

# Carbon Reduction Plan

## Commitment to achieving Net Zero

Clyde & Co is committed to achieving Net Zero emissions by 2040.

## 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 will be measured.

### Baseline Year: 2019

### Baseline Emissions Calculation

We engaged a specialist environmental consultancy (Carbon Intelligence) to assist us with developing a credible and authentic science-based emissions targets together with a clearly defined plan, and roadmap, to deliver these targets.

We submitted our science-based targets to the SBTi at the end of July 2022 committing us to an ambitious near-term reduction of 80% in our scope 1 & scope 2 emissions and a 50% reduction in our scope 3 emissions by 2030 with an overall emissions reduction target of just over 50% by 2030.

We expect to submit our long term SBTi target in 2023 which targets us achieving net zero emissions on or before 2040.

As a provider of legal services there are only three broad areas of decarbonisation that we need to focus upon to deliver upon our net zero strategy

- Operating energy efficient and low-carbon workplaces
- Using sustainable business travel
- Maintaining a low carbon and resilient supply chain

We reproduce below, under future strategy development, summarised graphical representations of our emissions reduction roadmaps and likely / proposed initiatives and projects that will deliver the SBTi near term targets submitted.

**Baseline year emissions:**

<b>EMISSIONS</b>	<b>TOTAL(tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>493</b>
<b>Scope 2</b>	<b>4,278</b>
<b>Scope 3 (Included Sources)</b>	<b>89,827</b>
<b>Total Emissions</b>	<b>94,698</b>

## **Carbon Reduction Projects**

### **Completed Carbon Reduction Initiatives**

The following environmental management measures and projects have been completed or implemented since the 2019 baseline.

- In 2019 we signed up to the UK Legal Renewable Initiative, making a commitment to source 100% renewable energy from certifiable sources, across all UK offices by 2025. 100% of the electricity supplied to our UK offices is already from certifiable sources. Electricity consumption accounts for 90% of our overall scope 1 & scope emissions footprint and we expect to eliminate the remaining 10% associated with our natural gas usage by 2025.
- In 2019, we joined the Legal Sustainability Alliance in the UK, an inclusive movement of law firms and associated networks, working together to take action to improve the environmental sustainability of their organisation.
- In 2021 we also joined the Australian Legal Sector Alliance, an industry-led association in Australia working collaboratively to promote best practice sustainability commitments and performance across the legal sector.

- In 2021 we were also accredited with our ISO 14001 Environmental Management Certification. This is the international standard for environmental management systems and will help control our environmental aspects, reduce impacts, and ensure legal compliance.
- We set out, in 2019, to reduce our global office footprint by a minimum of 20% over 5 years. Our ability to work in a much more agile manner during the COVID19 pandemic revised our strategic ambition in 2020 our ambition to reduce our global office footprint is now a reduction of 45% by 2025. From our baseline of 986,000 sq. ft (prior to the merger with BLM on July 2022) we have committed to and are enacting plans now which will see our footprint reduce by 215,000 sq. ft (22%) by October 2022; circa 50% of our target reached with three years remaining.
- Due to the nature of the legal services sector, it is not realistic to expect a complete cessation of business travel. Our net zero strategy will seek to deliver a reduction in business travel emissions through both reducing the amount of travel required by our people and making business travel more sustainable. Business travel can also be made more sustainable by addressing the mode and class of travel taken by employees. To this end the firm has launched Travel wise, a UK wide program aimed at smarter travelling. This encourages early booking, alternative modes of travel, and aims to reduce our overall travel footprint.
- Our long-term plans include implementing IT resources to make travelling less of a necessity as we continue work done to date building a virtually enabled work environment. In September 2021 we implemented a hybrid model of working for all our UK employees with an expectation that they will work, on average, 2-3 days per week in the office and 3-2 days per week remotely and as such have also reduced the business commute. As our strategy develops, we would expect to make similar changes to working practices globally wherever practically possible.
- In 2021 we committed to being a founding member of the Net Zero Lawyers Alliance (NZLA), an industry-led group of leading law firms, to accelerate the transition to net zero emissions by 2050. As a member of the NZLA we have specifically committed to
  - Develop (and encourage and support law firms in less developed countries to develop) verifiable Net Zero 1.5 aligned emissions targets for review at least every five years, with a view to prioritising

reductions (i.e., zero emissions) and using only high integrity removal units for hard to abate GHG emissions

