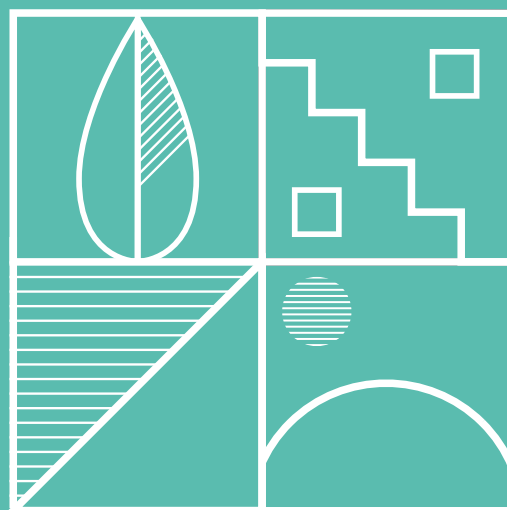


CLIMATE CHANGE ACTION PLAN

July 2022



INTRODUCTION

“ Climate change is happening now. It is one of the biggest challenges of our generation and has already begun to cause irreversible damage to our planet and way of life.”

UK Climate Change Risk Assessment 2022

The last 12 months has been a period of significant change, with global events bringing climate change, greenhouse gas emissions and energy into sharp focus. Some of the key developments have been:

- Global agreement of countries to revisit pledges to cut emissions of carbon dioxide to keep within 1.5 °C warming.
- Publication of the most recent global report on the impact climate change will have, particularly on the most vulnerable.
- Frequency and impact of extreme weather events – 2021 was one of the warmest on record.
- Policy and regulatory landscape – UK Net Zero Strategy and Energy Security Strategy.
- Market trends towards low carbon/sustainable options.

ACCELERATED COMMITMENT

Given the urgency and need to act, we have carefully considered how we can accelerate our commitment and as a result we will become carbon neutral from this financial year (FY) 2022-23, and we expect to become **carbon negative from FY 2027-28 – three years ahead of our target**.

Overall, our GHG emissions for FY 2021-22 total **390 tCO₂e** across our existing boundary and have reduced by 3% from FY 2020-21 and 27% from FY 2018-19 (baseline).

This is down to the significant effort we have made right across our business – we were the first real estate consultancy to declare a climate emergency over a year ago and have worked hard since then to fully understand and reduce our impacts.

OUR ACTION PLAN

Our action plan sets out how we will achieve Our Climate Change Commitment. It is based on the following principles.

- **Commit** – Clear and compelling commitment to reduce our climate change impacts.
- **Measure and Disclose** – Disclose annual energy performance and GHG emissions publicly in an annual report. This will include measurement against agreed Key Performance Indicators.
- **Act** – Minimise energy demand in our operations via investment in energy efficiency and procurement of green energy. Minimise embodied carbon where possible through whole life carbon assessments. Offset through high-quality carbon reduction projects focussed on removal, rather than avoidance.
- **Verify** – Demonstrate enhanced energy efficiency and reduced carbon emissions via third party verification in line with GHG reporting protocols.
- **Advocate** – Commit to transparency and share lessons learnt to encourage others to act.

TRANSPARENCY

We have made real progress in understanding how we can respond effectively to the climate emergency and are committed to reporting in a transparent way on our actions and progress. We will review our action plan on an annual basis.

We would love to hear from you if you have thoughts or questions on any of this material, or ideas on how we can improve.



Tom Marshall
Partner
tmarshall@geraldev.com



1. OUR CLIMATE CHANGE COMMITMENT

We will become **carbon neutral from this financial year (FY) 2022-23, and we expect to become carbon negative from FY 2027-28 – three years ahead of our target.**

To reach net zero our emissions will need to be as close to zero as possible. We will then offset the remainder of our emissions through certified projects that remove carbon from the atmosphere rather than avoid further emissions.

There is no set definition or target for how far beyond net zero an organisation needs to push to be carbon negative. In theory, any further reduction beyond net zero could arguably be carbon negative. However, we would target +100% and seek a minimum of +50% in each year.

For example, if our total GHG emissions are 100 tCO₂e (after going as far as we can to reduce our GHG emissions), we would look to offset 200 tCO₂e and a minimum of 150 tCO₂e each year.

We recognise that this strategy firmly relies on the quality and integrity of the carbon credits and the projects we select – this is discussed in greater detail in **section 4**.

The key metrics and targets we will use for reporting and to assess and manage climate-related risks and opportunities:

- Annual GHG emissions (tCO₂e)
- Annual Energy consumption (kWh)
- GHG intensity (tCO₂e/m² and tCO₂e/employee)
- Energy intensity (kWh/m² and kWh/employee)
- Gas/ electric mix (kWh)
- Annual (yoy) reduction – carbon and energy (%)
- Carbon offsets (tCO₂e)

DEFINITIONS



Net zero

The UNFCCC's Race to Zero initiative defines net zero as: "An actor reduces its emissions following science-based pathways, with any remaining GHGs attributable to that actor being fully neutralized by like-for-like removals (eg. permanent removals for fossil carbon emissions) exclusively claimed by that actor, either within the value chain or through purchase of valid offset credits."



