

An aerial photograph of a river with a small boat. The river is a deep green color, and the surrounding land is a lighter green. The boat is a small, white inflatable boat with a few people inside. It is moving from left to right, leaving a white wake behind it. The water has a marbled, swirling pattern of green and white. The land on the right side of the river is a mix of green and brown, with some small trees and bushes. The overall scene is a natural, outdoor setting.

eden
mccallum

A solid orange vertical bar, approximately 10 pixels wide, positioned to the left of the text.

Sustainability Report

2021-2022

Contents

1. Foreword	3
2. This report	4
3. About us	5
4. Our commitment to the UN SDGs	6
5. Improving our sustainability	7
6. Amplifying our impact	14
7. Acknowledgements	19

Front cover image depicts a boat carving through a toxic algae bloom on Lake Erie near Toledo, Ohio

Foreword

A message from our co-founder

It is my privilege to share with you Eden McCallum's first published Sustainability Report. As a firm, we are committed to ambitious action towards a more sustainable society and planet, whether that be through decisions we take about how we run the firm or how we amplify our impact by engaging with our wider network of clients and independent consultants.

We know that progress requires making conscious decisions about our level of ambition, operating in a spirit of transparency, and making public commitments. In 2021/22 we reduced our GHG emissions by 72% compared to a 2019 baseline, largely due to operational changes in response to the COVID-19 pandemic. While this was an exceptional period, we have committed to a 46% permanent reduction in our Scope 1 and 2 emissions by 2030 against that same 2019 baseline, targets which have been validated by the Science Based Targets initiative. In fact we have gone further and set ourselves the more ambitious target of reducing our total (Scope 1, 2 and 3) emissions by 50% by 2025.

Over the past year we have developed a carbon dashboard, which enables us to track and report on the carbon generated at a firm, office and project level. We use this information to enable more conscious decision-making about the activities that generate carbon – as a professional services firm this is primarily business travel – and to calculate the investments in carbon removal needed to be confidently Net Zero, which we are. The carbon removals required are comparatively limited because our business model generates significantly lower emissions per employee than large traditional management consulting firms¹. For those removals we do invest in, particular effort is taken to identify schemes that can trace impact.

As a firm we have a history of fostering diversity and measure it across a broad set of metrics, ensuring that our recruitment processes are fair and equitable. We have launched paid summer internship and

mentoring schemes targeted at groups who are traditionally under-represented in management consulting. On the following pages you can read more about these as well as what we have done to enhance our colleagues' well-being, give our time and money to important causes and donate our consulting skills through our NGO Partnership programme, now in its 14th year. You can also find out about some of our work with clients on sustainability.

Making progress on sustainability is a team effort and I could not be more grateful or thankful for the contributions of the exceptional team at Eden McCallum. They are a constant source of new ideas for what more we can do and tireless in translating those ideas into meaningful action.

We think we have made good progress this past year, but there is certainly more to be done. We are energised by the prospect of continuing to stretch ourselves and innovate.



Liann Eden
Co-Founder
Eden McCallum LLP

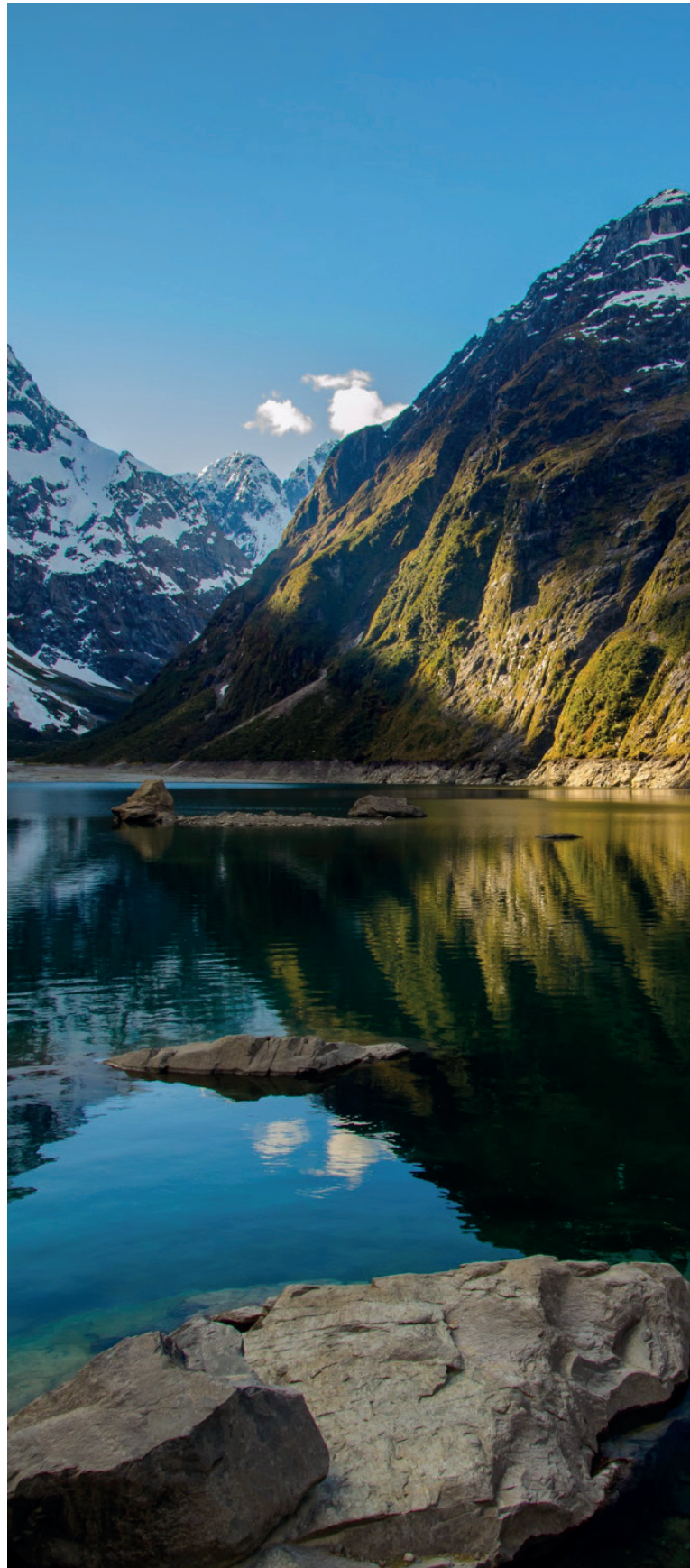
¹ Source: Eden McCallum competitor analysis based on published 2019, 2020 and 2021 sustainability reports

