

CARBON REDUCTION PLAN: 2024-25

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

Publication date: 10 December 2024

COMMITMENT TO NET ZERO

CEPA is committed to minimising its environmental impact and to achieving and maintaining Net Zero emissions. We implemented a range of measures to monitor and reduce our carbon footprint and we reached Net Zero in 2022 by offsetting unavoidable emissions. CEPA is committed to sustaining this by reducing its emissions wherever possible. We will continue to offset any necessary emissions through reputable carbon offset programs.

As a small-to-medium enterprise (SME) and advisory firm, CEPA's plan is to:

- Implementing policies to limit business-related emissions of CEPA staff to what is essential for effective operations.
- Continuing to track Scope 1, Scope 2 as well as Scope 3 emissions, which cover business travel, employee commuting, and waste disposal.
- Creating policies that minimise emissions from CEPA's associates and supply chain, ensuring they only produce emissions essential for business.
- Offsetting all unavoidable emissions through verified carbon offset certificates.

CEPA'S APPROACH TO ESTIMATING ITS EMISSIONS FOOTPRINT

CEPA has developed processes to measure its Scope 1, Scope 2 as well as Scope 3 emissions on a calendar year basis. As a SME and advisory firm, it does not currently identify any Scope 1 emissions from its business operations.¹ The approach that has been developed to estimating Scope 2 and Scope 3 emissions is briefly outlined below.

Scope 2

Office electricity consumption account for all measured Scope 2. To account for the risk that some Scope 2 emissions have not been directly captured (such as due to energy usage within CEPA's shared office building), we apply a 25% uplift to the estimate of recorded Scope 2 emissions.

Scope 3

CEPA's estimate of Scope 3 emissions in 2023 includes:

- **Business travel:** CEPA staff generate emissions from unavoidable business critical travel and hotel stays.
- **Employee commuting:** CEPA staff generate emissions while commuting to and from our office building.
- **Homeworking:** CEPA staff produce emissions while working from home due to increased power usage, heating, and water consumption.

¹ Our emissions are instead 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.

- **Office emissions:** Emissions are produced at our office due to water consumption and the production of office waste (recyclable paper and plastic and non-recyclable kitchen waste).
- **Embedded carbon:** The equipment used at our offices (computers, desks, chairs, wider furniture) contains an embedded carbon content which is captured within our Scope 3 emissions estimates.

All other Scope 3 categories were considered to be not applicable, as CEPA does not transport or distribute products and therefore has no emissions from downstream transportation and distribution. However, to account for additional Scope 3 emissions that may not have been directly measured, a 25% uplift to the 2023 Scope 3 estimates (excluding travel-related emissions which is measured more accurately) was applied.

EMISSIONS FOOTPRINT

Baseline

CEPA has developed processes to measure its emissions, beginning with Scope 2 emissions and staff-related Scope 3 emissions, and is now working on ways to measure supply-chain-related Scope 3 emissions. In 2021, we measured emissions for the first time to establish a baseline for future comparisons.

CEPA's baseline emissions reflect the greenhouse gases generated before we implemented emission reduction strategies. This serves as a reference for tracking future reductions.

As a SME, CEPA does not produce Scope 1 emissions. Instead, its emissions come from office operations, business travel, and commuting. In 2021, we estimated baseline emissions at 33 tCO₂e, broken down as follows:

- 17 tCO₂e from Scope 2 emissions (arising primarily from electricity and heating in CEPA's offices); and
- 16 tCO₂e from Scope 3 emissions (arising primarily from employee commuting).

These emissions are illustrated in the table below.

Baseline Year (2021)	Total (tCO ₂ e)
Scope 1	0
Scope 2	17.1
Scope 3	16.3
Total Emissions	33.4

Current emissions reporting

The Covid-19 pandemic significantly reduced CEPA's carbon emissions due to less travel and office usage, which were CEPA's main sources of emissions. As such, emissions have increased compared to the 2021 baseline as we emerged from the pandemic and staff began returning to the office on a more regular basis.