Carbon neutral

'A current state which is achieved when the GHG emissions associated with an entity, product or activity are reduced and offset to zero for a defined duration.'



Carbon negative

'Minimising our emissions to the extent possible and then removing more carbon from the atmosphere than we emit in each year.'



Carbon offsetting

The practice of compensating for greenhouse gas emissions by retiring carbon credits generated through carbon reduction (avoidance and removals) projects.'

2. OUR REPORTING BOUNDARIES

We have assessed our greenhouse gas (GHG) emissions following the GHG Protocol which defines boundaries within Scope 1, 2 and 3, as described in the table below. Our GHG emissions have been independently verified and assured.

We have a detailed understanding of our **Scope 1 and 2** emissions through metered and service charges. Similarly, for our existing **Scope 3** boundary we can track business travel through expenses.

While we recognise the importance of reducing carbon emissions across our entire value chain, **Scope 3** emissions beyond business travel are not included in our commitment to become carbon negative as the data is not yet reliable and the ability to reduce these emissions is outside of our direct control. Instead this will be addressed through facilitating change amongst our employees and through partnerships with our supply chain.

We have identified an expanded **Scope 3** boundary with additional areas to be included in future reporting, as the quality of data improves. An expanded emissions boundary will significantly increase our GHG emissions. However, the majority of this will arise from areas where we have limited control and we will need to carefully consider how to influence behaviours and purchasing decisions.

Our **Scope 2** data is currently based on the location-based reporting, using standard conversion factors for the grid as set out by the UK Government. We currently procure green electricity in all our offices (and have done for over for two years) and therefore we will move to market-based reporting from FY 2022-23 to show the emissions we are responsible for through our purchasing decisions. This will be based on the contracts we have with our electricity suppliers.

Table 1 – Our existing boundary and expanded boundary (to be included)

Scope	Description	Existing boundary Currently captured	Expanded boundary To be included in future reporting
1	Direct emissions that are emitted from on-site energy consumption of fossil fuel sources for owned facilities where we have direct control and from owned or leased fleet vehicles.	<ul style="list-style-type: none"> n/a no Scope 1 emissions within our organisational footprint 	n/a
2	Indirect emissions emitted from grid supplied electricity and from purchased electricity and natural gas in leased space.	<ul style="list-style-type: none"> Purchased electricity (metered and service charge) Purchased gas (service charge) 	n/a
3	Carbon emissions from sources that we do not own or control.	<ul style="list-style-type: none"> Business travel (captured by expenses) 	<ul style="list-style-type: none"> Purchased goods and services Capital goods Home working Commuting Water Waste



3. OUR CLIMATE CHANGE IMPACTS

Overall, our GHG emissions for FY 2021-22 total **390 tCO2e** across our existing boundary and have reduced by 3% from FY 2020-21 and 27% from FY 2018-19 (baseline).

The greatest reduction has been seen in directly procured electricity (40%), followed by business travel (34%). Our emissions have naturally reduced in these areas because of Covid-19 and the impact on working practices. We anticipate that this may increase going forward as office occupancy and business travel increase back to pre-pandemic levels. However, we have put measures in place to reduce the 'bounce-back' where possible, as discussed further in the following section.

Further explanatory notes regarding the calculation of our GHG emissions is provided at **Appendix 1**.

Table 2 below summarises Gerald Eve's GHG emissions based on our existing boundary using information and data currently captured. This is illustrated in **Figure 1**, which shows our GHG emissions (tCO2e) by source.

Emissions from other **Scope 2** sources (Electricity – Indirect and Gas) arise from areas outside of our direct control and influence as we pay for this energy through our service charges. Emissions arising from these sources have not reduced at the same pace as direct emissions and have remained more consistent over this period despite the impact of Covid-19.

