



Carbon Footprint Baseline Report

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Our Story

We saw a need for solutions, strategies, and realistic implementation plans to green the built environment. In 2014, we took the entrepreneurial leap, founded **The Dragon Group**, and never looked back.

Launched from our kitchen table, our goal was to be real estate innovators at the intersection of Sustainability and Project Management by leveraging partnerships, young talent, and technology to deliver differentiated services throughout the US. Project by project we built a reputation as trusted advisors, project executors, and innovators. Many years later our brilliant team of engineers, scientists, and project managers lead projects up and down the east coast and we are still the only Sustainability and Construction Management firm in the Southeast.

The Dragon Group is a sustainable enterprise focused on improving the world and leaving it better than we found it and creating waves of impact for decades to come. As we advise others on their ESG strategies, we are embodying and living our own ESG story and this is what inspires us each and every day.



The Dragon Group is

An ESG/Sustainability Consulting firm fighting climate change and building low carbon communities one building at a time

A provider of ESG Strategies/Sustainability and Real Project Management Services for local, national, and international clients

A team of engineers, project managers, designers, scientists, and strategists who leverage their subject matter expertise to collaborate and problem-solve around decarbonization of the built environment

A certified female and minority-owned firm that is committed to equity in our recruitment and retention practices

An organization dedicated to entrepreneurship, community, collaboration, and innovation



Overview:

2021 Carbon Emissions

The Dragon Group aims to practice what we preach which is why we are excited to take the first and most important step on our Net-Zero journey, calculating our baseline carbon emissions. Our consulting business model acknowledges the environmental advantages of remote work and has helped us keep environmental impacts from our operations extremely low. But, in order to stay on track with our various net-zero commitments, follow the UN climate goals, commit fully to decarbonization and enhance our ESG data reporting, we have meticulously calculated our carbon footprint, including carbon emissions ranging from employees' electricity consumption, the products we buy, the buildings we occupy and so much more.

Baseline Year:

Why is it so Important?

In order to begin any Net-Zero journey, it is essential to confidently understand the extent of current emissions. **A baseline year** is a reference point in time against which future emission reductions are measured. Picking an accurate baseline year can be the difference between setting unrealistic or insignificant carbon reduction goals and setting ambitious but practical targets. Essentially, emissions targets can be very sensitive to the chosen baseline year. For this reason, The Dragon Group has chosen its baseline year to be 2021 as any year earlier in the pandemic would likely have skewed emissions targets. Since most of our projects involve construction, an essential service during the pandemic, TDG was back to full operations in 2021. We were confident in both our ability to acquire precise data for 2021 and in the accuracy of this data to reflect a normal year at TDG.

This being said, for a constantly growing company, it is important to set the baseline year to be as recent as possible. Still, TDG will reassess target emissions year after year in order to create the most ambitious and attainable carbon reduction targets so as to reach our carbon goals by 2030. Read more about our carbon goals on page 6.

SCOPE 1

5.21

CO2-e Metric Tons

SCOPE 2

0.18

CO2-e Metric Tons

SCOPE 3

2.26

CO2-e Metric Tons

2021 NET EMISSIONS

7.65

CO2-e Metric Tons

The 3 Scope Approach

The 3 scope approach is the most widely accepted standard for greenhouse gas (GHG) emissions reporting. It is the EPA's guidance for companies of all sizes to compartmentalize where their GHG emissions are resonating from. Compartmentalizing corporate GHG emissions is a mandatory step needed to identify where in operations are the opportunities for GHG reduction. Once this compartmentalization is completed, further efforts in the form of data tracking are usually needed to increase accuracy in both GHG reporting and location of GHG reduction opportunities in order to meet decarbonization targets.



