

# **CARBON REDUCTION PLAN**

## **North Highland UK**

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Publication date: February 2023

## Commitment to achieving Net Zero

North Highland UK is committed to achieving Net Zero emissions by 2050. Anthropogenic activities are estimated to have caused approximately 1.0°C of global warming above pre-industrial levels, increasing at an average rate of 0.2°C per decade (IPCC, 2019). <sup>1</sup>Therefore, reaching and achieving net zero anthropogenic global CO<sub>2</sub> emissions is vital to reducing the degradation of natural and human systems.

The urgency of climate change has created a vast diversification opportunity for organizations willing to adapt to new global systems and innovative schools of thought. North Highland recognizes that the Green Transformation will be hugely reliant on human behavior and change management. As Change and Transformation specialists, North Highland appreciate the importance of authenticity and cultural change in achieving a successful and authentic sustainability strategy. Therefore, over the past year our Environmental, Social and Governance (ESG) Team have been researching and defining a clear and concise position statement on sustainability and emissions reduction.

This report outlines North Highland's strategy to significantly reduce our carbon emissions which officially came into effect from January 2023 as we continue to define the future of hybrid working as a firm.

In 2022, North Highland\* is committed to achieving the following:

- We commit to achieving Net Zero by 2050
- Our Net Zero Roadmap will be implemented from January 2023
- Staying accredited to the Good Business Charter and continuing to act as a responsible business
- Research and develop change management capabilities to aid Green Transformation
- Educate staff and clients on the importance of climate change and ESG disclosure

As a professional services firm, North Highland's carbon emissions are considerably lower than other industries. Consequently, our biggest impact in the environmental arena will be through leveraging our Change Management experience to aid the transition to a carbon-neutral economy. This type of transformation is disruptive across all industries and educational institutions, and therefore collaboration and culture will be key to its acceptance and the achievement of national targets.

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<sup>1</sup> IPCC. (2019). *Special Report: Global Warming of 1.5 °C Summary for Policymakers*. Retrieved June 2020, from <https://www.ipcc.ch/sr15/chapter/spm/>

\* These commitments are in reference to North Highland UK Limited only.

Despite this, North Highland is committed to reducing our carbon footprint to ensure we lead by example, as we continue to learn and advise clients on this topic. North Highland's carbon footprint has been calculated for 2019 and 2021, under the calculation guidance provided by the Greenhouse Gas Protocol for scope 1-3 emissions. However, given the drastic increase in home working, due to the covid 19 pandemic, we are working towards setting a more accurate benchmark as we define the future of hybrid working as a firm. Our hybrid working model will be defined in consideration of employees' wellbeing, commitment to client needs, and reducing any negative environmental impacts.

## 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.

<b>Baseline Year: 2019</b>
<b>Additional Details relating to the Baseline Emissions calculations.</b>
<p>To effectively transition to carbon neutrality and initiate a successful corporate climate change strategy, we have considered our scope of emissions within our value chain, as established by the Greenhouse Gas (GHG) Protocol<sup>2</sup>.</p> <p>The Greenhouse Gas Protocol classifies scope 3 emissions into 15 sub-categories. Due to the nature of our value chain, only 4 of the 5 mandatory scope 3 categories are relevant to North Highland. Given we are a professional services provider we have no emissions in the downstream transportation and distribution category. Our scope 3 calculations include emissions from: business travel, employee commuting, waste generated in operations, and upstream transportation and distribution.</p> <p>When calculating our emissions, North Highland has used methodologies in accordance with the GHG Protocol guidance. Please see an explanation of our methodologies below.</p> <p><b>Office Energy:</b></p> <p>Scope 1 emissions are direct emissions from owned or controlled sources (e.g., stationary combustion, company vehicles or boilers from heating). Given we lease our office space, our energy emissions fall into scope 2 – indirect emissions from the generation of purchased electricity (national grid). North Highland has adhered to the Green House Gas Protocol calculation guidance to submit our emissions data for the required reporting years.</p>

<sup>2</sup> Protocol, G. (2013). *Corporate Value Chain (Scope 3) Standard*. (GHG Protocol ) Retrieved 2020 , from <https://ghgprotocol.org/standards/scope-3-standard>



Scope 2 energy and fuel-related emissions are electricity, steam, heat, and cooling (Greenhouse Gas Protocol, 2013). <sup>3</sup>Scope 3, category 3 energy emissions account for: upstream emissions of purchased fuels and electricity; transmission and distribution (T&D) losses; and the generation of purchased electricity that is sold to end users.