As CEPA's work often involves global projects, including in developing and emerging countries, work-related travel also increased in 2022 due to an increased need for business-critical, in-person meetings. This trend continued in 2023, with a significant rise in travel compared to 2022 as face-to-face meetings became more common. Despite this, minimizing travel remains a top priority and we are committed to limiting travel to essential trips and have introduced new measures in this plan to manage business travel more effectively.

CEPA's estimated emissions from 2023 are illustrated in the table below.

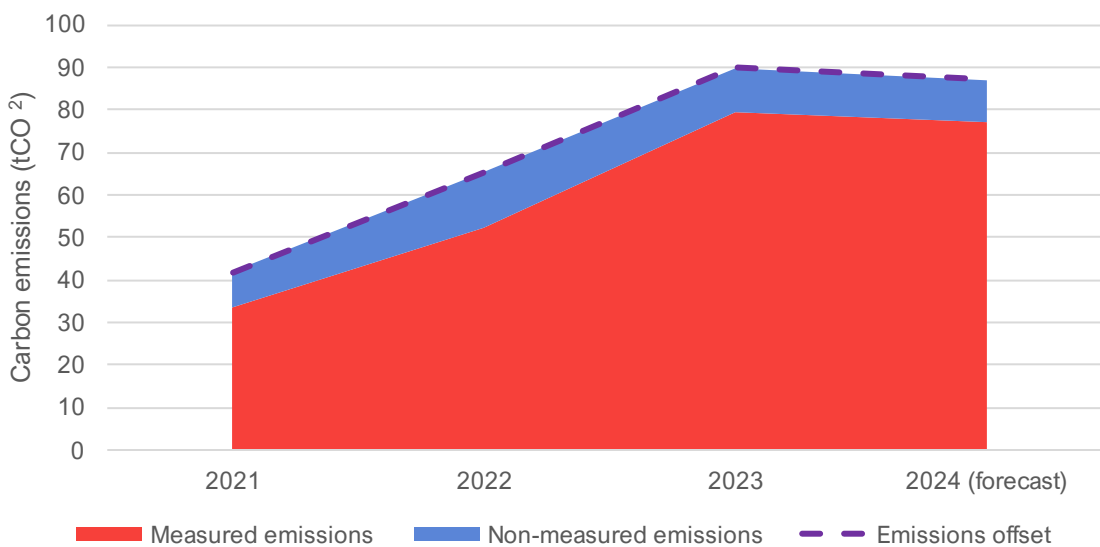
2023 reporting year	Total (tCO ₂ e)
Scope 1	0.0
Scope 2	11.0

2023 reporting year	Total (tCO ₂ e)
Scope 3	82.6
Total Emissions	93.6

Change in emissions over time

As noted above, CEPA's carbon emissions estimates have increased compared to the 2021 baseline as we emerged from the pandemic and as staff began returning to the office on a more regular basis. The chart below shows our actual and projected carbon emissions each year, which includes 'non-measured' emissions (assumed to be 25% of our Scope 2 and 3 emissions, excluding emissions from business travel).

Figure 1: Our actual and projected emissions for 2021-2024



The change in emissions between 2022 and 2023 is due to:

- An increase in the volume of business-critical travel, as clients increasingly required on-site attendance. The increase was particularly driven by long-haul travel. Emissions from business travel (both transit and related hotel stays) 37.5 tCO₂e in 2023 relative to just 6.2 tCO₂e in 2022. This is the single biggest contributor to the increase in emissions in 2023.
- Emission related to working from home increased slightly from 10.4 tCO₂e in 2022 to 10.8 tCO₂e in 2023. We expect the level of emissions related to working from home to remain stable in the next years, as our staff has settled into hybrid working after the Covid-19 pandemic.
- There was also a small increase in embedded carbon related to our office IT equipment and furniture from 10.0 tCO₂e (2022) to 12.9 tCO₂e (2023) as we have improved our office facilities.

