

# Carbon Reduction Plan

Supplier name: CEPA LLP/Cambridge Economic Policy Associates Ltd (CEPA) .....

Publication date: 1 April 2023 .....

## Commitment to achieving Net Zero

**CEPA** is committed to achieving Net Zero emissions by the end of 2024. Given CEPA's status as an SME and the nature of its work as an advisory firm, our plan is to:

- Implement policies to limit business related emissions of CEPA's staff to that strictly necessary for maintaining effective business operations.
- Continue to measure all Scope 1<sup>1</sup> and Scope 2 emissions, all business travel emissions, employee commuting emissions and waste disposal emissions.
- Offset residual emissions using externally audited carbon certificates.
- Implement policies that seek to limit business related emissions of CEPA's associates and supply chains to those that are strictly necessary for maintaining effective business operations.

## Baseline Emissions Footprint

Our 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. The Covid-19 pandemic has significantly changed the profile of our carbon emissions in 2020 and 2021, with significantly less travel than under business as usual prior to the pandemic. We estimate that our baseline emissions in 2021 were 33.4 tCO<sub>2</sub>e made up of 17.1 tCO<sub>2</sub>e from Scope 2 emissions (primarily electricity and heat of our company offices) and approximately 16.3 tCO<sub>2</sub>e from Scope 3 emissions (primarily commuting).

Relative to the 2021 baseline, CEPA's direct emissions increased in 2022 as we emerged from the pandemic and our staff returned to the office for a proportion of each week. Some of CEPA's work is global in nature, including in developing and emerging countries. Therefore, work related travel also increased relative to the 2021 baseline as business-critical meetings are held at which our physical presence is required.

In parallel, CEPA has developed its processes to measure our emissions, starting with Scope 2 and staff-related Scope 3 emissions, before developing measurement approaches for wider supply-chain related Scope 3 emissions. We have committed to offsetting all our residual emissions using externally audited carbon certificates.

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<sup>1</sup> We do not currently identify any Scope 1 emissions from CEPA's business operations. As an economic consultancy, our emissions are limited to those necessary for day-to-day running of the office, business travel and commuting. We do not own or operate any assets that are directly responsible for the generation of significant volumes of carbon emissions and that would be captured under our understanding of Scope 1 emissions.

**Baseline Year: 2021****Background assumptions**

% of days worked in office	12%
Number of staff (London, total)	46
Number of staff (London, ftes)	43
Working days per year	220
Floor 5 office	2,626 sq. ft
Business travel	None

Average number of people in office	5	Assessed at 9 March 2022
FTEs	43	

**Baseline year emissions: 2021**

<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	0 <sup>1</sup>
<b>Scope 2</b>	17.1
<b>Scope 3 (Included Sources)</b>	16.3
<b>Total Emissions</b>	33.4

## Current Emissions Reporting

Reporting Year: 2022 (assessed at in March 2023)	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	N/A <sup>1</sup>
Scope 2	15.6
Scope 3 (Included Sources)	36.6 <sup>2</sup>
<b>Total Emissions</b>	<b>52.2</b>

### Scope 3 categories

- Business travel:** CEPA generated 5.16 t CO<sub>2</sub>e related to business transit and 1.044 t CO<sub>2</sub>e related to business hotel stays across 2022.
- Employee commuting:** CEPA generated 6.234 t CO<sub>2</sub>e in 2022.
- Upstream transportation and distribution:** CEPA purchases only a very small quantity of office supply products (e.g., office coffee supplies, hand sanitizer, etc) and does not ship products. As a result, we do not directly measure upstream transportation and distribution emissions. However, to capture these emissions we have applied a 25% uplift to our Scope 3 calculation to capture an estimate of these emissions.
- Waste generated in operations:** CEPA generates a small amount of waste, which we have not previously measured. However, we are working with our service providers to introduce methods to measure the waste generated in operations during the 2023 reporting year. As noted above, we apply a 25% uplift to our Scope 3 calculation to capture an estimate of these emissions.
- Downstream transportation and distribution:** None. CEPA does not transport or distribute any products.