This report

Welcome to Eden McCallum's first annual sustainability report. In it we outline our sustainability strategy and describe the progress made on improving the firm's sustainability.

This report refers to the period from 1st July 2021 to 30th June 2022, in line with our financial reporting.

If you have any questions about this report, please email info@edenmccallum.com



About us

Since inception, sustainability has been core to our ethos and model.

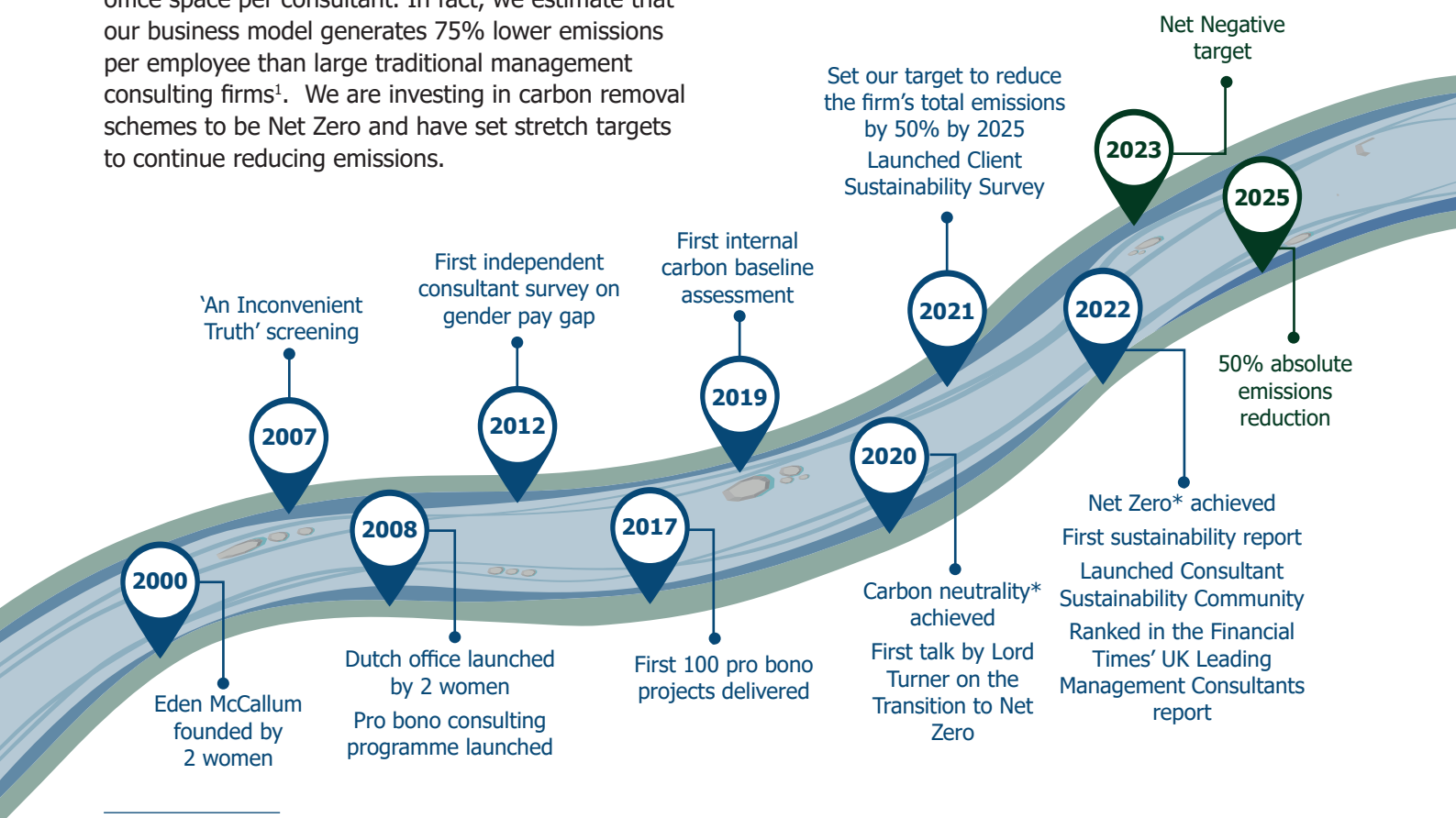
Eden McCallum is an international management consulting firm with a unique business model, bringing together hybrid teams of independent consultants with our in-house partners and analysts to help our clients resolve their most pressing management challenges, from strategy to transformation. Social and environmental sustainability are part of our DNA and have been since we launched the firm in 2000.

