



CITY OF LONDON
Investment Group PLC

Scopes 1-3 GHG Emissions & SECR

City of London Investment Group PLC
77 Gracechurch Street, London, EC3V 0AS

Produced by ECO3 Partnership Limited (Account 0169)
Compliance Period 1st July 2022 to 30th June 2023

30 August 2023

© ECO3 Partnership Limited except where otherwise stated.

Table of contents

Chapter	Pages
1. City of London Investment Group GHG Visual Summary y/e 30/06/2023	3
2. Greenhouse Gas Emissions	4
2.1. Introduction	4
2.2. Organisational boundary	4
2.3. Methodology	4
2.4. Environmental Performance & Reporting Summary	5
2.5. Scope 1-3 emissions summary	6
2.6. Scope 1 & 2 Comparison with base year	7
3. Scope 3 emissions	8
3.1. Category 1- Purchased goods and services	8
3.2. Category 2- Capital Goods	11
3.3. Category 3- Fuel & energy related activities	12
3.4. Category 5- Water and Waste generated in operations	13
3.5. Category 6- Business travel	13
3.6. Category 7- employee commuting & teleworking	15
3.7. Other scope 3 categories	17
4. Energy Efficiency Actions & Targets	18
4.1. Energy efficiency actions undertaken	18
4.2. Targets for consideration	18

Tables

Table 2-1	Inflation rates applied to applicable spend based emission factors	5
Table 2-2	CLIG year ending 30th June 2023 GHG summary	6
Table 3-1	Scope 3 Category 1 summary	8
Table 3-2	Scope 3 Category 2 summary	11
Table 3-3	Scope 3 Category 3 summary	12
Table 3-4	Scope 3 Category 5 summary	13
Table 3-5	Scope 3 Category 6 summary	13
Table 3-6	Scope 3 Category 7 summary	15
Table 3-7	Scope 3 Categories excluded & rationale for exclusion	17

Figures

Figure 1-1	City of London Investment Group PLC - Scopes 1-3 GHG emissions summary	3
Figure 2-1	CLIG – Year on year comparison of electricity consumption across all sites	5
Figure 2-2	CLIG - Emissions split by scope & categories	6
Figure 2-3	CLIG - Year on year comparison of Scopes 1 & 2 combined (tCO ₂ e)	7
Figure 2-4	CLIG- Year on year comparison of Scopes 1 & 2 intensity (tCO ₂ e/FTE)	7
Figure 3-1	Scope 3 category 1 internal taxonomy codes (% spend)	9
Figure 3-2	Scope 3 category 1 UK emissions estimates (kgCO ₂ e by industry)	10
Figure 3-3	Scope 3 category 2 % spend by location	11
Figure 3-4	Business travel flight emissions in period by haul type (tCO ₂ e)	14
Figure 3-5	Business travel flight emissions- historical comparison (kgCO ₂ e)	15
Figure 3-6	Global employee commuting estimated emissions by transport type (kgCO ₂ e)	16
Figure 3-7	Employees Working from Home (WfH) emissions estimate by type & location	16

1. City of London Investment Group GHG Visual Summary y/e 30/06/2023

- We have extended the boundary of our GHG assessment as promised.
- 95% of our estimated emissions (scopes 1-3) come from **scope 3**.
- **Scope 1 & 2 emissions have decreased by 50 tCO₂e** since our previous reporting period, resultant from the closure of our Dubai & Seattle offices, continuation of hybrid working & the purchase of green energy contracts/credits.

Y/E 30/06/2023
GHG Emissions summary

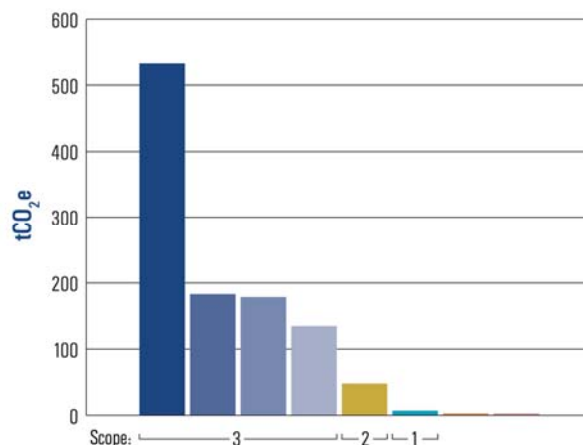
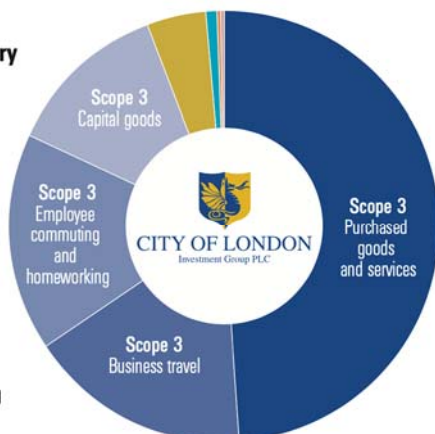
tCO₂e

Scope 1: 6.91

Scope 2 (MB): 48.19

Scope 3: 1,039.58

- Scope 3: Purchased goods and services
- Scope 3: Business travel
- Scope 3: Employee commuting and homeworking
- Scope 3: Capital goods



