

Shepherd and Wedderburn LLP

Carbon Reduction Plan

26 August 2022

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Introduction

The Carbon Reduction Plan below has been prepared by ITP Energised on behalf of Shepherd and Wedderburn. All information and data within the Carbon Reduction Plan should be owned and be accounted for by Shepherd and Wedderburn. All information and data within the Carbon Reduction Plan has been obtained through direct engagement with Shepherd and Wedderburn and what is publicly available. The Carbon Reduction Plan was completed in accordance with the template and requirements provided in the Technical Standard¹. It should be noted that the Carbon Reduction Plan is required to be disclosed on Shepherd and Wedderburn's website in line with the requirements set out by the Technical Standard and should be updated annually.

¹ Cabinet Office (2022). Technical standard for Completion of Carbon Reduction Plans. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans_2_.pdf

Carbon Reduction Plan

Supplier name: Shepherd and Wedderburn LLP

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Commitment to Achieving Net Zero

Shepherd and Wedderburn is committed to achieving Net Zero emissions by 2030. This is 20 years ahead of the 2050 target set by the United Kingdom (UK) Government under the Climate Change Act², and those set out in the Carbon Reduction Plan (CRP)¹ requirements.

Shepherd and Wedderburn is aware of its contribution towards greenhouse gas (GHG) emissions and its impact on the environment. Reducing GHG emissions is important to Shepherd and Wedderburn and its stakeholders, including employees, clients, suppliers, and the wider community.

The Shepherd and Wedderburn 2030 Net Zero emissions target will be achieved by several carbon reduction measures, including behavioural changes, policy implementation, energy efficiency, and operational changes. Shepherd and Wedderburn is aware of the challenge in achieving Net Zero in such a short time frame, but is fully committed to reducing its footprint through meaningful, impactful and long-lasting emissions reductions. Only once all emissions reduction measures have been exhausted will Shepherd and Wedderburn make the use of carbon offsets certified to international standards to cover the remaining footprint.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: FY 2020/21
Additional Details relating to the Baseline Emissions calculations.
As part of Shepherd and Wedderburn’s Sustainability – Environmental Policy, Shepherd and Wedderburn measures, manages and reports its GHG emissions. In line with CRP requirements, Shepherd and Wedderburn has used the Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) ³ and the UK Government’s reporting guidelines for Company Reporting ⁴ . Emissions factors were primarily obtained from the Department for Environment, Food & Rural Affairs (DEFRA) ⁵ or the US Environmental

² UK Government (2022). Climate Change Act 2008. Available at: <https://www.legislation.gov.uk/ukpga/2008/27/contents>

³ WBCSD/WRI (2004). Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard. Available at: <https://ghgprotocol.org/corporate-standard>

⁴ DEFRA (2019). Measuring and reporting environmental impacts: guidance for businesses. Available at: <https://www.gov.uk/guidance/measuring-and-reporting-environmental-impacts-guidance-for-businesses>

⁵ DEFRA (2022). Government conversion factors for company reporting of greenhouse gas emissions. Available at: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

Protection Agency (USEPA) Supply Chain GHG Emission Factors for US Commodities and Industries⁶, where appropriate.

In accordance with the GHG Protocol, Shepherd and Wedderburn has used the 'operational control' approach which defines its organisational boundary as emissions over which it has an influence, but not necessarily ownership. The temporal boundary under which Shepherd and Wedderburn quantifies GHG emissions is aligned with its financial reporting period of 1st May to 30th April every year, with a baseline year of 2021 (1st May 2020 to 30th April 2021). Shepherd and Wedderburn is aware of the impacts that the COVID-19 pandemic has had on its operations such as changes in business travel, reduced employee working and commute to offices, and changes to teleworking meeting and client interactions. As such, it will continue to track and monitor operational activities and progress towards achieving Net Zero against the current baseline year of 2021. Should Shepherd and Wedderburn's operations change and require to re-baseline to reflect a more accurate 'business-as-usual' baseline, this would be made fully transparent and in accordance with the requirements set out by the CRP.