In 2024, we expect to implement several projects/policies to reduce carbon emissions relative to 2023:

- We will look to proactively encourage the decarbonisation of our supply chain. To do this, we will put together our key messages and communications during 2024.
- We will look for opportunities to bundle client meetings together to reduce the need to travel to client site on separate occasions. Business travel is the largest contributor to our emissions, making any achievable reduction important to undertake.

We commit to implement other measures to further reduce our emissions by the end of the 2024 financial year.

CARBON REDUCTION PROJECTS

CEPA is actively working to measure and reduce its emissions through a variety of initiatives:

- **Business travel:** While CEPA works with a diverse range of international clients, it has implemented policies to minimise overseas business travel to only when in-person meetings are essential. It also tracks all business travel and commuting patterns to better understand its travel-related emissions.
- **Energy conservation:**
 - **Office temperature:** We have set maximum and minimum temperature targets to reduce energy consumption for heating and cooling our offices.
 - **Office equipment:** We use dynamic power sockets that automatically turn off equipment at the end of each day. Additionally, we have removed 40 desktop phones from our London office to cut unnecessary power use.
- **Office deliveries:** We are reducing office deliveries by cancelling unnecessary services, such as a weekly delivery of overseas fresh flowers, which have a high emissions impact. We are also placing larger, less frequent orders for consumables.
- **Behavioural changes:** We have placed reminders around the office to encourage staff to turn off appliances and use recycling facilities. Reusable coffee cups and shopping bags are provided to support waste reduction.
- **Active staff participation:** CEPA promotes sustainable commuting by not providing company cars, encouraging staff to walk, cycle, or use public transport. We participate in the Cycle to Work scheme and provide on-site bike facilities. We also operate a vegan lunch club to promote a flexible, meat-free diet.
- **Awareness of our emissions relating to cloud services:** We strive to keep our emissions related to cloud services to the minimum. For example, we aim to reduce the number of files, e.g., duplicate files, we keep. As we often work with big data files, duplicate files can have a large impact on the cloud storage we use.

In addition to these ongoing efforts, CEPA will implement further measures to reduce emissions in 2024-25.

Measure	Date commencing
Seek to review the social and environmental commitments of any sub-contractors before entering into a new commercial arrangement.	1 April 2024
Support carbon-reduction initiatives suggested or undertaken by CEPA staff.	1 April 2024
Seek opportunities to bundle client meetings together to reduce the number of trips made to client sites.	1 April 2024
Commit to using public transport where practicable to do so and to not use business class in air and train travel.	1 April 2024
Educate our staff on good practices and ways to reduce their carbon footprint.	1 April 2024
Seek to prioritise environmental considerations when furnishing our offices.	1 April 2024

We recognise that CEPA will continue to generate emissions despite our efforts to reduce them. Therefore, we are committed to offsetting all our emissions through a reputable carbon abatement scheme.

Given recent concerns about the effectiveness of some abatement schemes, we have conducted thorough due diligence to ensure that our chosen scheme is both effective and aligned with our corporate social values. For

offsetting our emissions in 2022 and 2023, we utilized Carbon Footprint's Community Projects.² These projects not only offset emissions but also provide additional social and community benefits, such as replacing traditional three-stone fires with efficient cookstoves to reduce wood burning emissions. The projects are verified by Gold Standard.

We will apply the same rigorous approach to select a suitable carbon abatement scheme when we offset all emissions generated in 2024.

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 standard³ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁴.

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) Standard⁵.

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: Attila Hajos

Position: Partner

Date: 10 December 2024

² The certificate from Carbon Footprint for offsetting 2023 emissions is available on CEPA's website ([Carbon Footprint 2023](#)).

³ <https://ghgprotocol.org/corporate-standard>

⁴ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁵ <https://ghgprotocol.org/standards/scope-3-standard>



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