Table 2 – GHG emissions by source

Scope	Source	Metric	FY '18-'19	FY '19-'20	FY '20-'21	FY '21-'22	Annual change	Reduction since baseline
2	Electricity – Direct	tCO2e	198	161	107	119	11%	-40%
2	Electricity – Indirect	tCO2e	140	157	143	109	-24%	-22%
2	Gas	tCO2e	84	93	95	88	-8%	4%
3	Business travel	tCO2e	115	108	59	75	27%	-34%
	TOTAL	tCO2e	537	519	404	390	-3%	-27%

Figure 1 – GHG emissions (tCO2e) by source

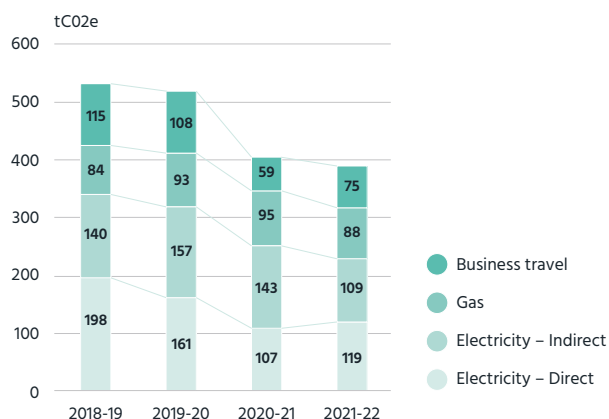


Figure 2 shows the percentage of emissions by source from the baseline of FY 2018-19 to FY 2021-22. The areas where we have greatest control and influence over (Electricity – Direct and Business travel) account for 49% of the total emissions. 51% of our emissions are outside of our direct control (Electricity – Indirect and Gas) and therefore, engagement and communication with landlords and managing agents of the buildings we occupy must be an important part of our strategy.

Figure 2 – % GHG emissions by source (tCO2e) – baseline FY 2018-19 (above) and FY 2021-22 (below)

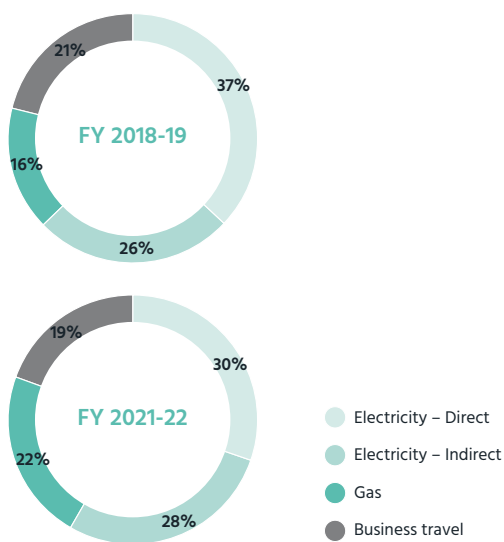
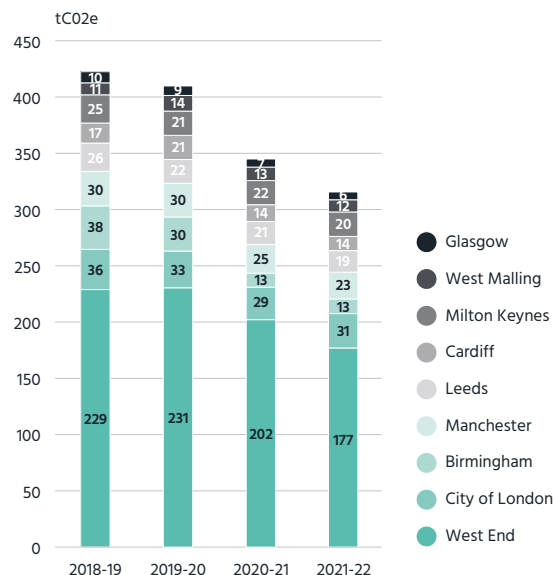


Figure 3 shows GHG emissions by office from FY 2018-19 (baseline) to FY 2021-22. Our London West End office accounted for over half (56%) of the total emissions, followed by the London City office (10%) and Manchester (7%). The other six offices account for c.25% of the total emissions. This reflects the fact that the West End office is our largest office, with the greatest number of employees working in it.

Figure 3 – GHG emissions by office (tCO2e)



KEY PERFORMANCE INDICATORS

Table 3 sets out our key performance indicators showing the year on year change from the 2018/19 baseline.











Table 3 – Key performance indicators

	Metric	FY '18-'19	FY '19-'20	FY '20-'21	FY '21-'22	Difference
GHG emissions	tCO2e	537	519	404	390	-3%
Energy	kWh	2,091,065	2,172,237	1,830,473	1,856,793	1%
GHG intensity	kgCO2e/m2	106	103	80	77	-3%
GHG intensity	kgCO2e/employee	976	944	735	710	-3%
Energy intensity	kWh/m2	414	430	363	368	1%
Energy intensity	kWh/employee	3,485	3,620	3,051	3,095	1%
Gas/ electric mix	%/kWh	28%	29%	33%	31%	-5%
Annual (yoy) reduction	tCO2e	n/a	-18	-115	-14	n/a
Annual (yoy) reduction	%	n/a	-3%	-22%	-3%	n/a