Scope	Emissions type	Scope 3 category	Indicator name	y/e 30/06/2023	y/e 30/06/2022
Total direct GHG emissions - Scope 1					
Scope 1 sub-Total (tCO₂e Global)				6.91	NA
Scope 1	Direct	N/A	Company facilities- Stationary Combustion (gas)* (Non-UK only)	6.91	NA
	Direct	N/A	Company vehicles	-	-
	Direct	N/A	Fugitive Emissions*	-	-
Indirect energy related emissions Scope 2					
Scope 2 (market-based) sub-total (tCO₂e Global)				48.19	105.00
Scope 2	Indirect	N/A	Purchased electricity for own use (location-based) (UK)	16.55	19.00
	Indirect	N/A	Purchased electricity for own use (location-based) (Non-UK)	55.93	86.00
	Indirect	N/A	Purchased electricity for own use (market-based*) (UK)	0.00	-
	Indirect	N/A	Purchased electricity for own use (market-based*) (Non-UK)	48.19	-
Scopes 1 & 2					
Scopes 1 & 2 (market-based) sub-total (tCO₂e Global)				55.10	105.00
Scope 3					
Scope 3 sub-total (tCO₂e Global)				1,039.58	137.00
Scope 3	Upstream	1	Purchased goods and services*	533.27	NA
	Upstream	2	Capital goods	134.65	NA
	Upstream	3	Fuel & energy related activities (not included in scope 1 and scope 2)**	3.80	6.00
	Upstream	5	Water & Waste generated in operations*	6.25	NA
	Upstream	6	Business travel**	183.01	131.00
	Upstream	7	Employee commuting & homeworking*	178.61	NA
	Upstream				

* New category in period

** Extended assessment in period

NA - not assessed

Figure 1-1 City of London Investment Group PLC - Scopes 1-3 GHG emissions summary

2. Greenhouse Gas Emissions

2.1. Introduction

This document summarises the Streamlined Emissions Carbon Report (SECR) for City of London Investment Group PLC (CLIG), required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Scopes 1-3 emissions have been assessed for the year ended 30/06/2023. The methodology and analysis will also feed into our TCFD reporting and annual report.

Whilst a reduction in our operational emissions is part of our focus, emissions from our value chain (scope 3) are higher than those from our own operations, as expected. Understanding the scope 3 emissions attached to our business will help us to assess and manage our exposure to climate-related risk, and to consider and action opportunities arising from the transition to a low carbon economy.

Working with others in our value chain to reduce these emissions will support our stewardship role in promoting sustainability throughout our business, and where appropriate, within the investment life cycle of the funds under our management.

2.2. Organisational boundary

This report covers the assessment of our SECR & Scope 1-3 assessment. This is a key input to our developing TCFD framework, and bolsters our supplementary report published in August 2023. This report covers the mandatory SECR submission for City of London Investment Group PLC, (Company Registration no. 02685257), noting that the three qualifying criteria are not met:

- at least 250 employees- Do not qualify.
- an annual turnover greater than £36m- Qualified
- an annual balance sheet total greater than £18m- Qualified

The assessment covers our four offices and value chain supporting CLIG, CLIM & KIM. A financial control boundary has been utilised.

2.3. Methodology

The methodology used is the Greenhouse Gas Protocol, using UK Government conversion factors produced by the Department for Business, Energy & Industrial Strategy (BEIS 2022, issued 20th Sept 2022 & BEIS 2023, issued 28th June 2023) and US EPA & eGRID factors published in January 2023, and the latest Singaporean EMA data. Our methodology and the extension of our scope 3 emissions assessment is presented in section 3.

The market-based method for calculating scope 2 electricity emissions was used within this assessment. A location-based factor has also been calculated for comparison. This is effectively the grid 'average emission' factor for electricity in the UK, comprised of natural gas, renewables, nuclear, coal, oil, pumped storage, biomass, interconnectors etc.

With respect to scope 1 fugitive emissions, there were no leakage/maintenance reports which highlighted the purchase, disposal, topping up or discovery of refrigerant leaks in period.

2.3.1. Assumptions

The assumptions made within our reporting were as follows:

- Electricity consumption data for Singapore utilised some historic values (4 months) where clear invoicing under-estimates were present from the new supplier.

- Electricity consumption was estimated for KIM Naples, Florida, based upon benchmarked data.
- For key scope 3 assumptions, refer to the supporting category descriptions in section 3.
- Where information was not available from the landlord/managing agent for water consumption or waste/wastewater volumes, this was benchmarked and apportioned (using either FTE or floor area) based upon invoiced data from other offices.

2.3.1.1. Inflation & grid emission differential assumptions

Where applicable and based upon the most recent reference data year of industry-based emissions factors, inflation was added to account for the difference between the assessment year and latest emissions data year. Note that this is only applicable to Scope 3 category 1 & category 2.

EF	EF Data Year	Inflation source	Inflation value
US Emission Factors	2021	US Bureau of Labor Statistics	6.5%
UK Emission Factors	2021	ONS	7.9%

Table 2-1 Inflation rates applied to applicable spend based emission factors

2.4. Environmental Performance & Reporting Summary

The energy consumption used to calculate emissions for **Scopes 1 & 2 was 388,589 kWh**. A comparison of our electricity consumption, the main driver for our operational scope 1 & 2 emissions, with the previous year is shown below.



Figure 2-1 CLIG – Year on year comparison of electricity consumption across all sites

As noted previously, our Dubai & Seattle offices closed last year, supporting, in part, **a reduction of our electricity consumption of 18% in period.**

2.5. Scope 1-3 emissions summary

GHG Protocol emissions scopes

The GHG Protocol Corporate Accounting and Reporting Standard classifies corporate GHG emissions into three scopes.

- **Scope 1** emissions are direct GHG emissions from operations that are owned or controlled by the reporting company.
- **Scope 2** emissions are indirect emissions from the generation of purchased energy consumed by a company.
- **Scope 3** emissions are all other indirect emissions (not included in scope 2) that occur in the value chain of the reporting company. This is the first year we have extended our scope 3 assessment beyond Transmission & Distribution losses, and flights for business travel.

A summary of our emissions is presented overleaf. Further detail on our Scope 3 assessment is provided within section 3.