#### Employee Commuting & Business Travel:

There are three methods of calculating scope 3, category 6 & 7 emissions:

- Fuel-based method: determining the amount of fuel consumed during business travel and applying the appropriate emission factor for that fuel.
- Distance-based method: determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.
- Spend-based method: determining the amount of money spent on each mode of business travel transport and applying secondary (EEIO) emission factors

North Highland is working to collect the required data to use the distance-based method from 2023, as recommended by the GHG Protocol. However, for calculations to date we have used whatever data we have available to create our baseline.

#### Disposable Waste:

Waste generated in operations is a scope 3, category 5 emission. North Highland's waste disposal methods are currently limited to the practices of London Borough of Holborn. Currently, this includes separate waste disposal bins for plastic, paper, cardboard, metal, and glass.

North Highland will announce our accreditation to an official carbon calculating and offsetting body in 2023, following the release of the firm's official position statement. However, for previous years, including 2020 and 2021, the GHG Protocol's calculation guidance has been used to formulate a carbon report. *(It is worth noting that emissions calculated during this period are significantly lower than expected due to the impacts of the Covid-19 pandemic and increased homeworking.)*

#### Baseline year emissions: 2019

EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	n/a (explanation for exemption above)

<sup>3</sup> Greenhouse Gas Protocol. (2013). *Scope 3 Calculation Guidance*. Retrieved 2020, from Divesting from fossil fuel firms can send a message on climate change

<b>Scope 2</b>	92.35
<b>Scope 3</b> (Included Sources)	1532.13 Including: business travel, employee commuting, waste generated in operations, and upstream transportation and distribution.
<b>Total Emissions</b>	<b>1624.47 tCO<sub>2</sub>e</b>

### Current Emissions Reporting

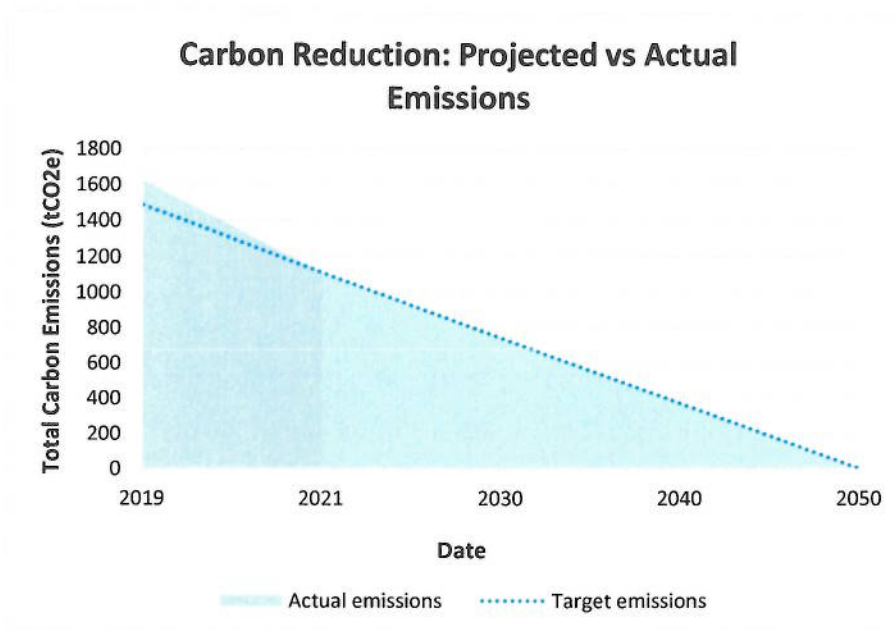
Reporting Year: 2021	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
<b>Scope 1</b>	n/a
<b>Scope 2</b>	92.35
<b>Scope 3</b> (Included Sources)	1021.27 Including: business travel, employee commuting, waste generated in operations, and upstream transportation and distribution.
<b>Total Emissions</b>	<b>1113.62 tCO<sub>2</sub>e</b>