4. OUR ACTION PLAN

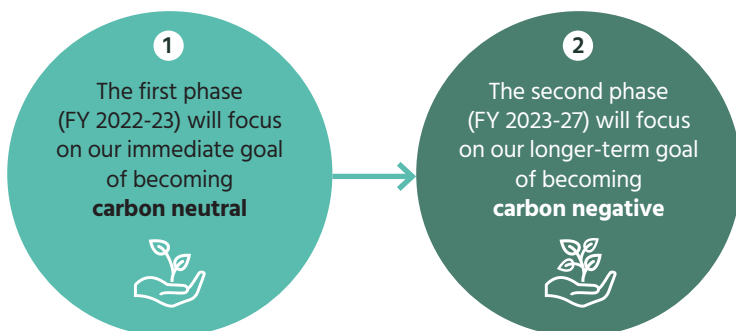
PROGRESS TO DATE

We have already made significant progress over the past year to reduce our GHG emissions and have had success through the following activities:

				
Procured green energy tariffs across our whole office portfolio	Worked with landlords to move to green energy tariffs for indirect electricity (managed)	Conducted an energy audit to identify areas where we can reduce energy usage	Optimised our office accommodation	Introduced Sustainable Travel guidance
				
Introduced an Electric Vehicle salary sacrifice scheme	Promoted the cycle to work scheme	Switched to the UK's only fully Zero-Emission taxi service with a fleet of hydrogen vehicles	Upgraded to more energy efficient electronic equipment and devices	Our data centre (Positive Park) uses 100% renewable electricity

Our action plan

Through the activities noted above, we will continue to minimise our emissions to the full extent possible to get as close to zero. Our action plan will build on this progress to date and will be set out in two phases, capturing the activities identified below:



We will continuously challenge ourselves and ask what more can we do to lead the transition to a low carbon future and to mitigate the risks of climate change to 2030 and beyond.

Table 4 – Our action plan

Phase	Activities to reduce and mitigate our GHG emissions	2022	2023	2024	2025	2026	2027
1	Implement carbon offset strategy – set out below						
1	Become carbon neutral within existing boundary – aligned to PAS2060 and GHG Protocol						
1	Ensure all directly procured electricity is REGO-backed renewable electricity (which is considered zero carbon)						
1	Move to market-based method for reporting of GHG emissions						
1	Begin to gather data and measure GHG emissions from the expanded Scope 3 boundary						
1	Target 5% year on year reduction in GHG emissions , in line with Science Based Targets						
1	Review energy audits of existing offices and establish programme of implementing recommendations where possible						
1	Implement travel policy to reduce emissions associated with travel where possible						
1	Engage with landlords and managing agents to reduce indirect emissions where possible (ongoing)						
1	Complete Climate Change Risk Assessment						
2	Continue to reduce energy consumption and GHG emissions						
2	Ongoing review of carbon offset strategy						
2	Capture expanded Scope 3 boundary reporting						
2	Set a target for reducing expanded Scope 3 emissions						
2	Take action to reduce emissions across expanded boundary						
2	Target 5% year on year reduction in GHG emissions , in line with Science Based Targets						
2	Further assess existing offices – to incorporate space optimisation and further investment in energy efficiency where appropriate						
2	Metering of all of our office space , where not currently in place and where possible						
2	Investment in energy efficiency/reduction programmes at lease events or through engagement with landlords						
2	Trial screening of clients/assets for climate-related risks						
2	Trial internal shadow price of carbon and a carbon transition fund to help assess business decisions						
2	Trial personal carbon accounting						

OUR PATHWAY

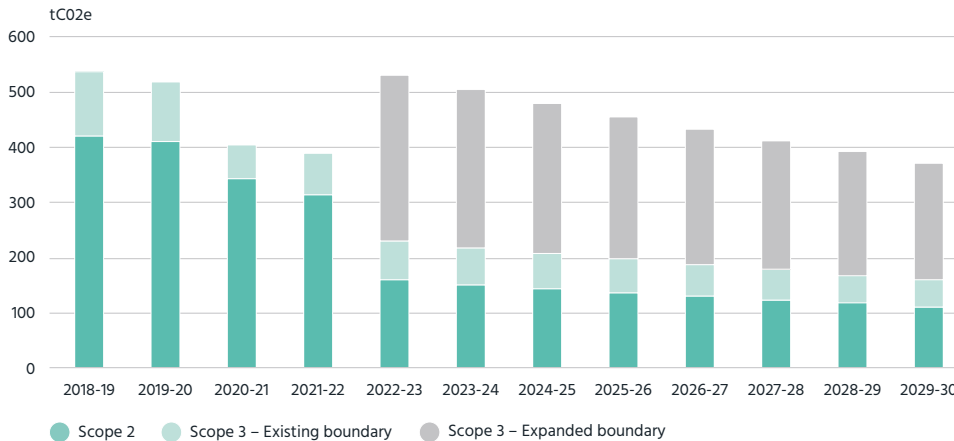
As noted above, our Scope 2 data is currently based on the location-based reporting, using standard conversion factors for the grid as set out by the UK Government. In reality, we currently procure green electricity in all our offices and therefore we will move to market-based reporting from FY 2022-23 to show emissions we are responsible for through our purchasing decisions. This will be based on the contracts we have with our electricity suppliers.