Scope	Emissions type	Scope 3 category	Indicator name	y/e 30/06/2023	y/e 30/06/2022
Total direct GHG emissions - Scope 1			Scope 1 sub-Total (tCO₂e Global)	6.91	NA
Scope 1	Direct	N/A	Company facilities- Stationary Combustion (gas)* (Non-UK only)	6.91	NA
	Direct	N/A	Company vehicles	-	-
	Direct	N/A	Fugitive Emissions*	-	-
Indirect energy related emissions Scope 2			Scope 2 (market-based) sub-total (tCO₂e Global)	48.19	105.00
Scope 2	Indirect	N/A	Purchased electricity for own use (location-based) (UK)	16.55	19.00
	Indirect	N/A	Purchased electricity for own use (location-based) (Non-UK)	55.93	86.00
	Indirect	N/A	Purchased electricity for own use (market-based*) (UK)	0.00	-
	Indirect	N/A	Purchased electricity for own use (market-based*) (Non-UK)	48.19	-
Scopes 1 & 2			Scopes 1 & 2 (market-based) sub-total (tCO₂e Global)	55.10	105.00
Scope 3			Scope 3 sub-total (tCO₂e Global)	1,039.58	137.00
Scope 3	Upstream	1	Purchased goods and services*	533.27	NA
	Upstream	2	Capital goods	134.65	NA
	Upstream	3	Fuel & energy related activities (not included in scope 1 and scope 2)**	3.80	6.00
	Upstream	5	Water & Waste generated in operations*	6.25	NA
	Upstream	6	Business travel**	183.01	131.00
	Upstream	7	Employee commuting & homeworking*	178.61	NA

* New category in period

** Extended assessment in period

NA - not assessed

Table 2-2 CLIG year ending 30th June 2023 GHG summary



Figure 2-2 CLIG - Emissions split by scope & categories

2.6. Scope 1 & 2 Comparison with base year

Our scope 1 & 2 market-based emissions have reduced by 50 tCO₂e from last year (y/e 30/06/2022), primarily through the following measures:

- Procurement of a green electricity contract for our London office.
- Purchase of wind energy credits for our Rochester office (US).
- Closure of our Dubai and Seattle offices.

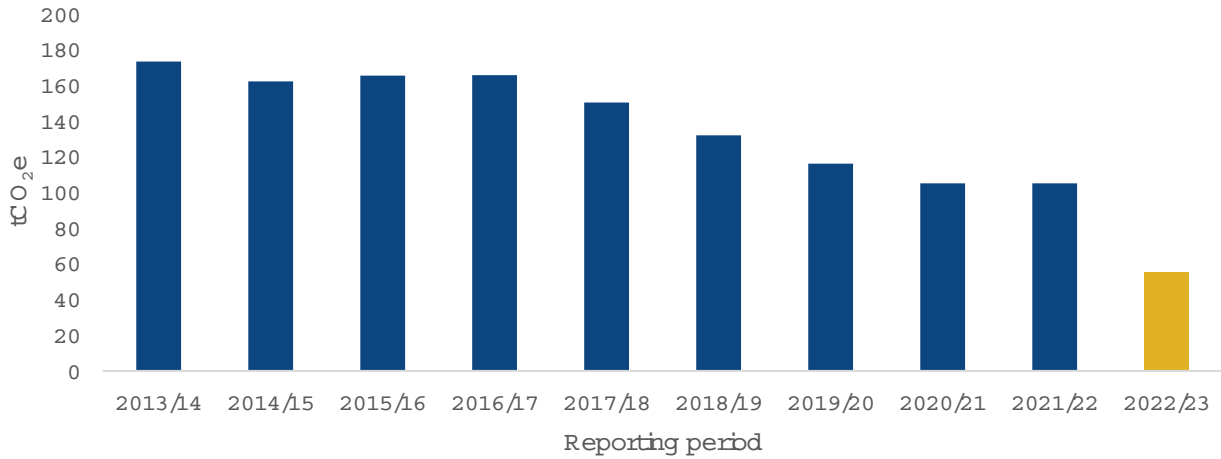


Figure 2-3 CLIG - Year on year comparison of Scopes 1 & 2 combined (tCO₂e)

Our associated scope 1 & 2 intensity ratio has reduced from **0.91 tonnes CO₂e/FTE** in our base year, to **0.47 tonnes CO₂e/FTE** this year, with a reference value of 116 FTE in period.

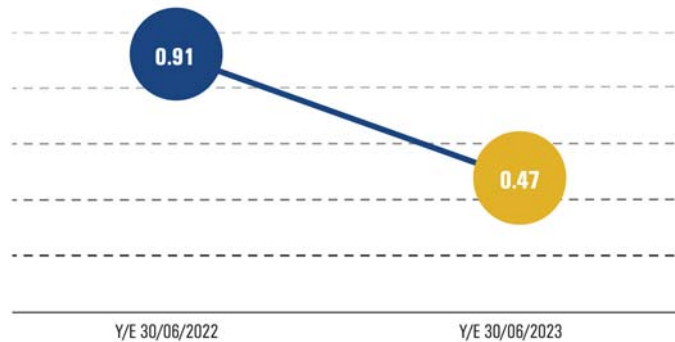


Figure 2-4 CLIG- Year on year comparison of Scopes 1 & 2 intensity (tCO₂e/FTE)

3. Scope 3 emissions

The Scope 3 Standard divides scope 3 emissions into upstream and downstream emissions.

- **Upstream emissions** are indirect GHG emissions related to purchased or acquired goods and services;
- **Downstream emissions** are indirect GHG emissions related to sold goods and services.

Where relevant to our organisation, we report estimated scope 3 emissions for our business according to the 15 categories defined in the GHG Protocol.

The most significant contribution to our scope 3 emissions in our value chain is from our category 1 purchased goods and services.

Our scope 3 emissions estimates and inventory are summarised in the following sections, with further detail on the calculation boundaries methodologies, materiality, assumptions and references used to calculate the scope 3 emissions estimates for each relevant category for year-end 30/06/2023.

Our scope 3 estimates will be reviewed annually, supported by supply chain data improvement and engagement over time, where practicable.

For categories where we have not estimated an emissions figure, we explain why these emissions categories are deemed not relevant to our business or offer future actions, following the completion of our screening exercise.

