



Net Zero Report Carbon Reduction Plan

FY May 2022 – April 2023



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Executive endorsement:

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Executive Endorsement

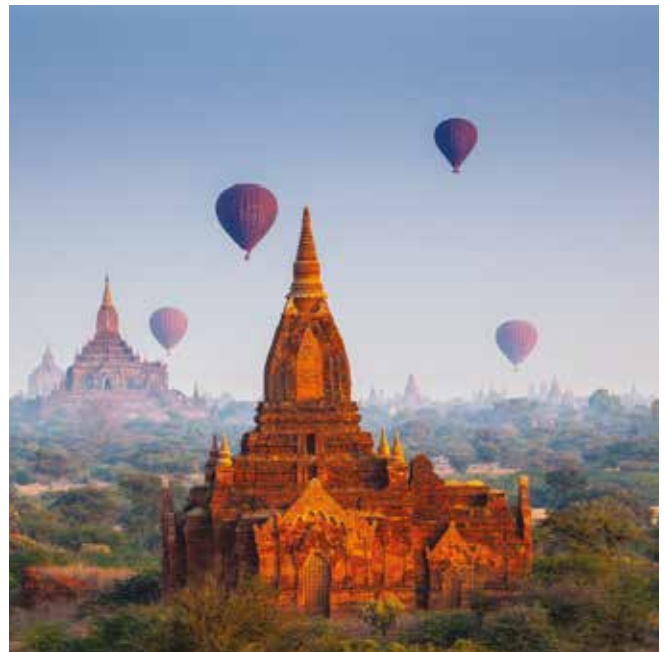
In response to the urgent need for climate action, we have conducted an extensive analysis of achieving net zero emissions. This executive summary encapsulates the key findings, strategies, and recommendations derived from our comprehensive investigation.

While the focus of Rouse lies within the realm of intellectual property, it is crucial to acknowledge the environmental impact associated with our operations. From office energy consumption to travel emissions, our activities contribute to carbon emissions, albeit indirectly.

Achieving net zero emissions presents unique challenges and opportunities. Challenges include the carbon footprint of office operations, paper usage, and travel-related emissions. However, by embracing sustainable practices, we can not only mitigate our environmental impact but also enhance operational efficiency and client satisfaction.

Rouse has a responsibility to minimise our environmental impact and contribute to climate action efforts. By implementing the strategies outlined in this report, we can not only achieve net zero emissions but also demonstrate leadership in sustainable business practices within the IP industry.

This executive summary provides a glimpse into our net zero report, highlighting the importance of integrating sustainability into our operations.



About us

Rouse was established in the UK in 1990 and is recognised as a global Intellectual Property leader operating as a closely integrated network with more than 700 people working out of 17 offices in 12 jurisdictions.

We focus exclusively on IP, from strategic consulting, patents and trademarks through to domain names, copyright, designs and geographical indications. And we're experts in providing services for each stage of their life cycle.

We have a deep understanding of all jurisdictions around the world and a strong focus on more challenging markets such as Africa, Asia and the Middle East. Most importantly, we're passionate about IP and enjoy working with clients who share that passion. We put clients at the heart of our business and build long standing relationships. From large multinationals that want our scale, quality and professionalism, to start ups that value our entrepreneurial spirit, the companies we work with come from a broad range of sectors with diverse business interests and needs.

Commitment to Net Zero

Rouse is committed to ensuring that we play our role in working to limit global warming to 1.5°C above pre industrial levels, the threshold set by the Intergovernmental Panel on Climate Change (IPCC).

- Rouse is committed to taking action to reduce our annual emissions and achieving Net Zero emissions by 30th April 2050 in line with both the UK Government's Net Zero target and the EU's Net Zero target. We will aim to reduce our emissions year-on-year, considering more specific targets after the completion of FY25 (our first full year after carrying out the preliminary work), all with the purpose of Offsetting our residual Scope 1 and 2 emissions by 2050 to become carbon neutral via high-quality verified offsets
- Achieving a 97% overall reduction in all GHG emissions across Scopes 1, 2 and 3 by 2050 offsetting any residual emissions via high-quality nature-based or direct air capture projects and becoming Net Zero

About Us

To achieve these goals, Rouse has taken the following actions:

