

BDO LLP

# Carbon Reduction Plan

13 February 2024

## Commitment to achieving Net-Zero

BDO LLP is committed to achieving Net-Zero emissions by 2050 or earlier

We've joined the Business Ambition for 1.5 °C committing to achieving Net-Zero greenhouse gas (GHG) emissions, with near and long-term targets set and validated by the Science Based Targets initiative (SBTi).

These targets are:

### Near-term:

**50%**

reduction in absolute Scope 1 and 2 emissions by FY2030.

**80%**

of suppliers by emissions covering purchased goods and services, capital goods and business travel, will have set science-based targets by FY2027.

### Long-term:

**90%**

reduction in absolute Scope 1 and 2 emissions by FY2050.

**97%**

reduction in Scope 3 emissions per FTE by FY2050.

More information about our environmental programme can be found on our website with reports and progress information located on our [Performance page](#).

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# 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.

Baseline year: 2019/2020

## Additional details relating to the baseline emissions calculations

BDO LLP follows an operational control approach to defining our organisational boundary.

Scope 1 & 2 emissions are calculated using a process-based emission approach. This approach uses actual consumption data (kWh of energy used) which is multiplied by the relevant carbon conversion factor. For Scope 2 electricity both market-based and location-based emission factors are calculated as per the GHG Protocol Scope 2 guidance.

- ▶ Location-based electricity is calculated based on the average emissions intensity of grids in which energy consumption occurs. The relevant carbon conversion factors are sourced from DEFRA for UK sites and IEA for international sites
- ▶ Market-based electricity is calculated using specific electricity emission factors sourced directly from suppliers reflecting the true emissions associated with the energy mix purchased.

Selected Scope 3 emissions are calculated in line with the WRI's Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard as well as the WRI's GHG Protocol Technical Guidance for Calculating Scope 3 emissions. Scope 3 emissions categories calculated are electricity transmissions and distribution, water, employee cars, rail, public transport, courier, flights, paper, waste & recycling.

Due to limitations on actual data, it should be noted that BDO's current commuting and home working calculations rest on estimates. Our Employee Commuting and Home Working survey, launched January 2024, aims to capture this data and improve our accuracy moving forward.

## Baseline emissions footprint (cont.)

Baseline year emissions: 2019/2020		Current emissions reporting: Reporting year: 2022/2023	
Emissions	Total (tCO <sub>2</sub> e)	Emissions	Total (tCO <sub>2</sub> e)
<b>Scope 1</b>	<b>168</b>	<b>Scope 1</b>	<b>73</b>
Natural gas	165	Natural gas	70
Company & Leased cars	3	Company & leased cars	2
Refrigerants	0	Refrigerants	1
<b>Scope 2</b>	<b>1,042</b>	<b>Scope 2</b>	<b>886</b>
Purchased electricity:		Purchased electricity:	
Market based	1,195	Market based	239
Location based	1,042	Location based	886
<b>Scope 3</b>	<b>7,582</b>	<b>Scope 3</b>	<b>6,012</b>
Flights	6,342	Flights	5,091
Road transport	696	Road transport	357
Rail	135	Rail	345
Water	33	Water	9
Paper	43	Paper	14
Waste & recycling	243	Waste & recycling	108
Electricity T&D	90	Electricity T&D	76
		Couriers	10
<b>Total emissions</b>		<b>Total emissions</b>	
Market based	8,945	Market based	6,324
Location based	8,792	Location based	6,971

Note: This emissions data has not been externally assured but we do plan to do this for our FY24 reporting onwards.

# Emissions reduction targets

To continue our progress to achieving Net Zero, we have set and had validated our near and long-term targets by the Science Based Targets Initiative (SBTi).