The specific greenhouse gases to be reported against are the seven greenhouse gases named by the Kyoto Protocol, including carbon dioxide (CO₂), hydrofluorocarbons (HFCs), methane (CH₄), nitrous oxide (N₂O), nitrogen trifluoride (NF₃), perfluorocarbons (PCFs), and sulphur hexafluoride (SF₆). GHG emissions are measured in tonnes of carbon dioxide equivalent (tCO₂e) and use the Intergovernmental Panel on Climate Change (IPCC) 100-year global warming potentials.

Aligned with the requirements set out by the CRP, Shepherd and Wedderburn includes the following GHG emissions:

- **Scope 1** emissions include direct emissions from sources which Shepherd and Wedderburn owns or controls. This includes fuel combustion, such as natural gas consumption in offices or fuels used for owned and leased vehicles, and fugitive emissions, such as f-gases from air-conditioning units. These are primarily calculated based on the volumes of fuels and gases consumed.
- **Scope 2** emissions include indirect emissions relating solely to the generation of purchased electricity that is consumed by Shepherd and Wedderburn's offices. This is calculated based on the volume of electricity purchased.
- **Scope 3** emissions include indirect emissions associated with Shepherd and Wedderburn's operations. In line with the CRP requirements, these include the following:
 - **Upstream transportation and distribution** (category 4) emissions include the transportation and distribution of products or services purchased. For Shepherd and Wedderburn, this includes postal and courier services and is calculated based on the amount spent on these services for the period.
 - **Waste generated in operations** (category 5) emissions include the disposal and treatment of waste generated in our offices. This is calculated based on the quantity of waste generated and how these are treated for each waste type.
 - **Business travel** (category 6) emissions include the transportation of Shepherd and Wedderburn employees for business-related activities in vehicles not owned or controlled by the firm. This is calculated based on the distance travelled for each journey and transportation mode.
 - **Employee commuting** (category 7) emissions include the transportation of Shepherd and Wedderburn employees between their homes and its offices in vehicles not owned

⁶ USEPA (2022). Supply Chain GHG Emission Factors for US Commodities and Industries v1.1. Available at: <https://edg.epa.gov/metadata/catalog/search/resource/details.page?uuid=https://doi.org/10.23719/1524524>

or controlled by the firm and the emissions from energy use associated with home working (noting that the homeworking reporting is on a voluntary basis). This is calculated based on distance and transportation mode travelled, the quantity of electricity and gas consumed during home working.

- **Downstream transportation and distribution** (category 9) emissions include the transportation and distribution of products sold by Shepherd and Wedderburn to the end consumer which is not paid for by the firm. Currently, this is not applicable to Shepherd and Wedderburn's operations.

Baseline year emissions: FY 2020/21	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	482.73
Scope 2	210.31
Scope 3 (detail below)	414.53
Upstream Transportation & Distribution	58.58
Waste Generated in Operations	20.91
Business Travel	1.34
Employee Commuting	333.70
Downstream Transportation & Distribution	N/A
Total Emissions	1,107.57

Current Emissions Reporting

Reporting Year: FY 2021/22	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	240.54
Scope 2	356.00
Scope 3 (detail below)	434.56
Upstream Transportation & Distribution	34.64
Waste Generated in Operations	13.74
Business Travel	47.77
Employee Commuting	338.41
Downstream Transportation & Distribution	N/A
Total Emissions	1,031.10

Emissions Reduction Targets

In order to continue progress to achieving Net Zero, the following carbon reduction targets have been adopted by Shepherd and Wedderburn.