1. We have appointed an external specialist carbon consultancy to collate and verify data, calculate GHG emissions and help advise on carbon reduction options
2. Set the base year (May 2022- April 2023) and calculated our carbon footprint in line with the GHG protocol for that base year:

a. Scope 1

- i. Transport, refrigerants and gas

b. Scope 2

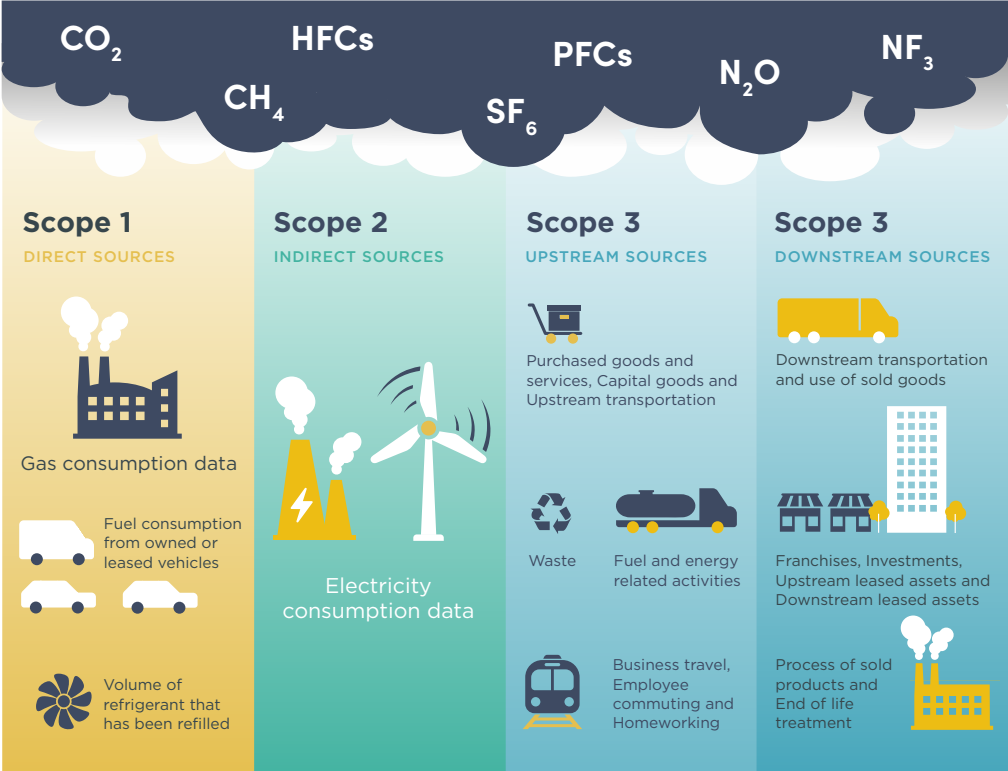
- i. Electricity

c. Scope 3

Selected categories from the below based on materiality:

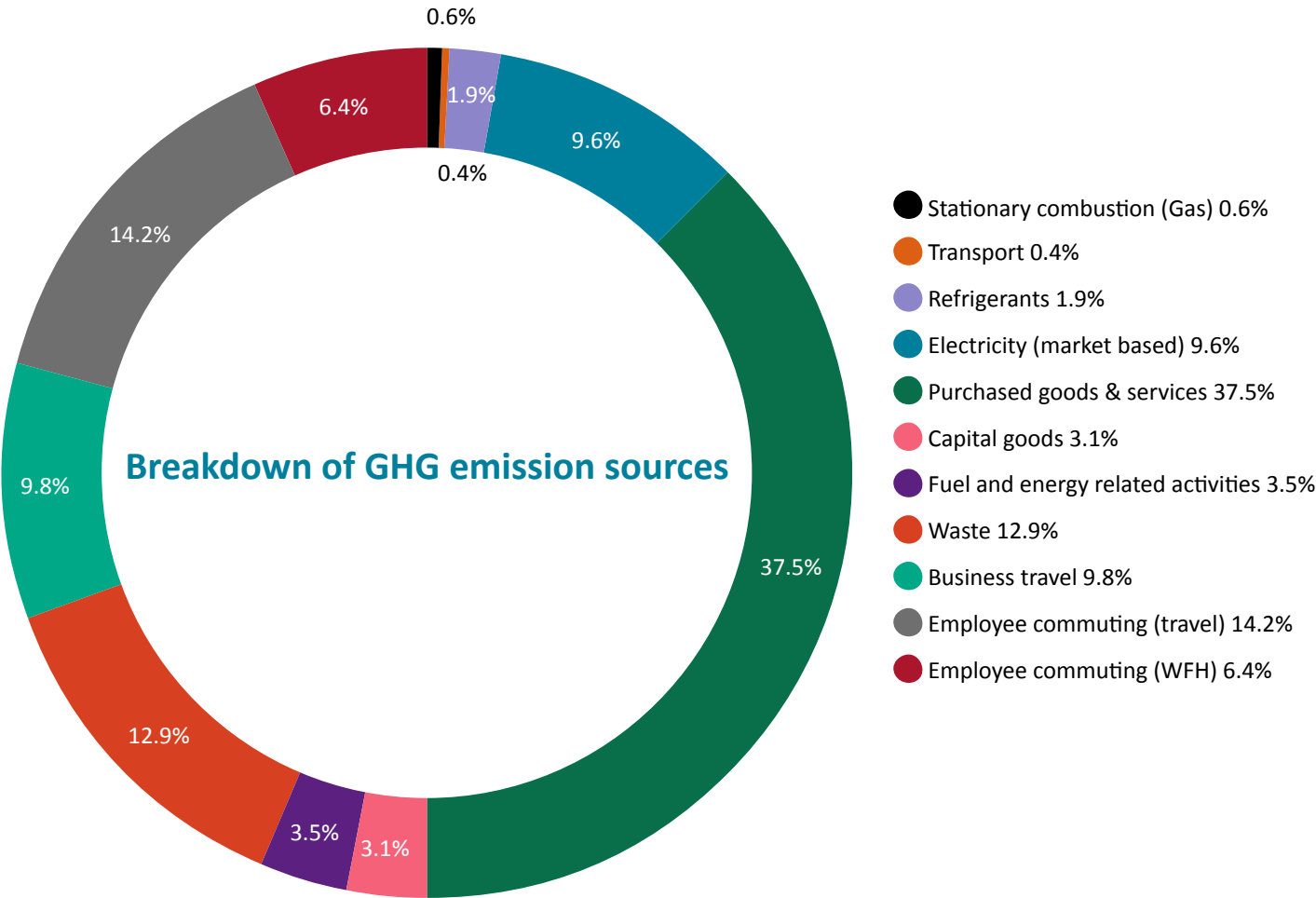
- i. 6 upstream categories

3. Created a carbon reduction plan for each Scope and category
4. Set the Net Zero date and committed to updating our carbon footprint annually with May 2023 – April 2024 to be the first year post the base year



Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that were produced in the previous financial year prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. Rouse have chosen May 2022 – April 2023 as our baseline year. Rouse’s FY 22/23 baseline carbon emissions footprint is as follows:



Below is an itemised breakdown showing the amount of carbon emissions (tCO₂e) produced by each scope and category from FY 22/23 baseline calculation.

Scope/Category	Item	Total tCO ₂ e FY 22/23	%
SCOPE 1			
Stationary combustion (gas)	Gas consumed	16.56	0.6%
Transportation	Owned and leased vehicles	11.76	0.4%
Refrigerants	HVAC's	45.34	1.7%
SCOPE 2			
Electricity (Location based) ¹	Purchased electricity, for own use (grid average)	321.42	N/A
Electricity (Market based) ²	Purchased electricity, for own use (specific contract)	261.31	9.7%
SCOPE 3			
Cat 1: Purchased goods and services	Goods and services	1,016.03	37.6%
Cat 2: Purchased goods and services	CapEx expenditure	84.95	3.1%
Cat 3: Fuel & energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	94.60	3.5%
Cat 5: Waste generated in operations	Waste	350.54	13%
Cat 6: Business travel	Land and air travel and hotel stays for business purposes WTW	265.00	9.8%
Cat 7: Employee commuting	Employees commuting to and back from work WTW	385.53	14.3%
Cat 7: Employee working from home	Employees working from home	172.53	6.4%
Total Gross Emissions (Location based)		2,764.25	
Less emissions avoided by procurement of renewable electricity		60.11	
Total Gross Emissions (Market based)		2,704.14	
Less carbon offsets		(350.00)	
Total Net Emissions		2,354.14	100%

¹ Location based represents emissions from electricity consumption based on grid average emissions

² Market based represents emissions from electricity consumption based on specific energy contracts

³ WTT– Well-to-tank emissions. Emissions associated with the extraction refinement and transport of fuels before consumption

⁴ T&D losses – Transmission and distribution losses. Emissions associated with the energy lost during the transmission of electricity through the network

⁵ WTW – Well-to-wheel emissions. Includes emissions associated with the extraction, refinement, transport, and consumption of fuels

To further understand our emissions, we have also recorded them using intensity ratios as this will allow us to track our emissions as our business grows and develops.