- Work with clients to offer legal services, where possible, that align with and facilitate client decarbonisation goals consistent with Net Zero, which will be achieved through enhanced capacity building and training, and industry-wide collaboration to facilitate systemic change in law and legal practice to transition to Net Zero by working to convert net zero ambition to obligation
- Set an interim target for implementing firm lawyer capacity building and training in accordance with NZLA training modules, or equivalent, and monitor its impact on our firm's legal services
- Set an interim target for participation in collaborative initiatives aimed at facilitating systemic change in law and legal practice to facilitate transition to Net Zero and monitor the impact of these on our firm's legal services
- Continue through the NZLA to look for innovative ways to work together cooperatively to advance commercial law instruments and services, including in close collaboration with the UNFCCC Race to Zero and its official Partnerships.

## **Future Strategy Development**

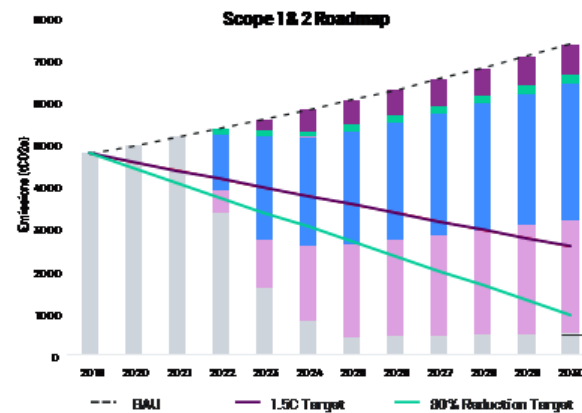
In 2022 we established a partner led Environmental Sustainability Steering committee to further develop our future strategy and to

- agree global net zero emissions reduction strategy (including key priorities and targets) with the Global Board
- have delegated authority to embed the net zero emission reduction strategy within each region and have responsibility to deliver on the strategy
- support the sustainability team to develop co-ordinated regional and global programmes
- agree level of investment required to deliver on agreed strategy
- monitor and report on progress of the Regional Boards to the Global Board quarterly.

Our emissions reductions roadmaps and likely / planned initiatives for scope 1 & 2, scope 3 business travel and scope 3 purchased goods and services (PG&S) emissions reductions are shown below:

## Scope 1&2 Proposed Target: 80% reduction by 2030

Transitioning to 100% renewable electricity will be key in achieving Scope 1&2 emissions reductions.

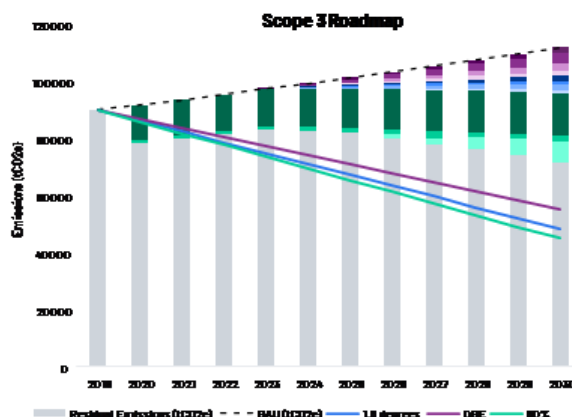


Initiatives	Contribution to 2030
<b>Natural Gas:</b> Have emissions of 100k tons reduced by 20% possible and 30% possible (100k to 70k). 1. Phase out 100k tons of gas (100k to 70k tons) 2. Reduce 100k tons of gas (100k to 70k tons) 3. Reduce 100k tons of gas (100k to 70k tons)	-20%
<b>Energy Reduction:</b> 1. Green buildings at your request (100k to 70k tons) 2. Green buildings at your request (100k to 70k tons)	-8%
<b>Electricity Transition to Green Tariffs:</b> Transition to 100% renewable electricity (100k to 70k tons) 1. Reduce 100k tons of gas (100k to 70k tons) 2. Reduce 100k tons of gas (100k to 70k tons)	-30%
<b>Electricity-Purchase Emissions (EACs) where feasible are not available:</b> Countries outlined on the next slide. 1. Purchase Energy Attribute Certificates (EACs) where reasonable benefits are not available.	-40%
<b>TOTAL SCOPE 1 &amp; 2 REDUCTIONS</b>	-88%