This change to our reporting methodology will reduce our Scope 2 GHG emissions from electricity – direct to zero. We will ensure all directly procured electricity is REGO-backed renewable electricity (which is considered zero carbon). Similarly, we will assess all landlord supplied electricity and move to market-based reporting where possible to accurately reflect our GHG emissions.

Our pathway, shown in **Figure 4**, identifies projected GHG emissions to 2030 and assumes a target of 5% reduction in tCO₂e each year. This will only be possible through action across our directly controlled boundary and through engagement with our landlords – as well as continued rapid decarbonisation of the grid.

We anticipate that by FY 2027-28 our annual GHG emissions will be **<200 tCO₂e across our existing boundary**. Including all **Scope 3** emissions from our expanded boundary, our annual GHG emissions could be c.400 tCO₂e.

Figure 4 – GHG emissions pathway projected to 2030





CARBON OFFSET STRATEGY

We will do everything we can do to reduce our GHG emissions to as close to zero as possible. However, we recognise that there will be remaining operational emissions which are outside of our direct control and we will need to offset the remainder of our emissions through certified projects that remove carbon from the atmosphere rather than avoid further emissions.

To become carbon neutral from this financial year, we will procure carbon offsets which accord to the gold standard. This will offset our operational emissions to zero.

Our carbon offset strategy to become carbon negative will include the following:

To become carbon negative, we must go beyond zero and remove more carbon from the atmosphere than we emit each year through certified projects. We recognise that this strategy firmly relies on the quality and integrity of the carbon offset activities we select.



We will **source our carbon offsets selectively** and carbon offset (credits) will move from carbon avoidance to carbon removal projects.



Our goal will be to **manage our offsets** through certified projects using the UK Woodland Carbon Code as this will create additional local environmental benefits.



We will **procure Pending Issuance Units (PIUs)** for woodland/peatland restoration in the UK – effectively a ‘promise to deliver’.



However, **no claim for offsetting** can be made until converted to WCU at verification, which can take five years.



We will set a **target of purchasing PIUs each year** from now on, to become carbon negative by FY 2027-28.



Until the purchased PIUs have matured, we will **continue to purchase certified carbon offsets** through gold standard credits.

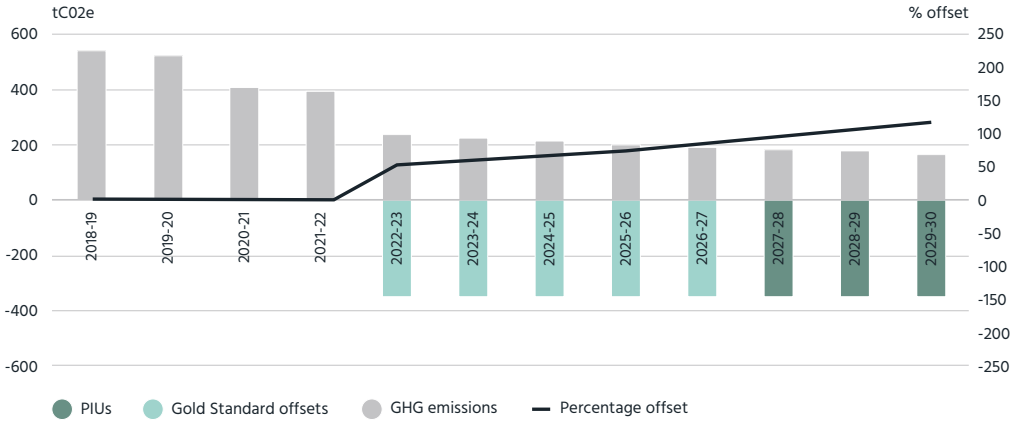


We will **review our carbon offset strategy each year**.

As our GHG emissions reduce, the amount of carbon offset vs our emissions will increase, as shown in figure 5 below.

- Our annual GHG emissions in FY 2027-28 are expected to be less than 200 tCO₂e (existing boundary) and will continue to reduce.
- Purchasing 350 tCO₂e of carbon credits will mean we are offsetting +50% of our GHG emissions.
- In FY 2029-30 we estimate we will emit 162 tCO₂e. Purchasing 350 tCO₂e of carbon credits will mean we are offsetting +116% of our GHG emissions.

Figure 5 – GHG emissions projected to 2030



5. OUR CLIMATE-RELATED DISCLOSURES


In line with the Task Force on Climate-Related Financial Disclosures (TCFD) we will begin to consider our climate-related disclosures on an annual basis, even though we are not currently captured by the [regulations](#).