Intensity Ratios	Gross Emissions (Location based)	Gross Emissions (Market based)	Net Emissions
tCO ₂ e per employee (start of year)	3.73	3.65	3.18
tCO ₂ e per square metre	0.28	0.27	0.24
tCO ₂ e per million £ turnover	38.69	37.85	32.95

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries.⁶ This can be done either by an “Equity Share” or “Control” approach. The Equity Share approach reflects a company’s economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has. To fully cover all of its operations and subsidiaries, Rouse has selected the Operational Control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which it has operational control. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Rouse’s emissions are reported in tCO₂e and have been calculated utilising the following formula:

Source emissions data x conversion factor* = total source emissions
 Source unit x (tCO₂e/unit) = tCO₂e

* Conversion factors are primarily derived from the latest:

- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
 - EPA

⁶<https://ghgprotocol.org/corporate-standard>

Emission reduction targets

Rouse’s approach is to focus our efforts primarily on reducing our own emissions, with significant planning and finances set aside to do this. However, a large proportion of our carbon emissions lie within scope 3, it is difficult to reduce these emissions within the short term as these are within our supply chain where we have influence but not control. To try and reduce these emissions Rouse will use our purchase power and choice of suppliers to encourage the correct carbon reducing behaviour within our supply chain.

Environmental emission reduction plan

As a responsible business, Rouse has for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the Rouse Board on global best practices on carbon reduction. This is also the first year we have collected environmental data from 18 offices, and we are committed to improving the accuracy of our data collection. We have a carbon emissions reduction plan, the key actions of which are summarised below:



SCOPE 1: Stationary combustion (Natural gas)

- We will lobby office landlords to progressively replace brown gas consumption with renewable gas consumption.



SCOPE 1: Transport (owned and leased vehicles)

- Move petrol-owned and leased vehicles to electric vehicles (EV) as soon as is practical,
- Where moving to EV's is not practical switch to hybrid vehicles



SCOPE 1: Refrigerants

Whilst it is assumed fugitive emissions from refrigerant gases will remain the same due to lack of knowledge surrounding new technologies, we will endeavour to reduce our impact by lobbying office landlords to choose most energy efficient system.



SCOPE 2: Electricity

Only one of our electricity contracts is 100% green. We will endeavour to move all new contracts across to green contract when we take up new office space and lobby existing office landlords to adopt green contract. Energy efficiency guides will be issued to all site staff to facilitate positive behavioural change.

- Ensure we use energy efficient systems wherever possible e.g., replacing lights with LED and using passive infra-red sensors (PIRs) where possible



SCOPE 3 Category 1 & 2: Purchased goods and services & Capital Goods

Rouse realises that much of the GHG reductions in this category will happen because of our suppliers reducing their carbon emissions and becoming more carbon aware as the UK progresses towards a Net Zero 2050. However, that does not mean that we will take a passive approach to the category especially as it accounts for 40.7% of our total emissions. To try and enact positive change on our suppliers we will:

- Engage with tier 1 suppliers to first understand their carbon footprint (scopes 1 and 2) by sending out carbon surveys
- Be selective about working with sophisticated carbon suppliers (where possible), and additionally, support suppliers to reduce their emissions
- Prefer local suppliers where possible



SCOPE 3 Category 5: Waste

- Rouse already follows the waste hierarchy where a preference is given in order to:
 - Reduce the waste generated
 - Re-using / recycling as much as possible
 - Residual general waste to be incinerated to limit the volume of waste that goes to landfill
- We will place recycling bins in each office and encourage employees to recycle as much as possible and to minimizing paper printing
- We will track the disposal methods of our various waste streams and encourage waste management companies to change suppliers who send waste to landfill



SCOPE 3 Category 6: Business travel

COVID-19 has taught us that video conferencing tools such as Teams and Zoom can very successfully host meetings. We are encouraging our staff to continue to embrace this technology to minimise travel