3.1. Category 1- Purchased goods and services

Category 1: Purchased goods and services			
GHG Protocol Category description:	Upstream (i.e., cradle-to-gate) emissions from the extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year, where not otherwise included in categories 2 to 8.		
Estimation methodology, estimated value & materiality:	Spend-based Industry Classification GHG factors	533.27 tCO₂e	Material
Notes	Includes paper purchased (0.73 tCO ₂ e). Scope 3 category 1, purchased goods and services, is an estimate determined through analysing spend on goods and services and categorising them into relevant UK & US industry classification codes.		

Table 3-1 Scope 3 Category 1 summary

3.1.1. Calculation boundary

This category covers emissions generated upstream of CLIG's operations, associated with goods and services purchased or acquired during the reporting year. This is primarily related to the purchase of professional services, and to a lesser extent paper.

To estimate category 1 emissions, we have broken down and categorised our operational expenses into standard industry classification codes.

Emissions associated with goods and services categorised as relating to fuel and energy related activities, business travel and employee commuting are not included in this category. These are assigned to separate emissions categories where relevant.

3.1.2. Exclusions

Excludes Human Resources costs, premises costs, depreciation & expenditure related to other scope items scope 1-3 categories.

3.1.3. Calculation methodology

A spend-based method, as described in Scope 3 Guidance, is used to calculate these emissions, using spend-based data (the economic value of the goods and services) with a combination of sector specific, and where possible, geography specific emissions factors.

Spend data is broken down according to CLIG’s internal taxonomy codes and allocated to the most appropriate product group category available from US & UK industry classification codes.

These values are then applied to calculate overall emissions estimates for this category.

3.1.4. Calculation output

A summary of spend and an example of UK derived Category 1 emissions is shown below.

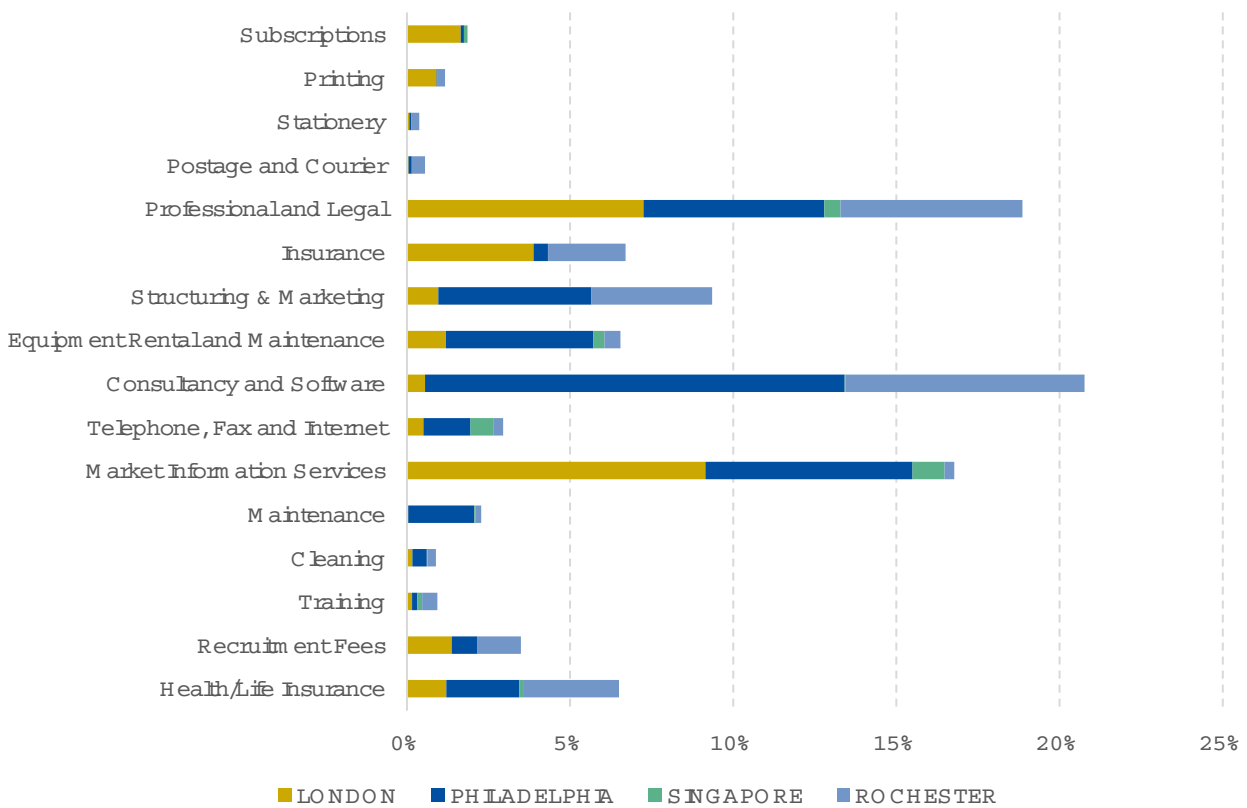


Figure 3-1 Scope 3 category 1 internal taxonomy codes (% spend)