## Emissions reduction targets

In order to achieve Net Zero by 2050, we have adopted the following carbon reduction targets and projects. During this time, North Highland is committed to offsetting any emissions we generate as an organization per full time employee equivalent across scope 1-3.

Given our London office relocation in Q4 2022 and the opening of our Manchester site in Q3 2022, we will work towards achieving 100% renewable energy sources to neutralize our scope 2 emissions. This has been a key consideration for our growth and relocation strategy. In parallel, North Highland will continue work towards developing our ambitious carbon reduction projects and endeavor to make environmental responsibility a key consideration across our value chain.

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



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following activities are either under way or are planned to reduce carbon emissions associated with our operations and any further updates will be part of our strategy to be published in 2023. All activities are aligned with our goal of achieving Net Zero emissions by 2050.

- **Working Space** – Offering a sustainable working environment for blended teams. Our office space adheres to ISO14001 including energy-efficient lights, reusable tableware, and an efficient recyclable waste management system. We encourage client and joint working teams to use our space to reduce unnecessary travel.
- **Reducing Utility Usage and Waste** – Reducing utility usage and waste by investing in recycling facilities and installing water-saving taps.



- **IT Usage** – using cloud workloads for data storage runs at up to an 88% lower carbon footprint than a company data center. Cloud storage and ways of working are embedded across our blended teams.
- **Creating a sustainable working environment** – Our office accommodates just 40% of our workforce, balancing our people's requirements whilst minimizing our carbon footprint.
- **Protecting our environment** – all employees participate in our annual Day of Giving Back where we work on ESG related charitable causes. E.g., North Highland cleared rubbish from the River Lea
- **Offsetting Our CO2** – Offsetting remaining emissions we are unable to remove from our operations and value chain.
  - We are a global firm and are committed to working towards a clear firm-wide carbon offsetting strategy. As we define the future of hybrid working for the firm, we hope to use carbon reduction as an incentive to continue to work-from-home for clients, whilst simultaneously reducing their emissions across their value chains. We consider minimizing the initial production of carbon a priority, as opposed to offsetting emissions that could be avoided in the first place; we want to treat the cause, not the symptom.
  - Offsetting requires a thorough quantification of the organizations carbon footprint to ensure the correct absolute amounts of carbon can be offset. Emissions must be calculated using the recognized emissions factors from national publications. Both the UK Government Environmental Reporting Guidelines and GHG Protocol that have been used and are compliant with these requirements
  - North Highland hope to include employee preferences in the offsetting process going forward, so that the firm's positive impact on the natural world can be engaged with firm wide. Lastly, ensuring all employees are involved in selecting the offsetting project will likely increase staff interest towards carbon neutrality and the individual's desire to reduce emissions.

## 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>4</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>5</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>6</sup>.

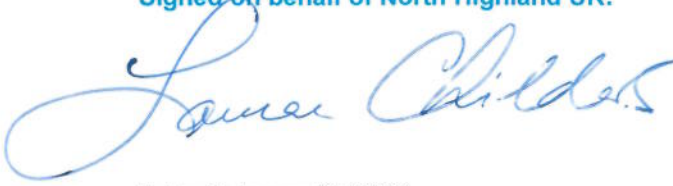
This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

<sup>4</sup> <https://ghgprotocol.org/corporate-standard>

<sup>5</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>6</sup> <https://ghgprotocol.org/standards/scope-3-standard>

Signed on behalf of North Highland UK:

A handwritten signature in blue ink, reading "Lauren Childs". The signature is written in a cursive style with a large initial 'L'.

Date: February 13, 2023