- Where travel is required, we will prioritise carbon-reducing travel modes, choosing rail over air and / or cars
- Encourage the uptake of EV vehicles by paying favourable mileage reclaim rates and lobby landlords to consider the installation of EV charging points at our site, where practical
- We will also begin collecting more granular data on hotel stays to better calculate our GHG emissions in future years



SCOPE 3 Category 7: Employee commuting

We recognise that we cannot directly influence what modes of travel our employees use, we need to do all we can to encourage them to join us on our sustainable journey. We will endeavour to achieve this by:

- Sending a travel survey to each one of our employees to understand how they currently get to and from work
- Putting in place initiatives to include:
 - Cycle-to-work schemes
 - Encouraging carpool arrangements
 - Providing information on public transport alternatives
 - Encourage landlords to instal EV charge points at our office location
 - Paying favourable mileage reclaim rates to EV vehicles



SCOPE 3 Category 7: Employee homeworking

This includes emissions from the transportation of employees between their homes and Rouse's offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category

- At Rouse we used primary data collected from the employee commuting survey.
- We will continue to use employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method
- We will encourage employees to switch to a green energy contract for their homes

Conclusion

Rouse will recalculate our carbon footprint annually for each year ending May to April with FY 22/23 being the first base year report.

In this base year report, we've assessed our global operations through the lens of achieving Net Zero emissions. Our commitment to sustainability extends across all facets of our work, from strategic consulting to intellectual property (IP) services.

We've meticulously analysed our carbon footprint, identifying areas for reduction and mitigation in energy consumption, business travel, procurement, and supply chain activities. This report sets the foundation for our journey towards net zero, outlining ambitious reduction targets and a roadmap for implementation.

As we move forward, collaboration, innovation, and integration of sustainability into our core business strategies will be key. By leveraging our expertise in IP alongside a steadfast commitment to sustainability, we're poised to lead by example in driving positive environmental change while ensuring the continued success of our consultancy.



Emissions methodology – inclusions within current numbers:

Scope 1

Scope 1 sources included in the inventory are onsite (or “stationary”) natural gas combustion and mobile fuel combustion from leased and owned vehicles

Scope 2

Purchased electricity was the only identified Scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, Scope 2 emissions have been calculated and reported using two separate methodologies:

- A location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting emissions from the electricity that Rouse has purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers

Scope 3

Category 1: Purchased goods and services and Capital Goods

Includes all upstream (i.e., cradle-to-gate) emissions from the production of goods purchased or acquired by Rouse in the reporting year.

Category 3: Fuel and energy-related services

Relates to transportation and distribution losses, and the well-to-tank emissions for all fuels consumed as a result of Rouse’s operation

- Well-to-tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by Rouse owned or leased vehicles)
- Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines)

Category 5: Waste

Includes emissions from third-party disposal and treatment of waste generated in Rouse’s owned or controlled operations in the reporting year

- We have utilised the ‘waste-type-specific’ method, which involves using emission factors for specific waste types and waste treatment methods

Category 6: Business travel

Includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This also includes emissions resulting from hotel stays resulting from business-related trips

- We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate emission factor for the mode used where possible
- We have used the number of nights stayed in hotels to calculate the emissions

Category 7: Employee commuting and homeworking

Includes emissions from the transportation of employees between their homes and Rouse’s offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category

- We calculated this using an employee travel surveys which collected data from all employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method

Emissions methodology – non-material exclusions for FY22/23 baseline emissions:

Scope 3

Category 4: Upstream transportation and distribution

Is excluded from FY22/23 baseline emissions, as we do not have any upstream transportation and distribution

Category 8: Upstream leased assets

Is excluded from FY22/23 baseline emissions, as we do not lease any assets

Category 9: Downstream transportation and distribution

Is excluded from FY22/23 baseline emissions as we do not sell goods that need to be transported by our customers

Category 10: Processing of sold products

Is excluded from FY22/23 baseline emissions as we do not manufacture products

Category 11: Use of sold products

Is excluded from the FY22/23 baseline emissions as we do not sell physical products

Category 12: End-of-life treatment of sold products

Is excluded from FY22/23 baseline emissions as we do not sell physical products

Category 13: Downstream leased assets

Is excluded from FY22/23 baseline emissions, as we do not own any leased assets that we lease to other businesses

Category 14: Franchises

Is excluded from FY22/23 baseline emissions, as we do not operate franchises

Category 15: Investments

Is excluded from FY22/23 baseline emissions, as we do not have any investments whereby, we provide capital or offer financing as a service

ROUSE



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