As a firm founded by two women, with 55% female partners, and zero gender pay gap, Eden McCallum has diversity and inclusion at its core.

Our unique business model not only improves the speed and depth of client insight we deliver, but also brings key sustainability benefits: it incurs less travel and hence lower GHG emissions, and we need less office space per consultant. In fact, we estimate that our business model generates 75% lower emissions per employee than large traditional management consulting firms¹. We are investing in carbon removal schemes to be Net Zero and have set stretch targets to continue reducing emissions.

Over the past 15 years we have sought out opportunities to raise awareness of sustainability issues, from hosting screenings of the film *"An Inconvenient Truth"* in 2007, to having Lord Turner, Chair of the Energy Transitions Commission, discuss reasons to be optimistic about the Transition to Net Zero in a series of client seminars held annually since early 2020.

Over the same time period, we have contributed our time and skills to over 170 pro bono projects addressing both social justice and environmental challenges, working with a small group of high impact NGO partners to use our business skills to change lives and landscapes.



¹ Source: Eden McCallum competitor analysis based on published 2019, 2020 and 2021 sustainability reports
* including offsetting (from 2020) and removing (from 2022) our Scope 1, 2 & 3 emissions

Our commitment to the UN SDGs

Eden McCallum is committed to advancing the United Nations' Sustainable Development Goals (UN SDGs) for 2030, the global framework for driving progress toward a more sustainable future.

Whilst we support the intent and ambition of all 17 of the UN SDGs, we are aligned to 7 where our actions can have particular impact, focusing on partnerships and supporting efforts to achieve a healthy environment, thriving society and prosperous economy.



Our focus



Improving our sustainability

Our commitment to sustainability means continuously improving the positive impact the firm has on our society and planet. Core to this are decisions we make about where to focus and how we operate.

Everyone in the firm is engaged in setting and delivering on our sustainability goals. In our annual sustainability strategy refresh, we discuss as a whole firm the sustainability initiatives that we have worked on over the past year and what we want to do in the coming year. We believe that our best ideas come from all parts of the business and encourage innovation and creative thinking. The leadership team agrees new initiatives and sets targets, and there is a dedicated sustainability working group to follow through. Importantly, everyone contributes by embracing and supporting new initiatives, changes in our ways of working and policies to be more sustainable.

The following pages describe our progress over the past year and examples of initiatives undertaken.



Reducing our environmental footprint	8
Continuing to embrace diversity	9
Enhancing our colleagues' well-being	10
Giving our time and money	11
Donating our consulting skills	12

Reducing our environmental footprint

We have developed a proprietary carbon dashboard to monitor and reduce our Scope 1, 2 & 3 emissions. We pay particular attention to business travel, which accounts for 84% of our footprint. We are committed to reducing our total emissions by 50% by 2025 and to improving our waste and water management.