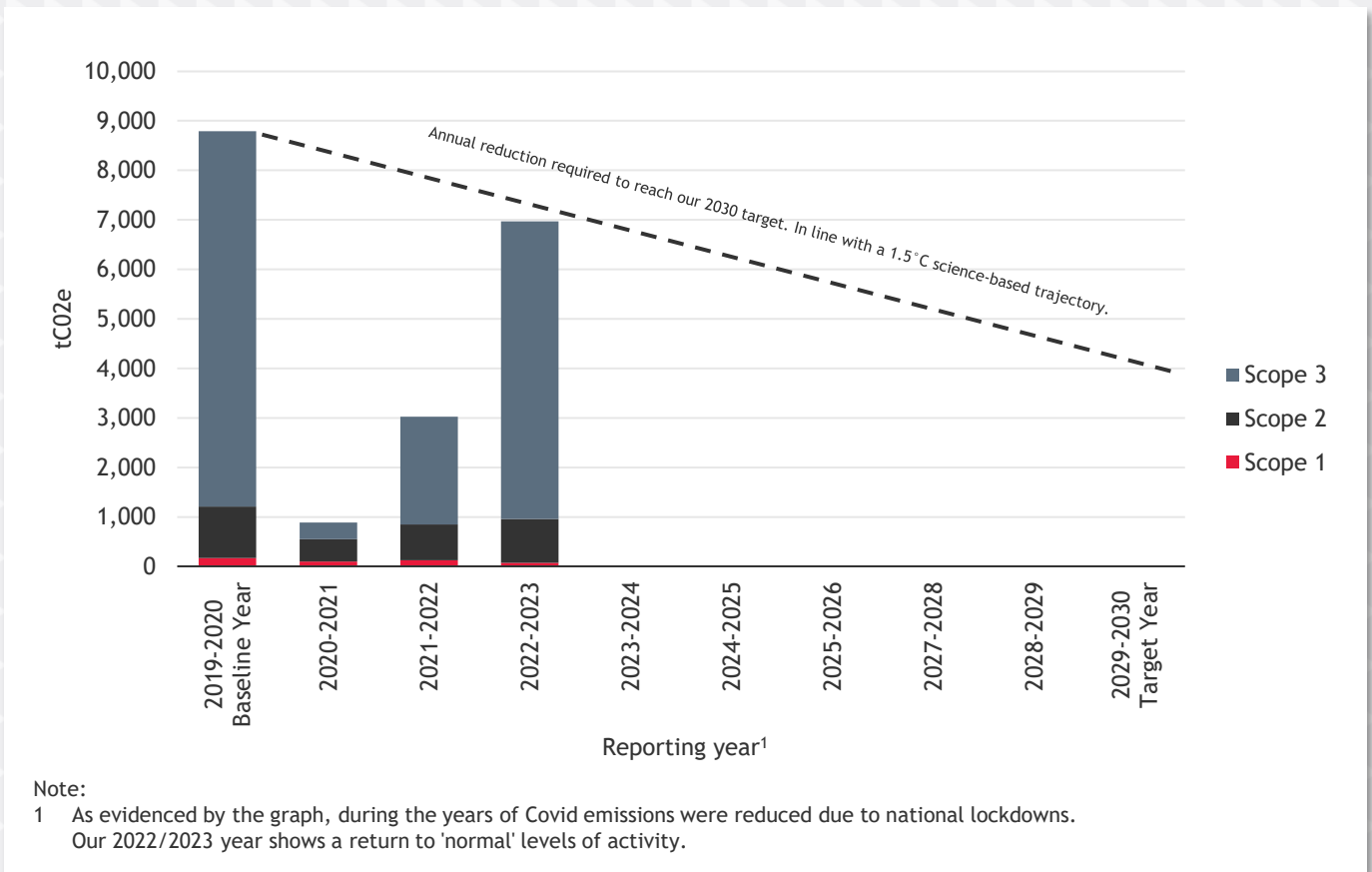
**Near-term:**

<p><b>50%</b> reduction in absolute Scope 1 and 2 emissions by FY2030.</p>	<p><b>80%</b> of its suppliers by emissions covering purchased goods and services, capital goods and business travel, will have set science-based targets by FY2027.</p>
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**Long-term:**

<p><b>90%</b> reduction in absolute Scope 1 and 2 emissions by FY2050.</p>	<p><b>97%</b> reduction in Scope 3 emissions per FTE by FY2050.</p>
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Progress against these targets can be seen in the graphs below:



# Carbon reduction projects

## Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 2019/2020 baseline.