This will include consideration of both the actual and potential impacts of climate-related risks and opportunities; as well as considering the performance of our business model under future climate change scenarios, improving resilience. We are doing this to follow best practice and to future-proof our business.

We will assess climate-related risks and opportunities under two climate scenarios over long time frames to 2050, one based on a high level of carbon emissions (+2°C); the other based on ambitious reductions in carbon emissions (1.5°C).

Figure 6 shows the draft framework we will use to begin to assess the risks and opportunities presented under each scenario. We have split this into three areas – our business, our people and our community, to be aligned to our strategic goals set out in Our Shared Future Framework. We will continue to use climate scenario analysis to understand the effects climate change may have on our business and ensure we have appropriate mitigations in place to remain competitive in the future environment in which we will operate.

Figure 6 – Climate-related risks and opportunities under climate scenarios to 2050 (draft)

Risk	Scenario	Our business	Our people	Our community
 Level and intensity of risk	1.5°C	Cost of business increases <ul style="list-style-type: none"> • Policy measures (tax and regulation) • Rent increases due to energy efficiency improvements/energy load • Energy cost • Supply chain affected • Carbon taxes • Cost of carbon (offsets) rapidly increases 	Working practices are affected – working from home restricted / not possible (energy costs, overheating) Health and wellbeing affected Family and friends networks affected – mental health and social impact Commuting patterns affected (cost, flood)	Clients are at risk / exposed to climate change risks <ul style="list-style-type: none"> • Transitional risks (market, supply chain, reputational, policy or technological) or • Physical risks (changing weather patterns, extreme weather events) Physical risks affect communities Livelihoods affected
	2.0°C	Revenue from clients at risk – opportunity to diversify and support clients in the transition to a low carbon economy Offices become unworkable (overheating, flood, subsidence, commuting)		

APPENDIX A – EXPLANATORY NOTES ON OUR REPORTING

REPORTING PERIOD

The reporting period year represents the 12 months between 01 April 2021 – 31 March 2022, which is in line with our financial year and our requirements for reporting under SECR.

QUANTIFICATION AND REPORTING METHOD

We have followed the HM Government Environmental Reporting Guidelines and have used the financial control approach.

Scope 1 (direct emissions)

- There are no Scope 1 emissions within our operational footprint

Scope 2 (energy – indirect emissions)

- **Electricity – Direct** = Purchased electricity directly from an energy provider (small power and lighting)
- **Electricity – Indirect** = Landlord provided energy paid for through a service charge (heating and cooling)
- **Gas – Indirect** = Landlord provided energy paid for through a service charge (heating and cooling)

Where direct information from energy providers is available (utility bills and meter readings) we can accurately determine energy consumption. Where we are unable to gain direct access to energy providers information, we can estimate energy consumption using the annual utility charges and service charge ascribed by the managing agent/Landlord of the buildings.

Scope 3 (other indirect emissions)

Business travel in employee-owned vehicles (captured by expenses). Business Travel is conducted by employees in their own vehicles (i.e. those not owned or directly controlled by the business).

We have therefore measured our greenhouse emissions under **Scope 3** as follows –

- 1) **Collated business travel mileage** using data from the Finance Team based on expenses
- 2) **Determined the petrol – diesel split of the mileage**, based on data provided by employees
- 3) **Converted the miles travelled into tCO₂e** using the UK Government Conversion Factors for company reporting for the relevant year
- 4) **Converted miles travelled into kWh** using the same conversion factors

Data from other Scope 3 emissions (water, waste, supply chain etc.) is not included but will be included going forward once greater certainty around methodology and data is established.

CONVERSION FACTORS

We have used the GHG Reporting Protocol – Corporate Standard and the UK Government’s Conversion Factors for Company Reporting.

We have used the version of the factors that correlates with the data on which we are reporting. As we are reporting on an April to March year, the factors from the calendar year in which the greatest portion of data falls have been applied. For example, the 2021 factors have been applied to data in reporting year 01/04/21 – 31/03/22.

Our reported carbon footprint has been calculated using the location method. We currently procure green tariffs across all of our offices and will move to market-based reporting.

APPENDIX B – EXPLANATORY NOTES ON DEFINITIONS

GREEN ENERGY

We will follow guidance set out by the UKGBC and others to inform how we procure and report on our green energy. The illustration below sets out some of the principles that we would look to explore.

Scope 2 Guidance explains that ‘market instruments’ must back a renewable electricity contract. In the UK, these instruments are Renewable Energy Guarantees of Origin (REGOs) – a certificate that proves that a unit of power is generated from a renewable source.

Having a 100% REGO-backed electricity supply guarantees that your power is backed by renewable generation and can be reported as zero carbon. The REGO itself is a unique code that details which renewable generator produced the power – rather like the identification stamps.