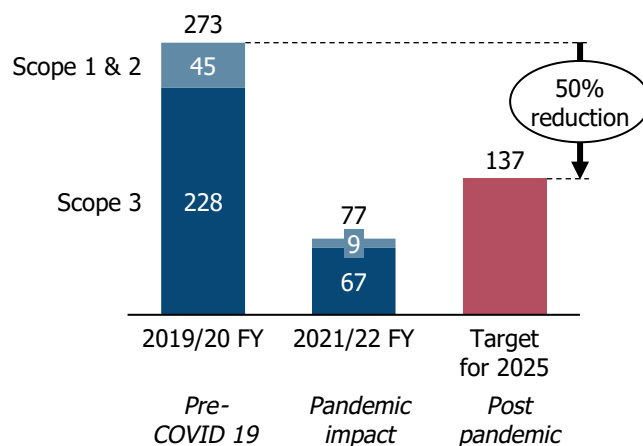
Our carbon dashboard confirms that 88% of our emissions are Scope 3. We have very limited Scope 1 emissions due to our low fixed asset business model.

As with most professional services firms, the majority (84%) of our emissions are due to travel, mainly flights. To tackle these, we have adopted a sustainable business travel policy and ensure careful monthly monitoring of our emissions overall and by office and project. We now only travel by train across specific routes and encourage thoughtful decisions about when and where to travel as well as who needs to go.

Our target of reducing Scope 1 and 2 emissions by 46% by 2030 is approved by the Science Based Targets initiative as being in line with the Paris 1.5°C warming target; although we have gone further and set ourselves the more ambitious target to reduce our total emissions by 50% by 2025 compared to our 2019 baseline. For the financial year 2021/22, which was still impacted by COVID-19 travel restrictions, our total emissions reached only 28% of our 2019 baseline - well below our target. We remain committed to keeping them as low as possible.

We are always seeking ways of improving our environmental footprint further, for example switching to 100% renewable electricity to power our offices, reducing paper usage by 70% over the last 2 years by adopting a digital first policy, and sourcing responsibly. In 2022 we redecorated our London office and ensured that all old furniture was sold or donated, and we sourced over 85% of new furnishings second-hand.

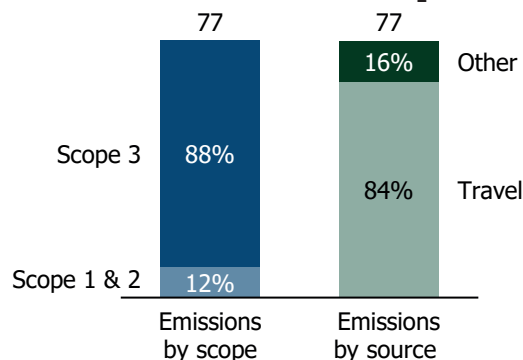
Internal Eden McCallum target for emissions reduction by 2025



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
Validated Science-Based Targets

2021/2022 carbon emissions, tCO₂e



77 tCO₂e
emissions tCO₂e
in 2021/22



70%
reduction in paper usage
from digital first policy



50%
total emissions
reduction by 2025

Continuing to embrace diversity

We have a deep and long-standing commitment to advancing diversity, equity and inclusion (DE&I). More than just being the right thing to do, Eden McCallum will only thrive if everyone feels they belong, knows they have the support of others, and is given equitable opportunities to succeed.

Founded by two women, with women making up 55% of our partner group and proudly equal on pay across our firm and consultant talent pool, gender equality sits at the heart of our firm.

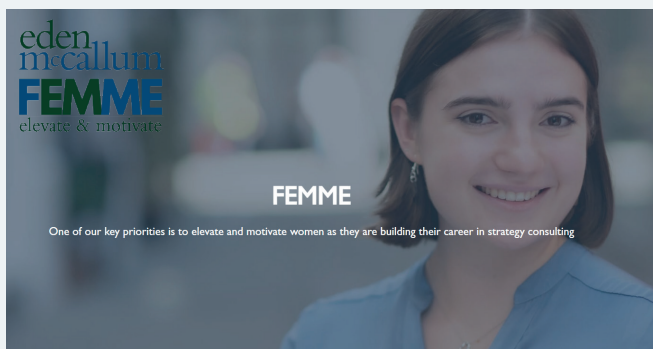
From this foundation, we work hard to ensure the broader diversity and inclusivity of our team and culture. We use a broad set of metrics to capture the level of diversity within the firm – not just gender – and ensure that our recruitment processes support fair representation and equal access.

Our DE&I champions are passionate supporters of initiatives which ensure fair access to careers in professional services, a sector that has historically not been representative of our broader societies.

Recent Initiatives

10k Black Interns

We partner with 10k Black Interns, which aims to change the face of British business by creating opportunities for underrepresented talent. In 2021 we welcomed our first two summer interns and in 2022 we were delighted to have three more paid summer interns join us. They receive consultant analyst training, are paired with mentors and join our project teams to experience first-hand what it means to have a career in management consulting.



FEMME

To encourage more women to start their career in strategy consulting, we launched FEMME in 2022 and welcomed our first cohort of 4 mentees, all female university students. Through bimonthly mentor meetings and events throughout the year, we provide practical advice, guidance, encouragement, and access to an inspiring network of women in consulting.

Enhancing our colleagues' well-being

We are committed to providing a positive work environment and promoting a culture that protects and nurtures our colleagues' health and well-being.