**Notes:**

- Base emissions reporting year FYM/20
- Using a worst-case approach
- Assumed 4% growth annually

## Scope 3 Proposed Target – Business Travel – 50% reduction by 2030



Gap to target = 30%. This will reduce with access to better supplier data, as the current methodology uses broad carbon factors, which overestimate emissions. Switching to supplier data will be a methodology change, but will result in a more accurate emissions profile.

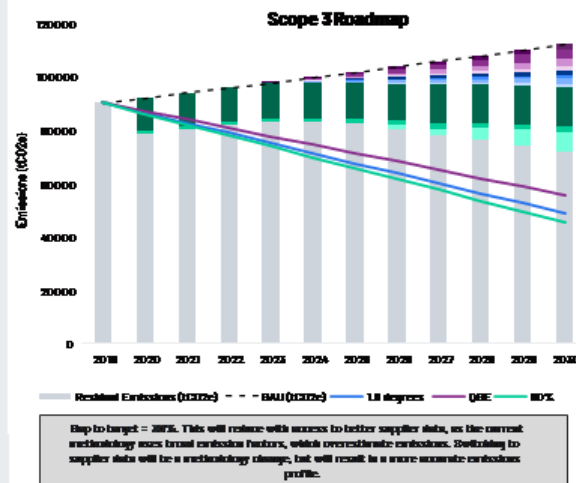
Initiatives	Contribution to 2030	Contribution to 2030
<b>Business Travel</b> • Due to Covid, Business Travel has reduced by 30%, maintain this with a sustainable Travel Policy, and give teams with a 'travel carbon budget'.	-8%	-50%
<b>Moving flights from First Class to Business</b> • Flight class Attribution based on weight emissions associated with flight up 20%.	-1%	-8%
• As the flight characteristics, there will be less emissions associated with travel.	-4%	-25%

	YoY	2025	2030
Aligned to OBE	-3.5%	-21%	-38.5%
Aligned to 1.5C	-4.2%	-25.2%	-48.3%
Adjusted Ambition	-4.8%	-27.0%	-50.0%

**Notes:**

- 25% annual growth has been modeled in.
- This is decoupled on 10% & 15% organic growth.

## Scope 3 Proposed Target - PG&S - 50% reduction by 2030



Initiatives	% reduction of Scope 3	% reduction on category
<b>Non-Billable Direct 1:1 Engagement</b> <ul style="list-style-type: none"> <li>Top 40 H10% of Non-Billable supplier emissions (already have SB1) - reduce emissions by 4% a year</li> </ul>	-1%	-0%
<b>Non-Billable Direct 1:1 Engagement</b> <ul style="list-style-type: none"> <li>Top 40 H10% of supplier emissions (don't have SB1) - will reduce by 4% a year</li> </ul>	-2%	-0.1%
<b>Billable General Engagement</b> <ul style="list-style-type: none"> <li>General engagement with the next 140 suppliers (the next 20% of Non-Billable emissions) to set 1.8 aligned SB1's to reduce by 4% a year</li> </ul>	-7%	-0%
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<b>Billable Direct 1:1 Engagement</b> <ul style="list-style-type: none"> <li>Top 30 Billable suppliers (Non-Billable) account for 18% of Billable supplier emissions - engagement to set SB1 to reduce emissions by 4% a year</li> </ul>	-1%	-0%
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<b>TOTAL SCOPE 3 REDUCTIONS</b>	<b>-20%</b>	<b>-</b>

### Notes:

- 2% annual growth has been modelled in.
- This is accounted on 1.8 & 1.5% organic growth.