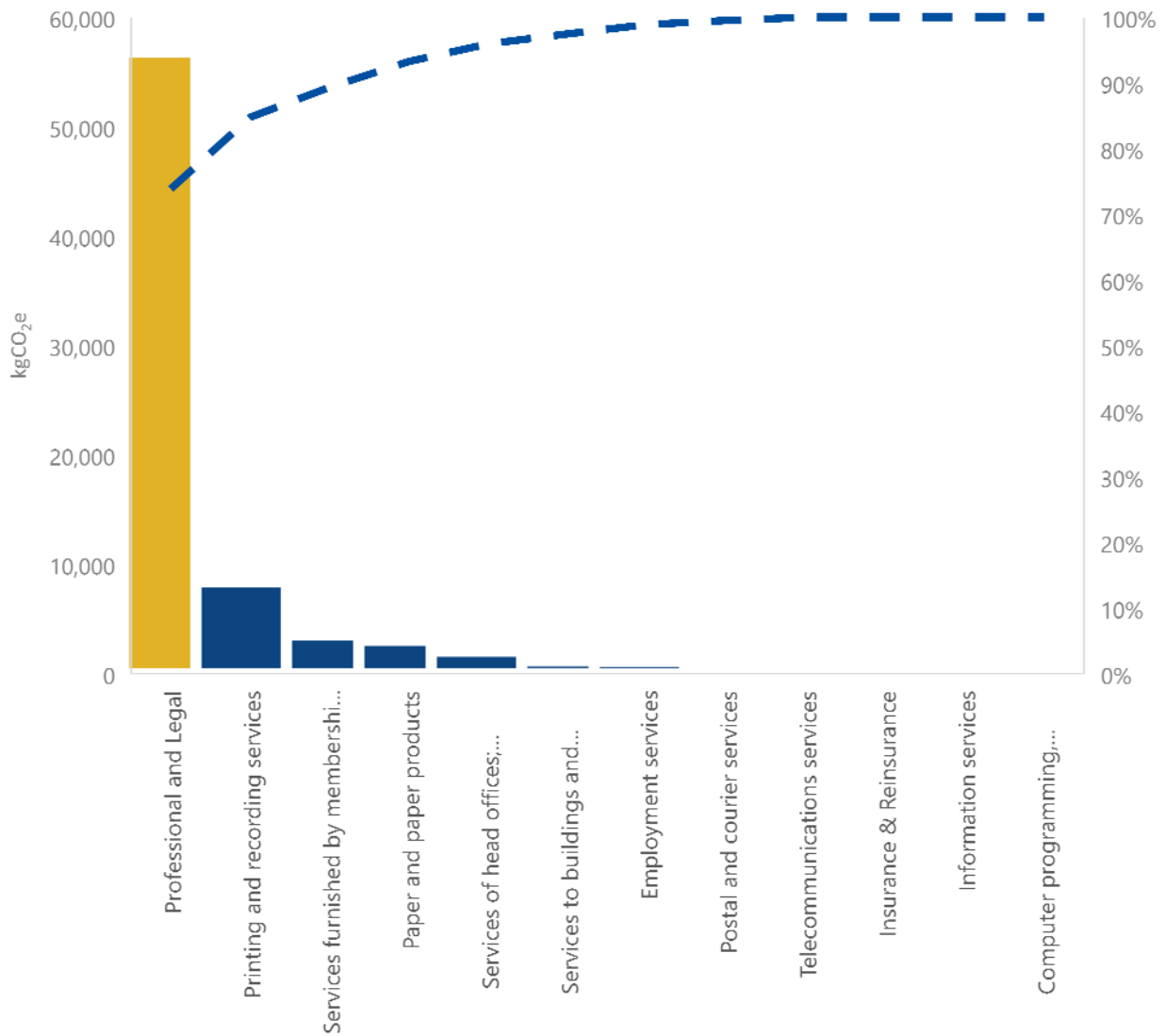


Figure 3-2 Scope 3 category 1 UK emissions estimates (kgCO₂e by industry)

Moving forward, we will review opportunities to work more closely with, and engage our suppliers to obtain specific emissions data as part of a future sustainable procurement initiative. This data will then be utilised once optimal information is received from our supply chain.

3.1.5. Data sources

Annual spend data is extracted from our internal systems. Emissions factors are sourced from US & UK emissions data, classified by economic & emissions activities.

3.1.6. References

- Purchased goods & services spend data.
- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest ONS & NAICS data

3.2. Category 2- Capital Goods

Category 2: Capital Goods			
GHG Protocol Category description:	Upstream (i.e., cradle-to-gate) emissions from the extraction, production and transportation of capital goods purchased or acquired by the reporting company in the reporting year, where not otherwise included in categories 1 to 8.		
Estimation methodology, estimated value & materiality:	Spend-based Industry Classification GHG factors	134.65 tCO₂e	Material
Notes	Scope 3 category 2, capital goods, is an estimate determined through analysing spend on capital goods and categorising them into relevant UK & US industry classification codes.		

Table 3-2 Scope 3 Category 2 summary

3.2.1. Calculation boundary

This category covers emissions generated upstream of CLIG’s operations, associated with capital goods purchased or acquired during the reporting year.

To estimate category 2 emissions, we have broken down and categorised our capital goods expenditure into standard industry classification codes.

3.2.2. Exclusions

No exclusions noted.

3.2.3. Calculation methodology

A spend-based method, as described in Scope 3 Guidance, is used to calculate these emissions, using spend-based data (the economic value of the goods and services) with a combination of sector specific, and where possible, geography specific emissions factors.

Spend data is broken down according to CLIG’s internal classification of capital goods and allocated to the most appropriate product group category available from US & UK.

These values are then applied to calculate overall emissions estimates for this category.

3.2.4. Calculation output

A summary of spend and an example of UK derived Category 2 emissions is shown below. The capital goods expenditure is primarily related to computer equipment & ancillary upgrades.

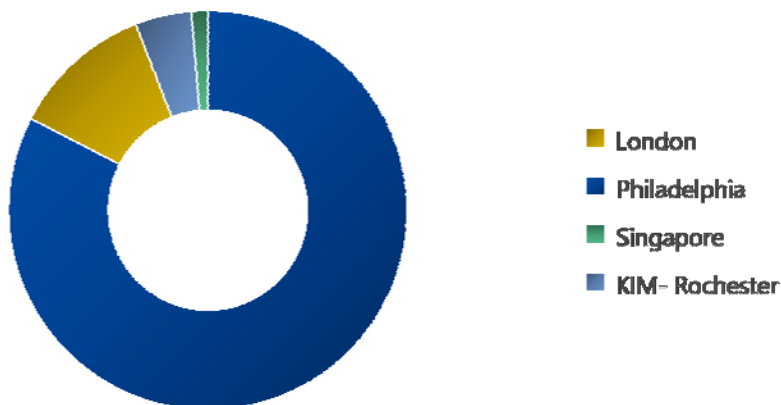


Figure 3-3 Scope 3 category 2 % spend by location

3.2.5. Data sources

Annual spend data is extracted from our internal systems. Emissions factors are sourced from US & UK emissions data, classified by economic & emissions activities.