Colleagues who are thriving personally and professionally are at the heart of Eden McCallum's success and we are proud to be recognised as a great place to work, for example having an exceptionally high rating (4.8 out of 5 stars) on Glassdoor. In 2021 we extended our internal mentoring programme so that all colleagues have a mentor and career development support.

In line with our drive to understand and improve, everyone is included in a weekly barometer to check where they are on a scale of 'feeling great' to 'things could be better' and asked to comment. We conduct an annual satisfaction survey of all colleagues, the results of which are shared with the whole firm and discussed at length by the leadership team to identify specific actions we can take to improve further.

We have always offered flexibility and continue to embrace hybrid working to balance professional and personal needs and reduce unnecessary travel, while maintaining connectivity, supporting apprenticeship and development, and fostering strong working relationships. 97% of roles in the firm offer some form of flexibility in terms of where and when to work.

Specifically in terms of well-being, each office benefits from a dedicated well-being team where issues can be raised and addressed, and events organised. Over the past year there have been fitness challenges to encourage us all to be active and many informal social gatherings, from monthly breakfasts to picnics in the park, to build connections outside of day-to-day working. We also have 'fun teams' that organise numerous social events throughout the year.

In 2021 we introduced an Employee Assistance Programme (EAP) to help colleagues deal with personal problems that might adversely impact their work performance, health and well-being.



4.8
outstanding rating
Glassdoor June 2022



100%
covered by Employee
Assistance Programme (EAP)



95% agree
that "I am proud to be
associated with this firm":
2021 and 2022 colleague survey

Giving our time and money

Our annual internal sustainability survey tells us that giving their time and money to causes they care about is a clear priority for our colleagues. As a firm we support this through organised fundraising and volunteering initiatives.

Fundraising

Since 2001 we have participated in Cancer Research's "Race For Life", and in 2022 raised over £9,000 for Cancer Research UK. We also participate in triathlons, marathons and other events in the UK and the Netherlands in support of our charitable partners in their vital fundraising efforts.

We have a matching gift charity donation scheme to augment the donations our colleagues make through the UK Charities Aid Foundation.



Volunteering

Each year we support our employees in volunteering in their local communities. For example, this year our Amsterdam office spent time with elderly people from a local care home, talking with them about their life experiences and sharing companionship for the day.

Donating our consulting skills

Since 2008, we have supported a select group of charities through our NGO Partnership. Our independent consultants give their time to help resolve difficult strategic and operational challenges and in turn improve the effectiveness of charities' frontline programmes. In parallel, we run a tailored pro bono programme for our in-house analysts and associates to contribute their analytical and research skills.

Over the last 14 years, Eden McCallum's NGO Partnership has delivered over 170 consulting projects to support a small group of leading non-profit organisations.

It enables our charity partners to engage Eden McCallum on a variety of pro bono consulting projects - from a few days to a few weeks of help - from classic strategy to operational improvement and organisational design.

Eden McCallum consultants and colleagues hugely value the opportunity to work on challenging, stimulating projects which drive social and environmental impact, and where success is measured in terms of lives and landscapes touched and changed.

“At Impetus, we work hard to close the gap in education and employment outcomes between young people from disadvantaged backgrounds and their better off peers, but we are stronger and can achieve more in partnership. Eden McCallum has been a brilliant partner, supporting us and the charities we work alongside since 2008 with more than 80 pro bono projects. The impact has been huge.”

Tanya Curry,
Interim CEO at Impetus



170+
projects



70+
charities



11k+
hours donated

Recent Projects

I Impetus



Transforming the lives of young people from disadvantaged backgrounds.

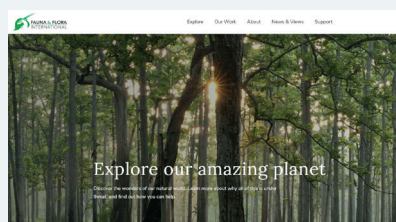
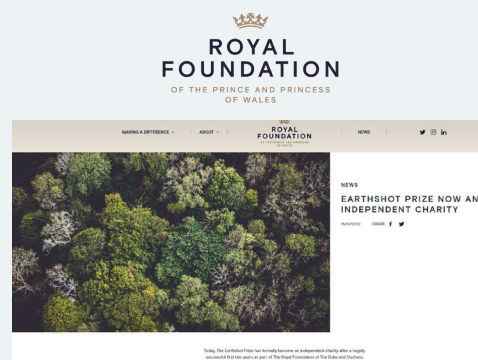
This project accelerated fundraising for an organization with bold ambitions to change the educational and life outcomes of some of the UK's most disadvantaged young people.

We designed and populated a new fundraising management system that stepped up the charity's fundraising capability by focusing and facilitating their efforts, and significantly improved their pipeline of high-potential funders.

