

DXW's Qualifying Explanatory Statement in support of PAS 2060



Table of Contents

<i>Introduction</i>	3
Declaration	3
General Information	3
Company Information	3
<i>Carbon Footprint</i>	3
Emissions	4
Uncertainty	4
Comparison with Baseline	5
<i>Carbon Management Plan</i>	5
Targets over the next period	5
Strategy	5
Previous Reductions	5
Percentage Economic Growth Rate	5
<i>Carbon Offsetting</i>	5
Projects	5
<i>Statement of Neutrality</i>	7
<i>Appendix</i>	8
Uncertainty Calculation	8

Introduction

Declaration

This document presents a declaration of the standard compliant commitment to and achievement of carbon neutrality by dxw under the guidelines of PAS 2060. This is achieved through the public disclosure of a carbon footprint calculation, a commitment to a carbon reduction strategy, and the implementation of a carbon offsetting program.

Dxw have worked in conjunction with C Free Ltd to achieve carbon neutrality as part an "other party" validation process from the PAS 2060 for the accounting period 01/09/2020 to 31/08/2021.

The carbon neutrality of all Scope 1 and Scope 2 emissions and all Scope 3 emissions over 1% (as listed in this document) of the carbon footprint is achieved on 14/04/2022 as declared by C Free Ltd.



Eddie Fitzgerald-Barron | CEO | C Free Ltd

General Information

Entity making PAS 2060 declaration	dxw
Period of Accounting	01/09/2020 - 31/08/2021
Carbon footprint over accounting period	178.53 tonnes of CO ₂ e
Scope of emissions in claim	Scope 1,2 and all Scope 3 over 1%
Conformity assessment	Other party validation
Method	Demonstrating Carbon Neutrality
Methodology	The GHG Protocol: Corporate Standard
Strategy of Carbon Reductions	Following the carbon management plan presented herein
Emissions Reductions	17% intensity-based reduction
Carbon Offsets Purchased	270 tonnes of GSVERs
Individual responsible for provision of data demonstrating carbon neutrality	Liam Hooker Commercial Executive dxw.
Individual responsible for "other party validation"	Adam Forster CTO C Free Ltd

Company Information

Dxw is a digital design company working in both the public and private sectors. This is their second year of calculations and carbon neutrality. As such, comparison with the previous year is included.

Carbon Footprint

The total gross emissions are measured in tonnes of carbon dioxide equivalent (CO₂e) as per the recommendation of international standards.

The measurement is based on C Free Ltd's emissions conversions data set. All calculations are made in alignment with the neutrality guidelines, predominantly using government published and internationally recognised conversion factors from the international panel on climate change. Where other sources were required it has been flagged and justified in accordance with standard protocol. All the methods are recognised and recommended by international standards.

Emissions were calculated using Dxw's internal accounting data, data from partners, and metered consumption. The breakdown of the carbon footprint can be accessed upon request. Where consumption figures were not available, estimates based on other proxies (e.g. spend based method, square footage) were used. All Scope 1 and 2 emissions were included and Scope 3 emissions from the following sources were also included:

- Webhosting
- IT equipment
- Home working
- Employee commuting
- Online Tools
- Purchasing
- Business travel
- Waste
- Transmission and distribution
- Water

Emissions

As per the above statements and in conjunction with supporting documents, the following carbon footprints were calculated in line with the Greenhouse Gas Protocol, Corporate Accounting and Reporting Standard. The methodology employed shall minimize uncertainty and yield accurate, consistent and reproducible results.

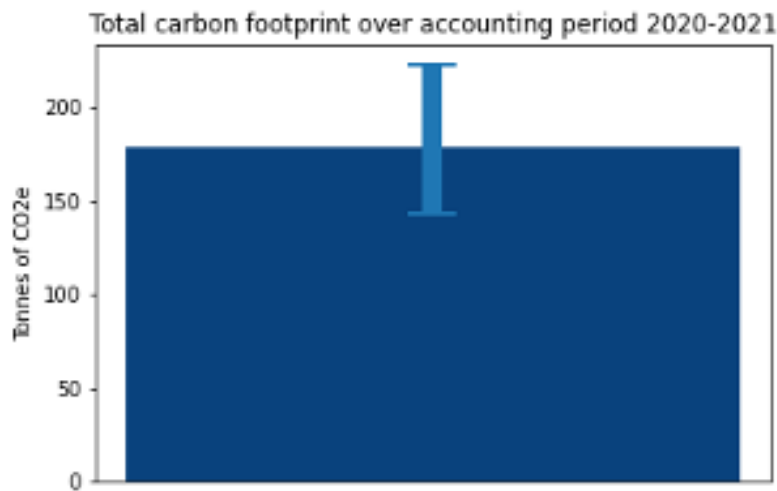
Scope 1

1.59 tonnes of CO₂e

Scope 2

3.70 tonnes of CO₂e

Scope 3



173.24 tonnes of CO₂e

Total

178.53 tonnes of CO₂e

Uncertainty

The use of secondary data represents a significant contribution to uncertainty in this calculation. The

following actions were taken to minimise uncertainty:

1. Use of best available datasets relying on most specific data points. Although much of the calculation was based on averages, this was appropriate.
2. Modelling of activities to proxy activity monitoring could have significant error associated. However, good input data was used, and the most up to date methods and tools were applied.