3.2.6. References

- Capital Goods expenditure data.
- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest ONS & NAICS data.

3.3. Category 3- Fuel & energy related activities

Category 3: Fuel & energy related activities			
GHG Protocol Category description	Emissions related to the extraction, production, and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year, not already accounted for in scope 1 or scope 2.		
Estimation methodology, estimated value & materiality	Hybrid	3.80 tCO₂e	Not material
Notes	Our methodology only includes Transmission & Distribution losses. We will further extend to consider well to tank (WTT) losses for electricity and natural gas moving forward.		

Table 3-3 Scope 3 Category 3 summary

3.3.1. Calculation boundary

Our assessment category covers emissions arising from transmission and distribution losses from the electricity grids that serve our facilities. It excludes emissions from the generation of purchased electricity consumed by CLIG, which are accounted within our scope 2 emissions.

3.3.2. Calculation methodology

The 'average-data' method as described in the Scope 3 Guidance is used to calculate these emissions. Industry- average scope 3 emissions factors for each fuel type (including well to tank losses) or natural gas/electricity source (i.e., grid) are applied to the relevant consumption volumes to calculate an overall emissions estimate for this category.

3.3.3. Data sources

Fuel and energy consumption data is sourced by ECO3 Partnership Ltd from supplier invoices.

3.3.4. References

- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions v1.0 – Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest UK BEIS, US EPA & EMA T&D emissions factors.
- Supplier invoices.

3.4. Category 5- Water and Waste generated in operations

Category 5: Waste generated in operations			
GHG Protocol Category description	Emissions from third-party disposal and treatment (in facilities not owned or controlled by the reporting company) of waste generated in the reporting company's operations in the reporting year.		
Estimation methodology, estimated value & materiality	Average data and waste-type specific	6.25 tCO₂e	Not material
Notes	This also includes emissions from water supply in addition to wastewater and office waste.		

Table 3-4 Scope 3 Category 5 summary

3.4.1. Calculation boundary

This category covers emissions arising from our production of office waste, wastewater, as well as emissions from water withdrawal.

3.4.2. Calculation methodology

The 'average-data' method as described in the Scope 3 Guidance is used to calculate these emissions. UK government scope 3 emissions factors for each waste type, category and method of recycling, as well as emission factors for wastewater and water consumption volumes to calculate the overall emissions estimate for this category.

3.4.3. Data sources

Water and wastewater data is sourced from available supplier invoices. Where certain offices did not have access to this information, waste, water & wastewater volumes were benchmarked from other offices in our portfolio.

3.4.4. References

- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions v1.0 – Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest UK BEIS & US EPA emissions factors.

3.5. Category 6- Business travel

Category 6: Business travel			
GHG Protocol Category description	Emissions from the transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).		
Estimation methodology, estimated value & materiality	Hybrid- primarily distance and some spend-based data for, as well as no.of nights for hotels	183.01 tCO₂e	Material
Notes	This includes air, US grey fleet, hotel stays		

Table 3-5 Scope 3 Category 6 summary

3.5.1. Calculation boundary

This category covers emissions from all flights undertaken by employees for business travel purposes, as well as other purchased business travel services where data was available (hotel accommodation, grey fleet air travel) as identified from annual spend data.

3.5.2. Exclusions

Emissions from business travel activities for which spend data is not available are excluded.

3.5.3. Calculation methodology

For flights, the distance-based method as described in the Scope 3 Guidance is used to calculate these emissions, with industry average emissions factors applied based on whether the flight distance is categorised as being short, medium or long-haul. Radiative forces have been applied.

For hotel accommodation, spend-based data, as well as the number of nights and location of the hotel are used to calculate these emissions, based upon the geographic location of the overnight stay.

For grey fleet, mileage data was utilised.

3.5.4. Data sources & output

Data is sourced from CLIG’s expenses system and utilises BEIS factors. Data is segregated by flight haul classification.

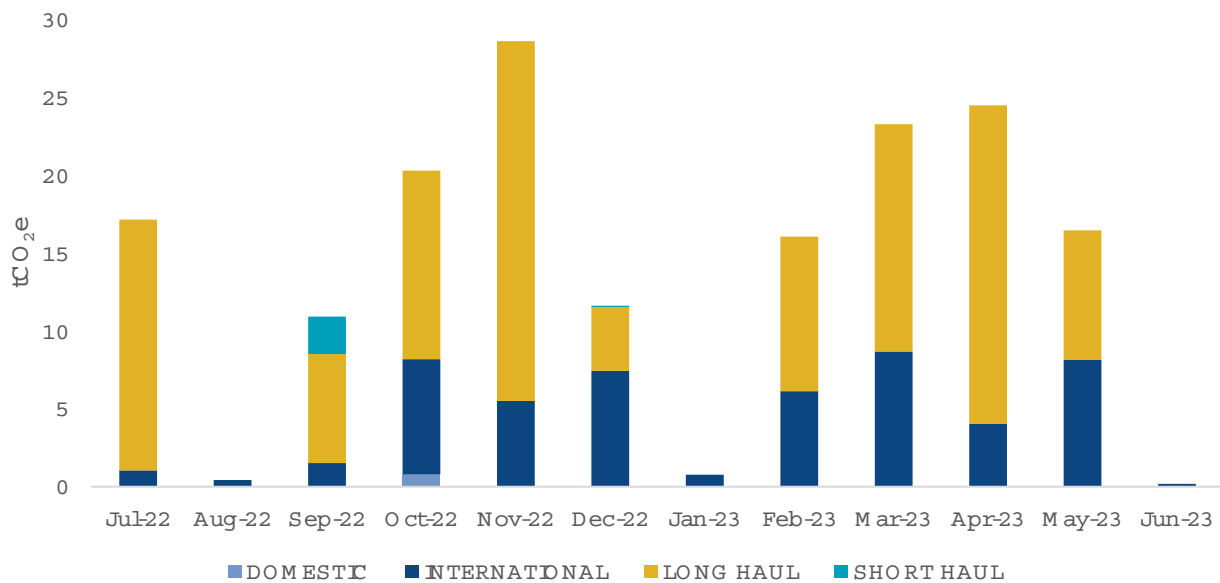


Figure 3-4 Business travel flight emissions in period by haul type (tCO₂e)