Mobilising leaders, businesses and people to address society's greatest challenges.

Our team worked with The Royal Foundation to help define and design governance arrangements for The Earthshot Prize as it transitioned from the Foundation and became an independent organisation.

We conducted in-depth research with multiple stakeholders to determine the criteria for successful governance and define possible options, then agreed and detailed a governance structure which will enable the newly independent Earthshot Prize to realise its global ambitions.



Protecting biodiversity to underpin healthy ecosystems.

In the face of accelerating biodiversity and climate crises and a rapidly changing funding and partnerships landscape, we provided expert advice and challenge for this conservation charity's strategy review.

We coached and supported the internal strategy lead, helping to develop a refreshed strategy which identifies clear priorities for the charity and supports its ambition of playing a leading role in global conservation over the next decade.

Amplifying our impact

We work with our clients to resolve their most pressing business challenges and sustainability is of paramount importance to them. It is also top of mind for our independent consultants.

By actively engaging with our clients and independent consultants, we can amplify the impact we have as a firm and ignite change far beyond what we do internally. As a catalyst for systemic change, we aim to raise awareness, develop and share insights, and work with our clients and consultants to support them in taking urgent action on social and environmental issues. Our client work not only helps to identify risks, but also focuses on the opportunities that stem from making sustainability core to business strategy.

In this next section of the report, we lay out examples of the actions we are taking to further amplify our impact.



Sharing knowledge	15
Building an independent consultant community	16
Developing insights	17
Working with our clients	18

Sharing knowledge

We host events and discussion forums to raise awareness of sustainability issues and share experience across our broad network.

Recent Events

Net Zero Transition

In March 2022, for a third consecutive year, Eden McCallum welcomed Lord Turner to discuss what has changed over the past 12 months in the prospects for a successful shift to a world of Net Zero carbon emissions, covering advances in technology, his personal take on the COP26 climate conference in Glasgow, and causes of the current energy crisis.

“There has been an amazingly rapid fall in the cost of producing electricity from wind and solar and the cost of batteries to store it...and dramatic falls in the cost of producing ‘green’ hydrogen from electrolysis... We are seeing technologies going through changes where we get reductions of 60%, 80%, even 90% of the cost. That transforms the possibility of building a zero carbon economy at an acceptable cost.”

Lord Turner, Chairman of the Energy Transitions Commission



Circular Economy Event

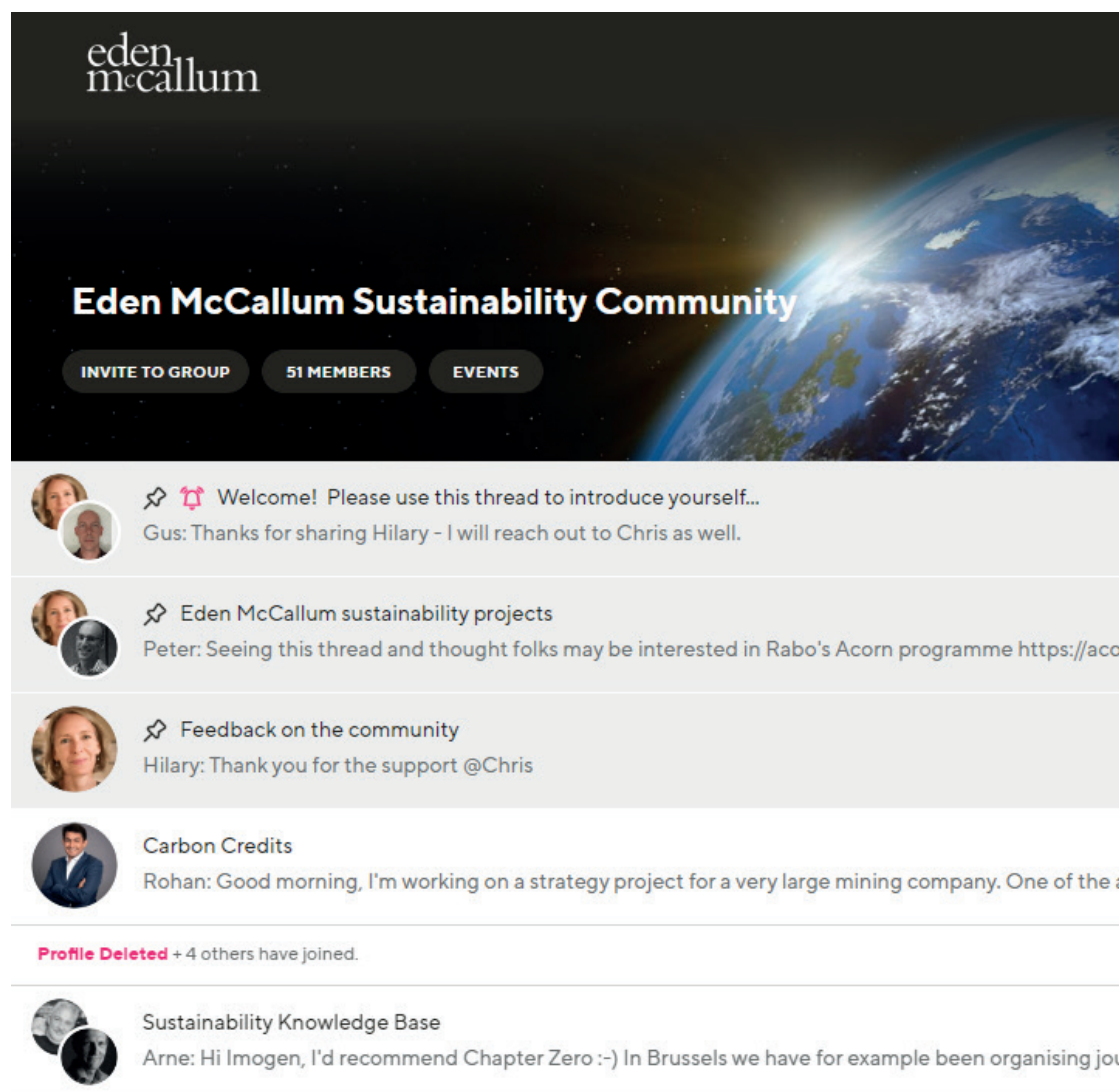
In November 2021, we facilitated a round table discussion on the circular economy, covering what it is, how to integrate circular principles into business strategy and the latest thinking on addressing issues such as traceability. We asked our independent consultants how frequently the circular economy was being raised in discussions with clients: 62% said they had discussed it at least once in the past 12 months and 77% thought the frequency of those conversations would increase over the next 12 months.