Figure 7 – Categorisation of green tariff products
Source: UKGBC

Scenario	Energy Attribute	Renewable Sourced	Additionality
Green tariff from supplier with 100% Renewable Sourced tariffs only – ‘high quality green tariffs’	✓	✓	✓ future
Green tariff from all other suppliers – ‘low quality green tariffs’	✓	✗	✗

As a reminder, the principle ‘renewable sourced’ related to whether the power was 100% renewable electricity, or not. Any supply that is a mix of renewable electricity and fossil fuel power, such as ‘low quality green tariffs’, were not considered to have met this principle.

HIGH QUALITY GREEN TARIFFS

These are suppliers that only:

- Generate their own renewable electricity; and/or
- Purchase renewable sourced electricity and the REGO certificates via PPAs direct from generators (ie. bundled power and certificates)

CARBON OFFSETTING

Carbon offset (credits) can either arise from avoidance or removal projects.

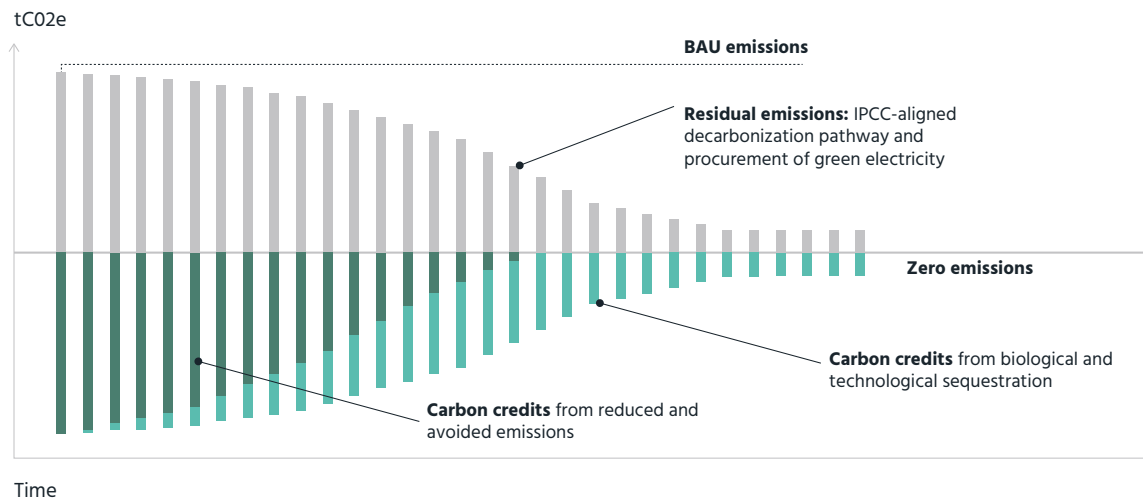
a. Avoidance projects

- Stop GHG being emitted
- Contribute to climate action by preventing carbon that would have been released into the atmosphere
- This could be building a wind farm to lower reliance on fossil fuels, repairing boreholes to replace the need for purifying water by boiling it on open fires and preventing deforestation.

b. Removal projects

- As the name suggests, remove carbon from the atmosphere
- Broadly speaking, they are split into two categories: natural carbon removals, like tree planting which sequesters carbon as the trees grow, and technological carbon removals, for example, direct air capture.

Figure 8 – Carbon offsetting
Source: ICROA, 2020



TRANSITION FUND

The illustration below sets out some of the principles that we would look to explore.