A comparison of flight emissions for business travel is shown above. Whilst there has been a post COVID rebound, our emissions are still below pre-pandemic levels. We do however anticipate a further increase in business travel in our next financial year to support our strategy meeting. Please refer to targets and future actions.

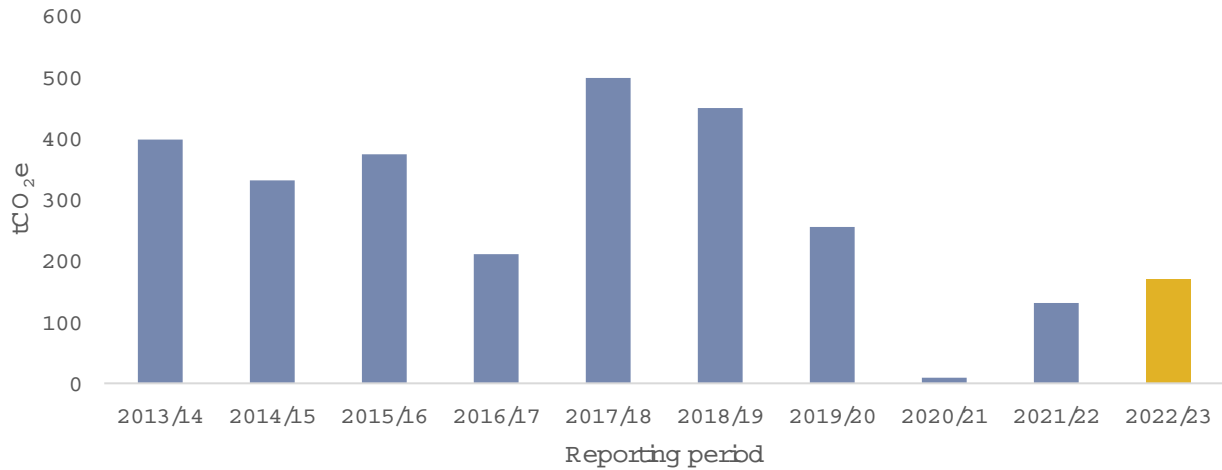


Figure 3-5 Business travel flight emissions- historical comparison (kgCO₂e)

3.5.5. References

- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest UK BEIS & US EPA emissions factors.
- Spend data.

3.6. Category 7- employee commuting & teleworking

Category 6: Business travel	
GHG Protocol Category description	Emissions from the transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).
Estimation methodology, estimated value & materiality	Average data 178.61 tCO₂e Material
Notes	This includes teleworking (i.e., working from home). The methodology for working from home has been updated to reflect the new UK Government factors for homeworking emissions, due to the increased importance of estimating emissions from homeworking during/post the Covid pandemic.

Table 3-6 Scope 3 Category 7 summary

3.6.1. Calculation boundary

This category covers emissions from a survey of employee commuting habits, as well as a detailed assessment of emissions related to home working during the COVID pandemic.

3.6.2. Exclusions

No exclusions noted.

3.6.3. Calculation methodology

Estimated using actual headcount, HR data, estimated commuting distances and vehicle/transport types derived from databases, census data and government analysis. Emission factors and data from a series of consumption and technological databases for computing, heating and lighting data, as well as weather-based heating and cooling data has allowed us to profile and estimate emissions resultant from working for home.

3.6.4. Data sources & output

The information has been sourced from commuting trends by city, HR data and governmental census/city/regional focused data. A summary and supporting visualisations are presented below.

Note that there are zero emissions associated with commuting by bicycle or by foot.



Figure 3-6 Global employee commuting estimated emissions by transport type (kgCO₂e)