### Implemented carbon reduction initiatives include:

We have chosen to follow the principles of the PAS 2060 standard for our operational carbon emissions, a key requirement for which is to implement our ongoing carbon management plan. Our challenge is now to maintain working practices that continue to reduce our operational carbon footprint as our workforce return to the office under our hybrid working model.

We remain committed to our annual reduction in-line with the 1.5°C science-based target and the requirements of the Paris Agreement, with the 2030 and 2050 reporting years as our target.

#### Strategic:

- ▶ Appointed an ESG Lead and established a ESG and Sustainability team to help develop a 'Net Zero Strategy' for the UK firm in support of our ambition to be Net-Zero by FY2050. This UK strategy has commenced with the formation of three Decarbonisation Working Groups
- ▶ Introduced an internal carbon price (ICP) on all air travel. This cost of carbon is added automatically to all bookings on Egencia (our business travel platform) and charged back to the relevant business cost centre
- ▶ Launched a new 'carbon smart' travel policy that focuses on three themes: travel less, travel with care and understand your impact. This policy mandates travelling by rail rather than air on routes within the UK and on 'Eurostar routes' in Northern Europe; requesting travellers to book a lower cabin class when travelling by air, introducing higher level of approval for travel to international conferences, setting a carbon price for air travel and providing partners in the firm with a 'Carbon Statement'
- ▶ Undertaken a Scope 3 employee commuting and home working calculation exercise by launching a firm-wide employee survey
- ▶ Established a Climate Risk Working Group to address climate risk, opportunities and business resilience. This group oversees the implementation of commitments made in our 2023 TCFD report. These include training for our boards and leadership teams, revisiting policies and terms of references to introduce carbon impacts into decision making
- ▶ Retained the ISO14001:2015 accreditation in 2023 for all our offices, for the 11th year running and added the ISO50001:2018 accreditation in 2022 for all our offices
- ▶ Reviewed our salary sacrifice car options, moving to ultra-low emissions vehicles only
- ▶ BDO's Workable employee policy and collaboration via technologies continues to address emissions related to commuting and business travel
- ▶ Factored climate into strategic decisions on commercial property and leases.

In the future we hope to implement further measures such as:

- ▶ We will continue to drive decarbonisation of our Scope 2 emissions through increasing the proportion of renewable electricity used. We have made good progress, moving all offices where we are directly responsible and confirmed with the landlords and building managers where we are not responsible that they will move to renewable tariffs
- ▶ We will explore ways to continue decarbonising the waste produced from our operations which goes to landfill by prioritising reuse, driving higher recycling rates, and implementing better waste management techniques
- ▶ Moving to locations which are NABERS or BREEAM-rated either 'very good' or higher. Currently we have two offices rated 'very good', seven offices rated 'excellent', one office rated 'outstanding' and are moving into a another 'outstanding' office location shortly
- ▶ Enhancing our supplier due diligence and engaging with our suppliers through our Sustainable Procurement programme with a focus on supporting our suppliers on their Net-Zero journey, including the setting of science-based targets. This includes updating supplier contacts and terms of business

## Declaration and sign off

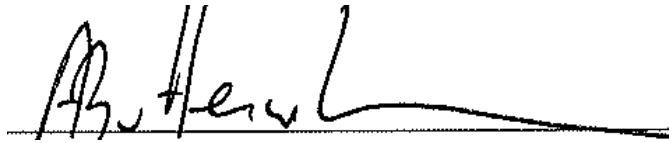
**This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.**

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>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</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>3</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:**



Date: 13 February 2024

1. <https://ghgprotocol.org/corporate-standard>
  2. <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>
  3. <https://ghgprotocol.org/standards/scope-3-standard>
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