As not all emissions factors and data points have uncertainties associated to them, the pedigree matrix approach was used to calculate the uncertainty. The details of said calculation are included in the appendix.

Comparison with Baseline

The total footprint in the baseline period was 177.8 tonnes. In this accounting period it was 178.53 tonnes. Scope 1 and 2 emissions reduced from 17.5 tCO₂e in the base year to 5.29 tCO₂e this accounting period; a reduction of 69.8%. Scope 3 emissions increased from 159.7 tCO₂e to 173.24 tCO₂e due to increased business activity (e.g. webhosting).

Although overall in absolute terms this is an increase, the business practices of dxw greatly increased over this period. Therefore, by selecting an appropriate intensity metric we can measure the work dxw has done to reduce its emissions. In this case

we choose the total revenue associated with webhosting as a suitable intensity metric.

	Baseline Period	Current Period
Total emissions (tCO₂e)	177.8	178.53
Intensity Metric (kgCO₂e/£)	0.270	0.226

This shows an intensity reduction of 17%.

Carbon Management Plan

Targets over the next period

In order to keep in line with the Science Based Targets Initiative and below 1.5 degrees Celsius of warming, Dxw is committed to a reduction target of 25% of scope 1, scope 2, and scope 3 emissions by 2026 with respect to their chosen intensity metric.

Strategy

Dxw will achieve this by:

- Continuing their work from home strategy.
- Encourage their webhosting supplier to do more to reduce.

Dxw commits to this strategy, periodically assessing their performance with regard to this strategy, and implementing corrective action should it be required.

Previous Reductions

Dxw intended to reduce scope 1 and 2 by 2.5% and scope 3 by 1.25% over the last accounting period. They have achieved a 17% reduction in their scope 1, 2 and 3 emissions per £ revenue in their first year of reductions; clearly exceeding their short term targets.

Carbon Offsetting

Dxw purchased and retired 270 tonnes of Gold Standard VERS on 14/04/2022 for the accounting period 01/01/2020 to 31/12/2020.

Projects

Project ID	GS2940
Project Name	CO2OL Tropical Mix

Project Type	Other
Description	Panama On the project areas of CO2OL Tropical Mix, formerly fallow and degraded pasture land is reforested with mostly native tree species and turned into mixed forests. Parts of the areas are used for the fair production of organic cocoa. Due to its sustainable management, the project combines environmentally friendly timber and cocoa production with biodiversity protection and ecosystem restoration.
Location	Panama
Serial Number	GS1-1-PA-GS2940-21-2015-21669-14286-14375
Retirement Date	14/04/2022
Volume of Credits	90
Standard	Gold Standard
Registry	GS Impact Registry
Url	https://registry.goldstandard.org/credit-blocks/details/262953

Project ID	GS4813
Project Name	SIDRAP WIND FARM PROJECT PHASE 1
Project Type	Wind Power
Description	The Sidrap Wind Energy Project Phase 1 is located Mattirotasi and Lainungan Villages, Watang Pulu Sub-district, Sidrap Regency, South Sulawesi Province, Indonesia. The Project will have a total rated capacity of 75 MW. The power generated by the project will be supplied the public electricity grid or PLN grid via an on-site PLN owned sub-station where it will be transformed to 150 kV. The expected net annual power supply to the grid is 253,000 MWh.
Location	Indonesia
Serial Number	GS1-1-ID-GS4813-12-2019-21275-63868-63957
Retirement Date	14/04/2022
Volume of Credits	90
Standard	Gold Standard
Registry	GS Impact Registry
Url	https://registry.goldstandard.org/credit-blocks/details/262956

Project ID	GS5637
Project Name	GS4424 VPA5 African Cookstoves and Water Programme

Project Type	Improved Kitchen Stoves
Description	The Micro-Scale Voluntary Project Activity 5 African Cookstoves and Water Programme involves the distribution of approximately 1,800 domestic fuel-efficient cook stoves to households within Bugesera District, Rwanda which previously have had no access to improved cookstoves.
Location	Rwanda
Serial Number	GS1-1-RW-GS5637-16-2016-7258-145-234
Retirement Date	14/04/2022
Volume of Credits	90
Standard	Gold Standard
Registry	GS Impact Registry
Url	https://registry.goldstandard.org/credit-blocks/details/262959

Statement of Neutrality

C Free Ltd hereby confirm that for the accounting period 01/09/2020 to 31/08/2021, verified carbon credits were retired on behalf of Dxw. The retirement of these credits balances the above stated emissions thereby achieving carbon neutrality.



Eddie Fitzgerald-Barron | CEO | C Free Ltd

Appendix

Uncertainty Calculation

According to the pedigree matrix method, each parameter is assigned a geometric standard deviation (assuming log-norm distributions) with a 95% confidence interval.

$$\sigma_j^2 = e^{\sqrt{\sum [\ln(u_i)]^2}}$$

where U represent different uncertainty factors.

Then,

$$\ln(\sigma_{Total})^2 = \sum S_j^2 (\ln(\sigma_j))^2$$

where S_j is the given significance of each parameter.