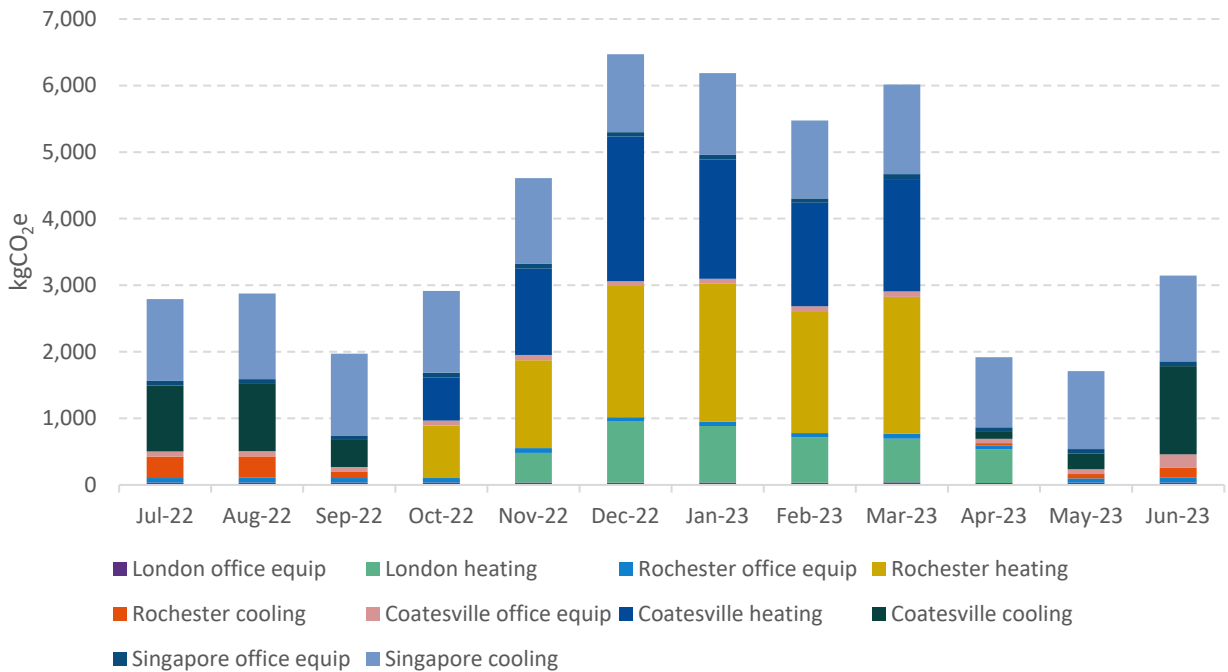


Figure 3-7 Employees Working from Home (WfH) emissions estimate by type & location

3.6.5. References

- GHG Protocol Technical Guidance for Calculating Scope 3 Emissions (v1): Supplement to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.
- The latest BEIS & US EPA data
- Heating & cooling degree data by location from nearest weather stations
- EIA, City of London, Singapore Dept for Statistics, US Census Bureau

3.7. Other scope 3 categories

The following categories were not considered. The rationale for exclusion, primarily relevancy and materiality determined within our screening exercise, and future actions are noted below where applicable.

Categories not assessed for y/e 30/06/2023	
Excluded categories	<p>The following categories are not relevant to CLIG.</p> <ul style="list-style-type: none"> • Category 4 Upstream transport and distribution- not deemed to be applicable. • Category 8 Upstream leased assets- not deemed to be applicable. • Category 9 Downstream transport and distribution- not deemed to be applicable. • Category 10 Processing of sold products- not deemed to be applicable. • Category 11 Use of sold products- not deemed to be applicable. • Category 12 End-of-life treatment of sold products- not deemed to be applicable. • Category 13 Downstream leased assets- not deemed to be applicable. • Category 14 Franchises- not deemed to be applicable. • Category 15 Investments- not currently reported

Table 3-7 Scope 3 Categories excluded & rationale for exclusion

4. Energy Efficiency Actions & Targets

4.1. Energy efficiency actions undertaken

The following section relates to our own operational footprint.

In addition to our commitment to develop our understanding of climate-related risks and our GHG reduction pathway, we have been focusing on acquiring green (renewable energy) electricity contracts for all of our offices.

A summary of progress made to date is shown below:

- **London**- our office is supplied through electricity contracts backed by renewable energy sources.
- **Rochester**- we have signed up for the local 'Catch the Wind' energy procurement program, which leverages wind power generated by turbines in New York State, to provide a proportion of the demand for the office.
- **For our remaining offices**, we are researching renewable electricity procurement options. Where possible, we will also consider offset programmes.
- The benefits from these programmes, where implemented, have been, and will be, reported through our Scope 2 market-based emissions in this report and our 2023 Annual Report & Accounts.
- We will continue to review and optimise our utilities procurement strategy.

Additional actions in period include:

- A reduction in our operational footprint and emissions through the closure of our Dubai and Seattle offices.
- Continued emphasis remains on the utilisation of video conferencing for both internal and client meetings to minimise our carbon footprint.
- In July 2022, we adopted a group-wide hybrid working from home (WFH) policy following employee feedback. This has reduced our direct operational emissions. We have also undertaken our first assessment of WFH emissions under Scope 3 category 7.

Understanding the scope 3 emissions attached to our business will help us to assess and manage our exposure to climate-related risk, and to consider and action opportunities arising from the transition to a low carbon economy.

Working with others in our value chain to reduce these emissions will support our stewardship role in promoting sustainability throughout our business, and where appropriate, within the investment life cycle of the assets under our management.

Energy efficiency actions are being reviewed for implementation moving forwards.

4.2. Targets for consideration

Our targets will be defined following our GHG assessment for FY 2022/2023.

At present, we are targeting operational net zero by 2050. This date remains under review.

CLIG is a public limited company which listed on the London Stock Exchange on 29th October 2010 and is domiciled and incorporated in the United Kingdom under the Companies Act 2006. Our net zero target considers alignment with the UK's legally binding requirement to have reduced its greenhouse gas emissions by 100% from its 1990 levels. The net zero target for the UK was defined in the Climate Change Act 2008 (2050 Target Amendment) Order 2019.

Some arguments persist over the most appropriate means and timeline for reducing and/or eliminating emissions to mitigate climate change. However, increasing numbers of governments are converging on a

goal of net-zero emissions by 2050. This is in line with recommendations of the Intergovernmental Panel on Climate Change (IPCC), and the goals of the Paris Agreement in 2015 to keep the average global temperature rise 'well below 2°C above pre-industrial levels' and to 'pursue efforts' to limit the rise to 1.5°C.

In the short/medium term, as noted above, we plan to reduce what we can, and offset what we can't.

Once approved, our interim ambition to become carbon neutral will be verified and certified to the requirements of PAS 2060:2014 and supported by the development of a Qualifying Explanatory Statement.

For business flights, due to our geographical spread and client base, we are reviewing our policies. Our approach will consider reducing what we can first and then offsetting necessary business travel through approved schemes, which may include:

- **Verified, humanitarian offset projects**, which may include supporting:
 - Solar lighting
 - High impact reforestation projects
 - Clean energy projects
 - Cleaner safer/water production in areas where further support is required.
 - Cooking stove provision for the world's poorest who lack access to clean cooking facilities.

In addition to company temperature alignment for scope 1 and 2 targets, we are keen to extend this to include scope 3 targets when practical. It is for this reason that we have extended the boundary of our scope 3 assessment in period. We will also consider the level of engagement required with our supply/value chain.