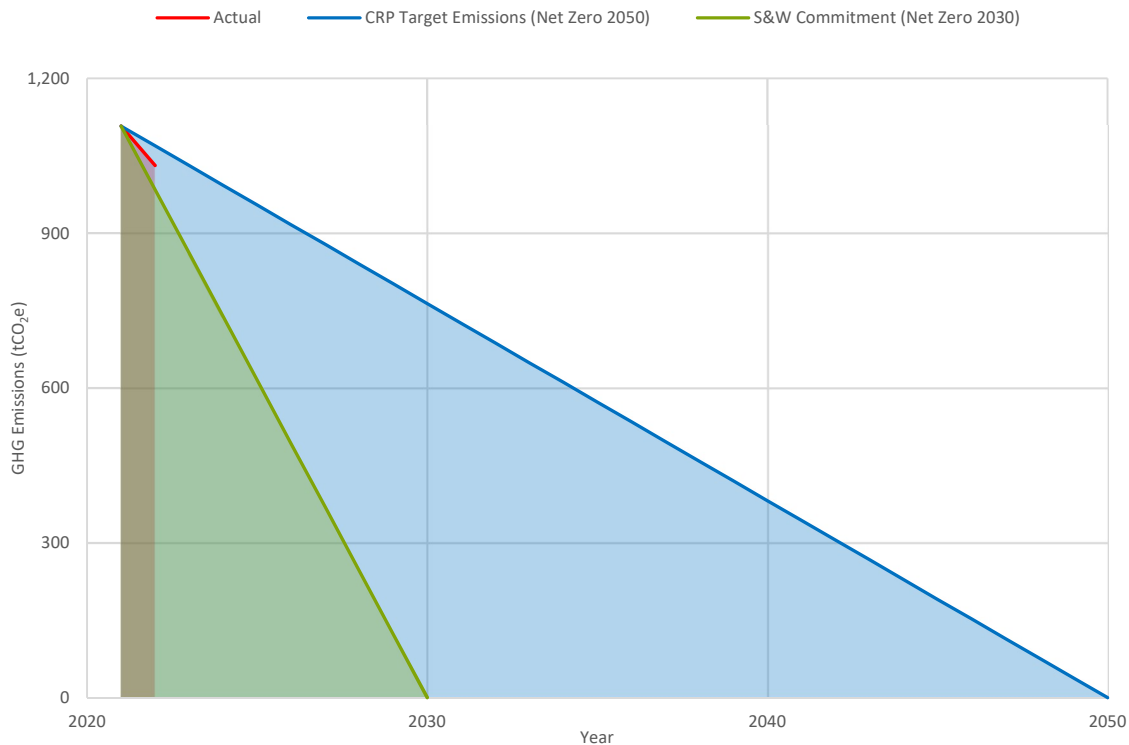
Shepherd and Wedderburn is committed to reducing absolute Scope 1, 2 and 3 GHG emissions to Net Zero by 2030 using a 2021 baseline year. Given the timeframe, it has not committed to a short-term emissions reduction target, but projects that carbon reduction activities and initiatives will reduce GHG emissions to 443.03 tCO₂e by 2025. This is a reduction of approximately 60% using a 2021 baseline.

In 2022, Shepherd and Wedderburn's total GHG emissions decreased by 76.47 tCO₂e. This is a reduction of 6.9% in absolute emissions and included the following:

- **Scope 1** emissions decreased by 50.2%. This was largely due to the reduction in f-gas consumption for air-conditioning units.
- **Scope 2** emissions increased by 69.3%. The increase in purchased electricity during the 2022 period was due to the return of employees to working in the office compared to 2021 where the COVID-19 pandemic restrictions were in place.
- **Scope 3** emissions increased by 4.8%. The significant increase in business travel due to the easing of COVID-19 pandemic restrictions was partially offset by the decrease in waste generated and postage and courier services, which resulted in a minor increase in overall scope 3 emissions.