### Emissions reduction targets

We are aiming to achieve Net Zero emissions by the end of 2024. The chart below shows our actual and projected carbon emissions each year, which includes 'non-measured' emissions (assumed to be 25%).

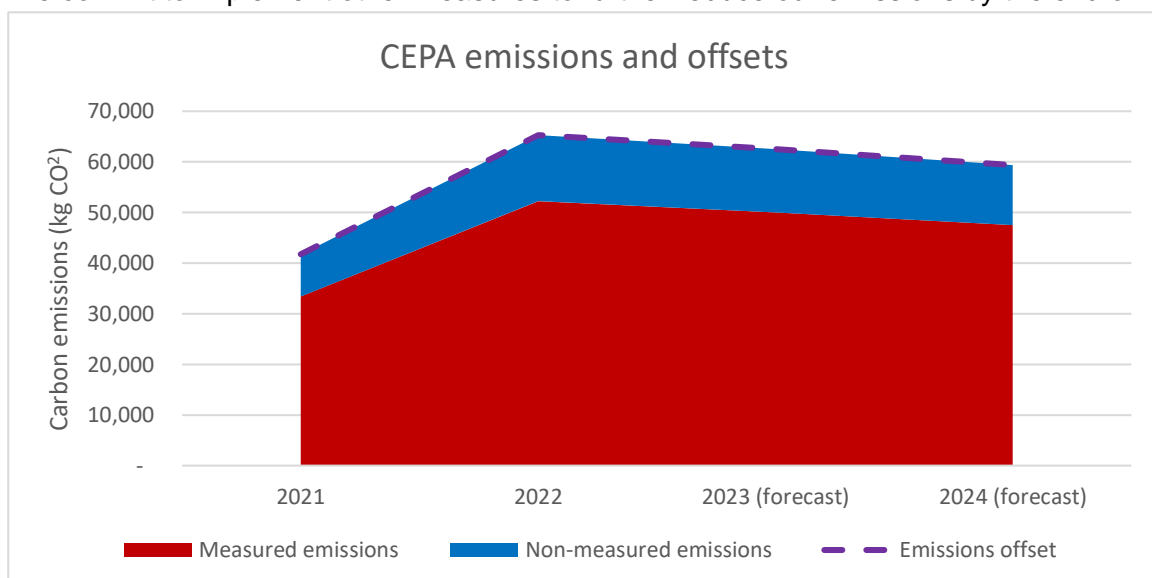
We note the following:

- In 2022, as we expected, our carbon emissions grew as:

<sup>2</sup> CEPA's has updated its methodology used to estimate Scope 3 emissions for the 2022 calendar year. In particular, CEPA has updated its approach to estimating emissions associated with staff working from home based on a new homeworking carbon emissions factor reported by the Department for Energy Security and Net Zero (formerly the Department for Business Energy & Industrial Strategy) in the 2022 Conversion Factors database (link: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>). This homeworking emissions factor sets out that companies should assume 0.34075 kg of CO<sub>2</sub>e per Full Time Equivalent (FTE) working hour. The 2021 version of the Conversion Factors database did not include a homeworking emissions factor. This update to CEPA's methodology has led to a material increase in estimated Scope 3 emissions in 2022.