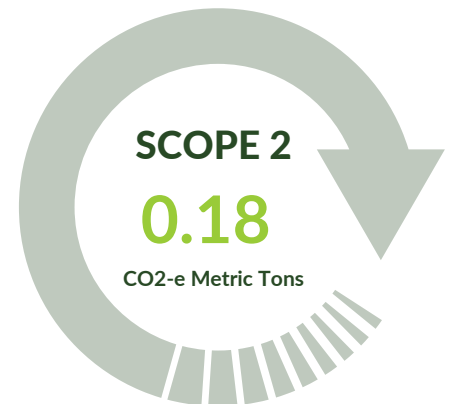
Scope 1 Emissions

Scope 1 emissions are direct combustion emissions that occur from sources owned or controlled by an organization, i.e. from company facilities or company owned vehicles. TDG's business model takes full advantage of remote working, meaning that our Scope 1 emissions are limited to only our company owned vehicles as we do not own any workspace. Saving time, energy, and money are significant advantages of remote working that allow our team to function at our highest capacity.



Scope 2 Emissions

Indirect GHG emissions associated with the purchase of electricity, steam, heating, or cooling for company owned facilities are categorized as Scope 2 emissions. However to adapt this definition to work after the pandemic, we see the need to add electricity emissions from remote working to this definition. Previously seen as an extension of employee travel, remote work or 'teleworking' has often been categorized as an optional Scope 3 emission. This, however, seems to be a pre-Covid norm. TDG recognizes both the general increase in remote working and the emphasis our business model puts on remote work. Therefore, we have opted to include indirect emissions from employee electricity consumption in our Scope 2 emissions; and we would recommend business with similar business models to do the same.

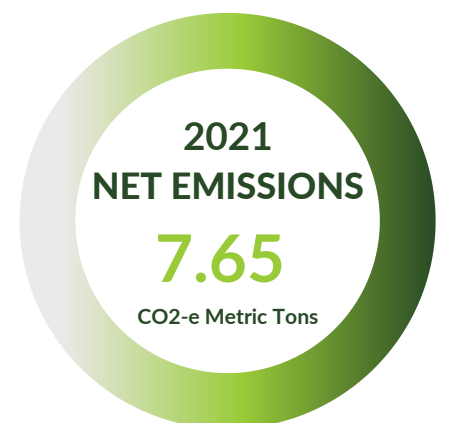


Scope 3 Emissions

Scope 3 emissions are a result of activities from assets not owned or controlled by the reporting organization, usually referred to as value chain emissions. Scope 3 emissions are not yet required by any regulations, but without them one can only see half of the emissions picture because scope 3 emissions are usually higher than all other emission categories.



Scope 3 emissions include all emissions not reported in Scope 1 or 2 and can be categorized into either upstream or downstream emissions. Upstream emissions are producing emissions, all of the emissions required to produce a product or service, i.e. employee commutes, capital goods like machinery, and waste generated day-to-day. Downstream emissions are just the opposite, they are everything required to consume your product, i.e. use of sold products, disposal or recycling of sold products, and investments.



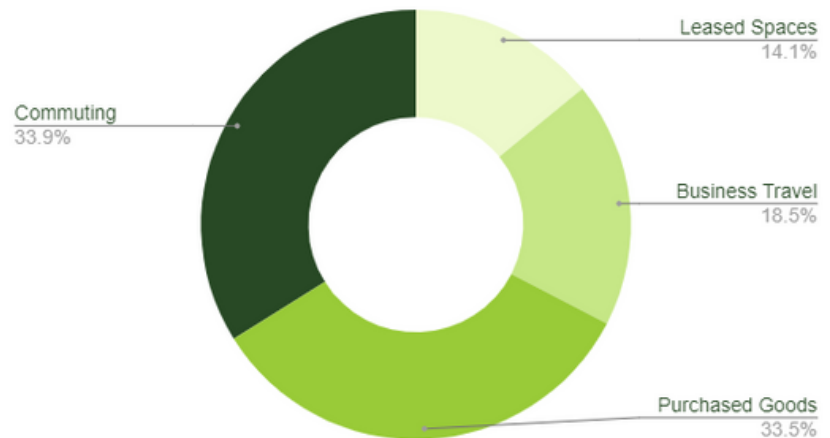
Leased assets can either be upstream or downstream emissions depending on if you are buying or selling the lease. If you are buying, the leased asset is considered

upstream. If you are selling a lease, the asset is considered downstream. Regardless, leased assets are categorized as Scope 3.