Figure 9 – Leadership carbon offsetting approach: Transition Fund

Source: UKGBC

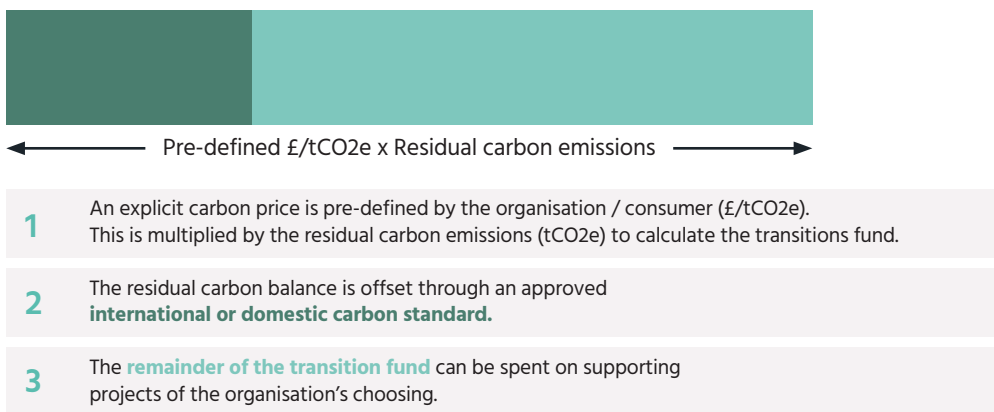
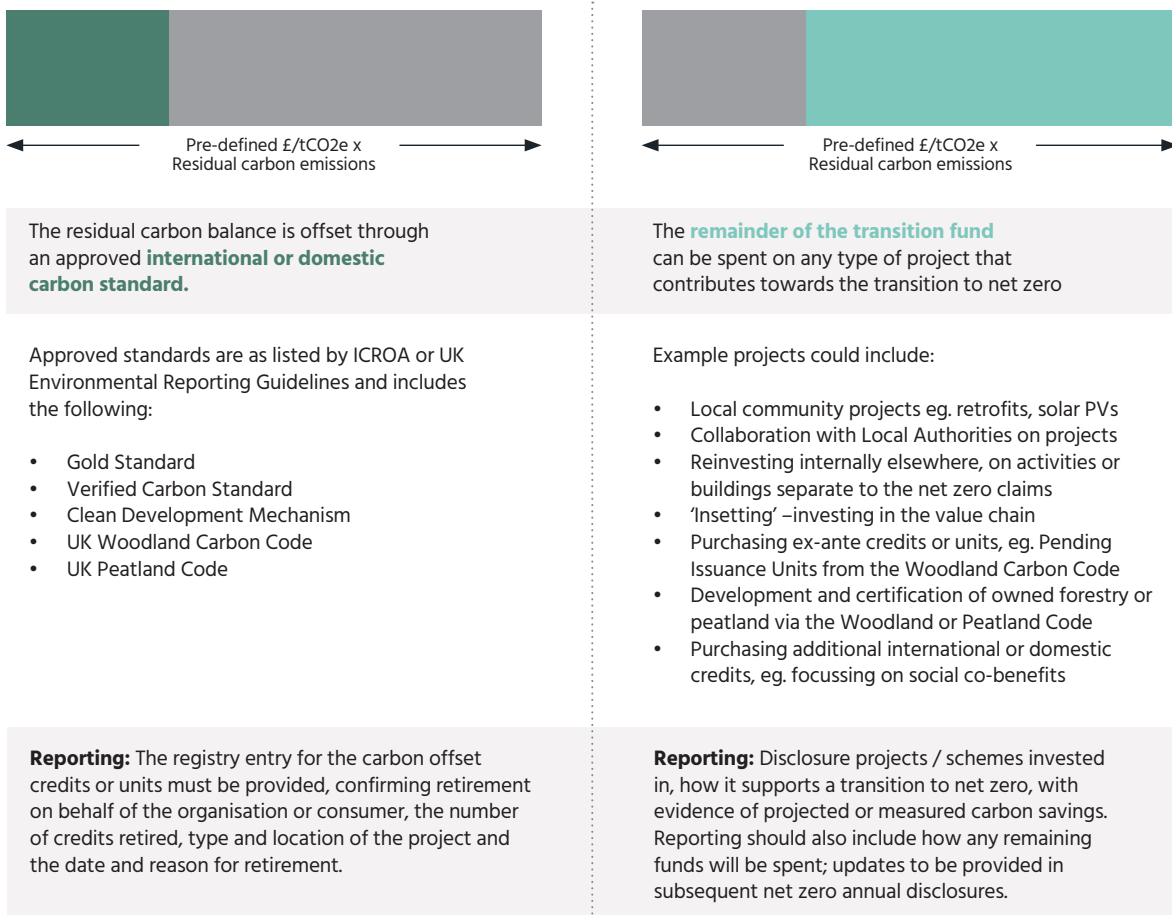


Figure 10 – Transition Fund – example expenditures and recommended reporting

Source: UKGBC



SCIENCE BASED TARGETS

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2.0°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

OFFICES

London (West End)

One Fitzroy
6 Mortimer Street
London W1T 3JJ
Tel. +44 (0)20 7493 3338

London (City)

Bow Bells House
1 Bread Street
London EC4M 9BE
Tel. +44 (0)20 7489 8900

Birmingham

45 Church Street
Birmingham B3 2RT
Tel. +44 (0)121 616 4800

Cardiff

32 Windsor Place
Cardiff CF10 3BZ
Tel. +44 (0)29 2038 8044

Glasgow

140 West George Street
Glasgow G2 2HG
Tel. +44 (0)141 221 6397

Leeds

1 York Place
Leeds LS1 2DR
Tel. +44 (0)113 204 8419

Manchester

1 Marsden Street
Manchester M2 1HW
Tel. +44 (0)161 259 0450

Milton Keynes

11 Exchange Square
21 North Fourth Street
Milton Keynes MK9 1HL
Tel. +44 (0)1908 685950

West Malling

35 Kings Hill Avenue
West Malling
Kent ME19 4DN
Tel. +44 (0)1732 229420