Progress against these targets can be seen in the graph below:

Figure 1 Carbon Reduction: Projection vs Actual GHG Emissions (FY 2020/21 Baseline)



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2021 baseline. The carbon emission reduction achieved by these schemes equates to 76.47 tCO₂e, a 6.9% reduction against the 2021 baseline and these measures will be in effect when performing the contract.

Employee Learning and Culture Change

Shepherd and Wedderburn promotes sustainability among colleagues to operate and deliver services in a sustainable manner. In early 2022, carbon literacy training was delivered to all colleagues which was well received and provided valuable feedback to the management team. Through these learnings, the future sustainability learning platforms will be tailored to achieve maximum impact on and engagement with colleagues to embed sustainability into Shepherd and Wedderburn's daily operations.

Sustainability – Environmental Policy

Shepherd and Wedderburn's Sustainability – Environmental Policy sets out the structure for monitoring all of its sustainability issues and the actions towards improving them. As part of the Sustainability – Environmental Policy, the target of Net Zero by 2030, other sustainability targets and actions required to achieve these in the short, medium and long term, are set by management.

Travel and Accommodation Policy

Shepherd and Wedderburn's revised Travel and Accommodation Policy aims to reduce emissions associated with business travel and employee commuting. The Travel and Accommodation Policy encourages colleagues to make more sustainable travel decisions such as using lower carbon transportation modes or holding online meetings whenever possible.

Employee Commuting

Shepherd and Wedderburn's revised Travel and Accommodation Policy covers colleague commuting and encourages more sustainable travel to and from the office. In addition to the cultural change, the lasting effects of the COVID-19 pandemic has also resulted in the reduced number of colleagues travelling and working in the office full time. While energy use is likely to shift from the office to home working in this instance, colleagues are encouraged to have a more energy efficient home office set up and implement more sustainable behaviours, such as reducing heating temperatures, switching off laptops and monitors when not in use, switching off the lights when not in use, etc.

Paper and Printing Policy

Shepherd and Wedderburn's Paper and Printing Policy limits printing where possible through reduced availability of printers and education of colleagues. Colleagues are required to print only if absolutely necessary as part of service delivery.

Office Relocation

The Aberdeen office relocated to a more energy efficient office which reduced energy consumption and its associated emissions.

Energy Efficient Lighting

Shepherd and Wedderburn has been replacing light bulbs with low energy LED's as they fail.

Thermal Policy Comfort

Shepherd and Wedderburn's Thermal Comfort Policy aims to provide a safe and comfortable working environment for both colleagues and clients within our offices while reducing the firms impact on the

environment by regulating day-to-day heating and/or cooling within offices without compromising colleague and client comfort.

Environmental, Social and Governance Statement

Shepherd and Wedderburn has a full Environmental, Social and Governance Statement available on our website.

Future Carbon Reduction Initiatives

In the future Shepherd and Wedderburn hopes to implement further measures such as:

Office Relocation

Shepherd and Wedderburn is moving its head office in Edinburgh to new build premises in the 2022/23 financial year. This will be Grade A office space and the building is expected to achieve Building Research Establishment Environmental Assessment Method (BREEAM) 'Very Good' and Energy Performance Certificate (EPC) A ratings.

Carbon Offsetting

Shepherd and Wedderburn is committed to achieving Net Zero using real meaningful reductions. However, where residual emissions exist due to its required operational activity or where the technologies and mitigation techniques are not yet feasible, it will offset the remaining footprint with carbon offsets that will support improvements to the natural environment in the UK.

Supplier Due Diligence and Engagement

Shepherd and Wedderburn will embed a standardised method for engaging with clients on sustainability issues to promote sustainable decisions and practices across its supply chain. The firm will also consider sustainability issues and performance as part of its due diligence process for suppliers.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and 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 Plans¹ and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting^{5,6}.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have 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 approved by the members of Shepherd and Wedderburn LLP.

Signed by a designated member for and on behalf of Shepherd and Wedderburn LLP:

Andrew Blain, Managing Partner

Date: 7th September 2022