Building an independent consultant community

Tackling sustainability issues requires strong collaboration and being generous about sharing knowledge and learnings. In 2022, we launched the pilot phase of the Eden McCallum Consultant Sustainability Community as an online platform.

The community aims to promote sustainability in the corporate world, for the common good, for society and our planet, by enabling our independent consultants to share sustainability expertise, insights and frameworks, and to ask questions and trade points of view with like-minded independent consultants.

Over the coming year, we plan to scale this further and aspire for the platform to be a resource our consultants use to ensure richer, more sustainable recommendations for clients.



Developing insights

We were asked by NED network Chapter Zero to co-develop a board toolkit to place climate change firmly on the UK board agenda and ensure credible progress on developing and implementing net zero transition plans.

Launched in 2019, Chapter Zero has built a community of 2000+ non-executive directors (NEDs) in the UK with the aim of equipping them to lead crucial boardroom discussions on the impacts of climate change on their businesses and driving action on their transition to net zero.

'Principles and Frameworks for Climate Change Strategy and Action' is a toolkit that covers prioritising climate change on the board agenda, defining a net zero strategy, and ensuring action. Each section identifies the issues a board might be grappling with and provides practical help in the form of principles, good practices, frameworks, resources and examples, including case studies from leading companies that have already started along the journey.

"Our non-executive director members are currently grappling with a wide range of climate and business issues and are in a strong position to drive the change we need in the net zero transition. Our aim is to provide practical, impartial advice to help them with this challenge."

*Julie Baddeley, Chair of the Board,
Chapter Zero*

Principles for effective action on Climate Change

1. A spark to start the fire:

A catalyst is needed to get climate change onto the agenda. This can be an analysis of risks – regulatory change, societal and competitive pressure as well as physical changes – showing the likely resilience of the organisation to significant social and environmental changes. Disruption from Covid-19 demonstrates the importance of understanding potential risks. Scenarios are an effective way to deal with uncertainty and can show how vulnerable the business is.

2. Climate change is not an add-on to the strategy, it's part of the strategy:

When climate change targets and initiatives are part of broader corporate goals and initiatives, the regular organisational mechanisms to implement successfully can be used to drive progress in climate change

3. Championship from the top:

Where businesses have made strong progress, it is because the climate change agenda is championed by the CEO and/ or Chair

4. Clear accountability and governance at senior levels:

Governance for climate change is at the most senior levels, reporting into the Board. Significant change will only happen with strong executive director support. It is critical to have the right accountability embedded at senior levels, e.g. climate change Directors reporting directly to the CEO; executive climate change committees made up of a broad mix of functional and business line heads. Specific initiatives and outcomes need to be owned by senior executives, not buried too deep in the organisation structure

5. Organisational engagement is powerful:

When the people in the organisation are engaged in defining the evolving solutions and are measured on the success of climate change initiatives, they are more motivated and effective in driving change

6. If it matters to stakeholders, it should matter to you:

Engaging with stakeholders and understanding what matters both today and in the future helps the Board set the ambition, understand risks and understand the scope of the challenge.