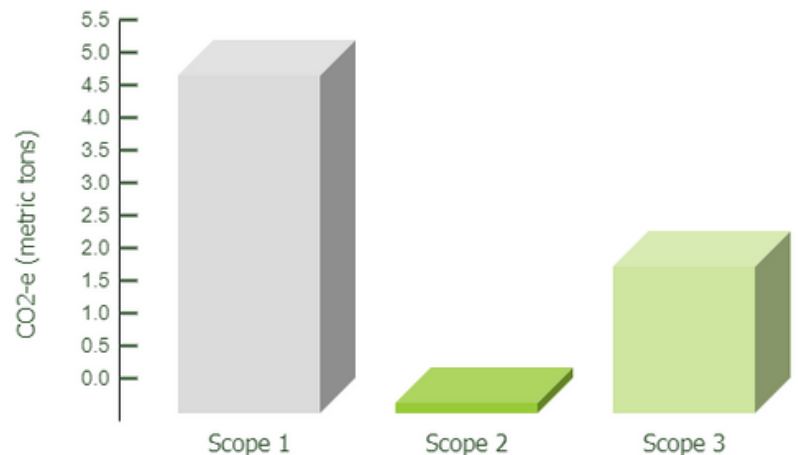
TDG's Scope 3 emissions include: commuting emissions, emissions from leased spaces, business travel, and purchased goods for operations. The figure to the right gives a clearer breakdown of our Scope 3 emissions.

By comparing carbon emissions by scope, it is easy to determine that Scope 3 emissions are a NOT negligible. This is the case for most organizations. Scope 3 emissions are also the hardest to track. Integrating GHG data tracking into company operations is the next step needed to get an even clearer picture of exactly where the opportunities for GHG reduction are located. This can include opting to utilize suppliers and spaces that already provide GHG emissions data.

Scope 3 Breakdown



Carbon Emissions by Scope



Historical Carbon Footprint 2015-2021

TDG was incorporated on 9/11/14, but our first full year of operations was in 2015. Utilizing the data provided for our baseline emissions year, we have approximated our historical carbon footprint since our 2015. This allows us to conceptualize TDG's entire environmental impact, keeping us mindful of our responsibility to our environment and our communities. We will be taking measures to offset our historical carbon footprint by investing in a community solar project.

53.55
CO₂-e Metric Tons

or

132,922
Miles
Driven by a gasoline powered car

The Future of TDG: Climate Goals

As the effects of climate change increase and intensify as a crisis on a global scale, The Dragon Group is committed to providing solutions to combat this crisis. Taking our commitment to fight climate change one step further, we have established The Dragon Group's ESG/Sustainability Goals to ensure we are leading by example.



Achieve Net Zero carbon emissions across business operations by 2030

Employ a Diverse Workforce

Achieve Zero Waste across business operations by 2030

Eliminate gender pay inequalities

Eliminate Single-Use Plastics now

Focus Our Work on the Following UN SDGs



What is Net Zero and How do We Get There?

Climate neutral, Net-Zero, and Carbon Neutral are all different terms that account for emissions sources and sinks in different contexts. Net-Zero is the internationally agreed upon goal for mitigating GHG emissions, referring to the state in which GHG going into the atmosphere is balanced by GHG being removed from the atmosphere.

In order for TDG to achieve Net-Zero by 2030, we aim to reduce carbon emissions by around 1 CO₂-e Metric Ton every year. The Dragon Group is excited to share our journey to Net-Zero with you all as we fight against climate change and for climate justice everyday.