for improvement.

The process involved using our own [Virtual Environment \(VE\) software](#), a suite of physics-based building performance simulation tools, to model and analyse the energy performance of our Glasgow headquarters. The consultants also used iSCAN, our data analytics platform, to collect and integrate metered data (including biomass boiler, electricity and water consumption) within the model, effectively creating a digital twin from which to monitor and simulate where operational improvements can be made to lower our emissions.

The tools allowed extrapolation of data where it was missing, whether through simple formulaic calculations, machine learning algorithms or through physics-based energy simulation, to build a complete picture of our current energy consumption and carbon emissions.

After reporting our baseline results in our 2022 report, we set ourselves the target of reducing our emissions by 5%. To do this we focussed on our highest-emitting scope and activities first (i.e. commuting and business travel).

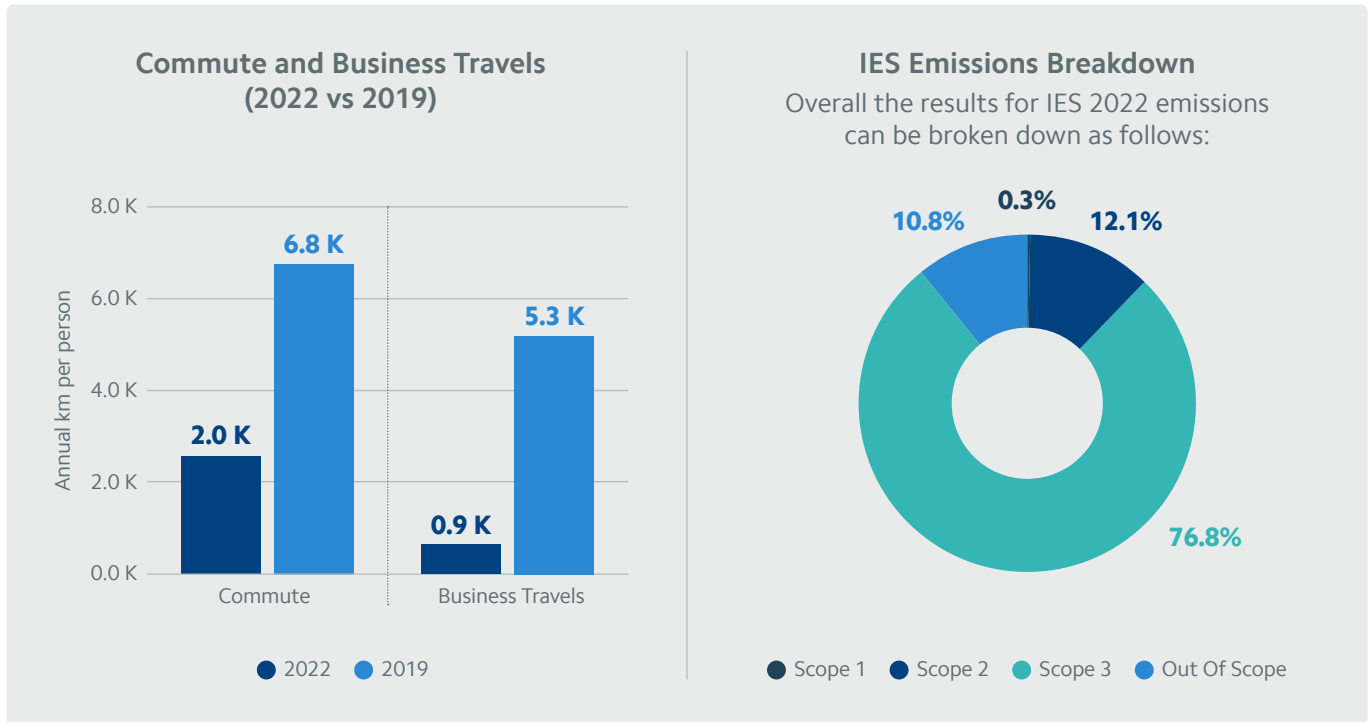
**Over the following 12 months, we prioritised the following actions:**

- Continued to encourage hybrid working to reduce staff commuting emissions.
- Reduced business travel by utilising online calls and introducing new policies in different departments to migrate processes online.
- Continual monitoring of our building emissions via our tools to identify potential drains in resources.
- Introduced smart heating valves, Indoor Environmental Sensors and window opening sensors to allow for easier measurement of building energy usage.

**These measures resulted in a reduction of emissions in 2022 across all three scopes as shown below:**



Further measurements for Scope Three show that there was also a reduction in the consumption particularly for commuting and business travel.



These measurements indicate that the company has successfully reduced its carbon emissions across all three scopes.

The total emissions decreased by around 38.6% with a decrease of 33.5% in Scope 1 emissions, 4% in Scope 2 emissions and 44.7% in Scope 3 emissions.

Whilst Scope 1 and 2 consumptions of energy were already low and optimised, this has decreased even as the company has grown employee numbers by 33%.

To ensure all emissions are accurately reported and reflected in our calculations, we have also noted our Out of Scope emissions. Out of Scope accounts for CO<sub>2</sub> factors that are not included under the umbrella of Scopes 1, 2 or 3.

2019 has been chosen as our baseline comparison year due to the disruption caused by Covid-19 on normal business activity in 2020 and 2021. Therefore, it will be necessary to track and monitor the future emissions of the company annually to determine the true environmental efficiency of any actions taken in a 12-month period.

**In Scope 1:**

The small decrease has primarily occurred due to a change in carbon emission factors resulting from the UK’s commitment to accelerate the decarbonisation process and change how the country produces and distributes energy.

**In Scope 2:**

Improvements were made to both emissions and the consumption of energy due to the conscious management of heat and electricity usage in the Glasgow HQ building through tracking tools and user management systems.

The reduction in consumption is more significant than initially identified as the 2019 baseline that was calculated accounted for only one of the electricity meters in the Glasgow HQ building due to limited access across that period. However, the updated 2022 measurement included the two electricity meters that account for the entire building. Despite this disparity in the measurements taken, the consumption in 2022 is lower than the recorded initial baseline.

This was improved due to the reduced office capacity of employees attending the office 5 days a week caused by changing hybrid working patterns.

### In Scope 3:

Focussing on our largest contributor to carbon emissions, the commuting consumptions changed as follows:

- Use of Cars decreased by 55%
- Use of Bus increased by 72%
- Use of Train/subway decreased by 58%

Additionally, business travel trends changed, highlighting a shift to increasingly more sustainable methods of transport such as trains.

- Use of Cars decreased by 77.6%
- Use of Buses decreased by 83%
- Use of Rails increased by 34.8%
- Use of Flights decreased by 83.6%

It is important to note that travel was influenced by the wider impact of COVID-19 and therefore decreases may have occurred due to travel restrictions or changes due to working patterns rather than through action related directly to sustainability.

### Next Steps

**Building on this information and moving forward, in 2023, IES will continue to aim to reduce carbon emissions by 5% through the following actions:**

- Increased Cycle to Work Scheme limits to encourage sustainable commuting methods, improving staff's financial capacity to purchase e-bikes.
- Prioritisation of sustainable choices (e.g. modes of transport) within the expenses policy.
- Improved internal monitoring and measurement of office facilities beyond Glasgow Headquarters.
- Investigation of the feasibility of facility upgrades such as the addition of PV panels and LED lights.
- Review electricity suppliers to draw more on renewable energy at the Glasgow Headquarters.
- Investigation of the capacity for Environmental Accreditation with ISO14001.



For more information on the calculations and methods used, please contact [enquiries@iesve.com](mailto:enquiries@iesve.com) or call 0141 945 8500.