7. Financial case for change is strong:

A successful climate change strategy has the potential to achieve operational savings and enhanced market share as well as reducing emissions, waste, and risk. There may be opportunities to access new business areas and models. Carbon pricing is an important financial consideration in business cases

8. It's a journey:

It can take time to make deep and lasting change; be prepared for a journey of several years. Evolving stakeholder perspectives over the next 10-20 years need to be factored into the thinking

9. Transparency and collaboration are very helpful:

Case studies show the benefits of operating in a spirit of transparency and collaboration within and across sectors. Continuous improvement is more likely if companies are open with their ambitions and measures, even in the knowledge that these measures are not perfect.

10. What gets measured gets done:

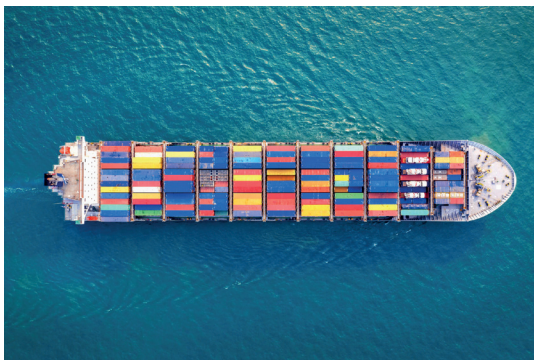
Companies that have measured their baseline and made a public commitment to improvement say it helps to mobilise the organisation. They use recognised reporting frameworks and standards like Task Force on Climate-related Financial Disclosures (TCFD) and Science Based Targets (SBT)

11. A company's level of ambition is a conscious decision:

It is worth having a conscious, well-researched discussion on the level of ambition over a timeframe, otherwise the business can end up, by default, missing out on opportunities and being exposed to unquantified risks

Working with our clients

From decarbonisation of the shipping industry, to improving sustainability in construction and agriculture and supporting the international roll-out of air quality technology, we have helped businesses tackle some of the most challenging aspects of sustainability.



Sustainable innovation for a shipping provider: We developed a fuel technology strategy for a leading shipping company that underpinned a 60% reduction in emissions.

Working with their senior management team and board, in preparation for a potential investment in a new fleet, we assessed the economic and carbon impact of different technologies and fuels, and modelled the business implications by scenario. The strategy will not only significantly reduce emissions but maximise flexibility, enabling sustained viability amidst fuel price volatility, and for the long term.

Sustainable engineering for a construction major: We supported a construction multinational's route to market in Design for Manufacture and Assembly (DfMA), at the leading edge of sustainable construction.

DfMA has cost and carbon advantages over traditional construction methods. Our work assessed the future shape and direction of the industry to determine how our client could build on a bold investment in manufacturing capability. We developed and recommended an optimised DfMA strategy, retaining capacity exclusively in-house as a distinctive market offer, then supported the strategy's implementation across their organisation.



Sustainable growth strategy in agriculture: We worked with an international animal feed and fertilizer supplier to design a global strategy to deliver the Board's visionary sustainability and circularity objectives.

In the face of seismic future market changes, our client wanted to become a driving force in making sustainable agriculture work. We worked closely with teams in each geographic region, bringing focused outside knowledge to specific topics, to build an overarching global strategy with clearly defined initiatives and priorities and a roadmap to deliver the Board's vision.

International market entry in sustainability technology: For a multinational utility, developed the strategy and roadmap to build their innovative Air Quality business internationally

A market scan identified the most attractive markets, unpicking a complex web of air quality issues, sectors, and drivers of investment in clean air such as regulation and public sentiment. In the most attractive markets, we worked with local internal stakeholders to derive detailed plans that everyone could get behind, resulting in a roadmap the teams went on to adopt as their 'bible'.



Acknowledgements

Making progress on sustainability is a team effort. Every single person at Eden McCallum has contributed, from participating in annual surveys and workshops to generate further ideas and set priorities for the coming year, to embracing and supporting new initiatives, changes in our ways of working and policies to be more sustainable.

A core team, drawn from across the firm, has driven much of our work on sustainability in FY21/22 and deserves special thanks:

Nick Brown
Buzz Bury
Hilary Corroon
Drew Davy
Tijs de Boer
Olivia de Csillery
Liann Eden
Sara Ghazi-Tabatabai
Shane Gomes
Monika Morris
Edward Oram
Imogen Sheppard
Joris van Osselaer
Xiao Zheng



An aerial photograph of a river with a small boat. The river is a deep green color, and the surrounding land is a lighter green. The boat is a small, white inflatable boat with a few people on board. It is moving from left to right, leaving a white wake behind it. The land on the right side of the river is a mix of green and brown, with some trees and some bare ground. The sky is a pale blue.

eden
mccallum

Sustainability Report

2021-2022

www.edenmccallum.com

Copyright © 2022 Eden McCallum LLP. All rights reserved.