- We expanded our office space to accommodate our growing team, leading to an increase in office-based heating and lighting.
- Our staff returned to regular commuting to our offices by public transport. Based on the results of our travel survey, we recorded 6.2 tCO<sub>2</sub>e in commuting emissions in 2022. In 2021, we recorded just 1.9tCO<sub>2</sub>e.
- We undertook business-critical travel to support delivery of our services. We had no emissions due to business travel in 2021 due to Covid. In 2022, we recorded 6.2 tCO<sub>2</sub>e for travel and hotel stays.
- We recorded 10.4 tCO<sub>2</sub>e in working from home emissions in 2022. This is a big increase on only 1.1 tCO<sub>2</sub>e recorded in 2021. The driver of this change is methodology – the 2022 numbers now utilise emissions estimates published by BEIS whereas the 2021 numbers were constructed based on a more ad hoc set of calculations.
- We committed to offsetting our emissions in 2022. This included heating, lighting and travel emissions.
- In 2023, we expect to implement several projects/policies to reduce carbon emissions relative to 2022:
  - We have committed to signing up to an energy tariff from a renewable provider who commits to purchasing gas and electricity supplies to match our demand.
  - We will look to strengthen our travel policies to reduce the extent of flying and car use for attending meetings.

We commit to implement other measures to further reduce our emissions by the end of 2023.



## Carbon Reduction Projects

The following environmental management measures and projects have been completed during 2022:

Measure	Date commencing	Anticipated carbon reduction (tCO <sub>2</sub> e)	
<i>Migrate to renewable energy tariff</i>	1 January 2023	17 t CO <sub>2</sub>	
<i>Limitation of business travel for non-essential purposes</i>	1 April 2022	c. 52 tCO <sub>2</sub> relative to estimate of business-as-usual travel emissions pre Covid-19 pandemic	
<i>Offsetting of unavoidable emissions.</i>	31 December 2022	41.75 tCO <sub>2</sub>	
<i>Recording and assessment of emissions from essential business travel.</i>	1 April 2022	N/A	
<i>Provision of a corporate "Cycle to work" financial incentive programme</i>	Existing	None	
<i>Development of office facilities to cater for bicycle storage and changing.</i>	1 October 2022	0.5 tCO <sub>2</sub> (based on additional cycling to work)	
<i>Adoption of a flexible working policy to minimise the need for commuting</i>	Existing	c. 8 tCO <sub>2</sub> assuming 50% of work-related travel emissions are saved	
<i>Development of recycling facilities for office waste.</i>	1 April 2022	None (waste not included in baseline)	
<i>Management support for carbon-reduction initiatives suggested or undertaken by CEPA staff (e.g., meat-free, or vegan days).</i>	1 April 2022	Nominal impact on actual emissions but supports awareness raising	
<i>Reduction in the use of office consumables (e.g., printing and non-environmentally friendly merchandise production).</i>	1 April 2022	Nominal impact	

The following environmental management measures and projects are planned to be completed during 2023 and beyond:

Measure	Date commencing	Anticipated carbon reduction (tCO <sub>2</sub> e)
<i>Offsetting of unavoidable emissions.</i>	31 December 2023	62.5 tCO <sub>2</sub>
<i>Offsetting of unavoidable emissions.</i>	31 December 2024	56.250 t CO <sub>2</sub>
<i>Development of recycling facilities for office waste.</i>	1 April 2023	Nominal impact
<i>Management support for new</i>	1 April 2023	Nominal impact

<i>carbon-reduction initiatives suggested or undertaken by CEPA staff.</i>		
Development of processes to reduce wider supply-chain related Scope 3 emissions.	1 April 2023	2.79 t CO2
Development of processes to reduce wider supply-chain related Scope 3 emissions.	1 April 2024	3.13 t CO2

## Declaration and Sign Off

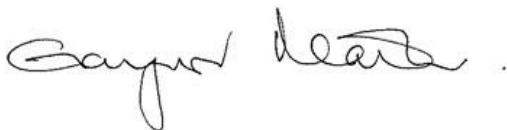
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>13</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>14</sup>.

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) Standard<sup>15</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

### Signed on behalf of the Supplier:



Name: Gaynor Mather

Position: Partner

Date: 5 June 2023

<sup>13</sup> <https://ghgprotocol.org/corporate-standard>

<sup>14</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>15</sup> <https://ghgprotocol.org/standards/scope-3-standard>