

An aerial photograph showing a coastal landscape. At the top, there is a body of water with a vibrant turquoise hue, revealing a rocky seabed. A small, dark rock sits in the water. Below the water is a sandy beach with several large, light-colored rocks. White foam from waves is visible where the water meets the shore. A paved road with white lane markings curves through the middle of the image. Below the road is a dense forest of green trees, with a rocky outcrop visible on the right side.

Environmental Impact Report

Hill Dickinson

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Hill Dickinson is a law firm with a deep and storied heritage, of which we are immensely proud.

To celebrate and preserve our heritage, we recognise the need to adapt to the changes around us. To bring our over 200-year history and an innovative, modern approach to the challenges our clients, our people and our communities face.

Increasingly, environmental concerns are shaping these challenges – and understandably so.

The planet is reaching dangerous temperatures, devastating our natural world. We are deep within a climate crisis, and the need for action to reduce carbon emissions to slow global warming is critical. It is a crisis in which we all have a role to play, including organisations such as our own.

To this end, we have invested considerably in our ESG efforts over many years. Where we had the opportunity to make improvements, we took them. This early environmental action saw us make considerable strides; for example, since 2015 our water conservation initiatives have helped us to save over 32 million litres of water.

We understand, however, that more can and needs to be done. We are committed to building on this progress, to reduce our carbon emissions as much as feasibly possible through the levers we can control, in line with global and domestic legislation and scientific guidance.

Understanding our own impact was a vital first step, and we have spent considerable time getting to grips with our current carbon position. I applaud the dedication of our Steering Committee / leadership team and senior analyst in leading this charge. Their work has provided us with a clear picture of where Hill Dickinson currently stands with regard to our carbon emissions, and how we move forward.

We have now identified the areas where we can reduce our emissions considerably, to achieve our net zero carbon emissions goal by 2045.

To this end, we have delivered our Environmental Impact Report, a comprehensive outline of the initiatives we will deliver on and, in many cases, are already progressing.

By taking these next steps, we are well on our way to forging a more sustainable way of working. By uplifting and protecting the people and communities we serve across the globe, and better preserving our precious natural world, we can build a more socially equitable society.



Craig Scott
Chief Executive Officer
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Liverpool

Working towards a more sustainable future



In recent years, Hill Dickinson has been on a journey to:

Understand our role in the global climate crisis.

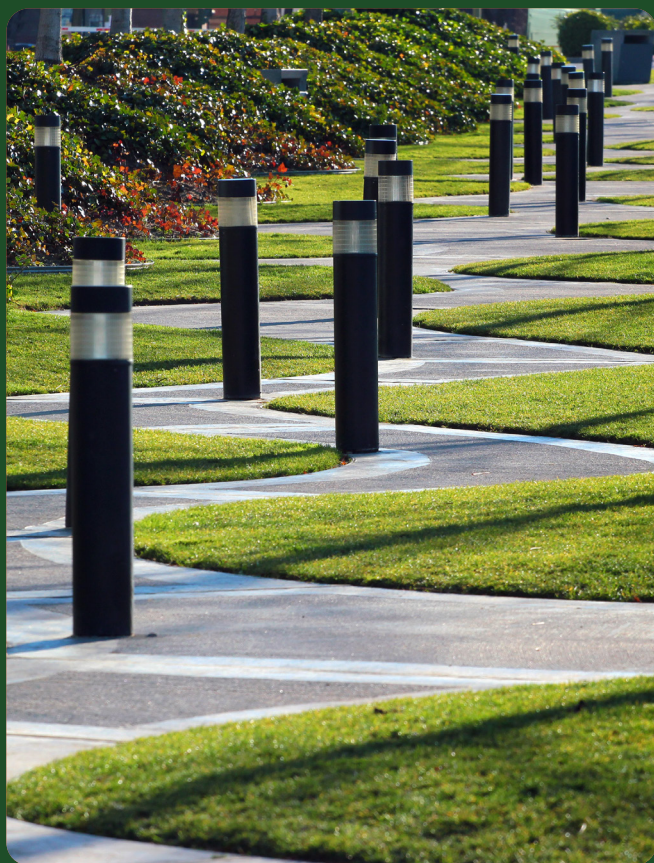
Recognise the steps we can take to address it.

Work towards the triple bottom line of people, planet and profit.

We have always been a proud early adopter of environmentally friendly practices.

It dates back to 2006, when we first explored nature-based offset solutions. Yet, in the face of an increasingly urgent climate crisis, we recognise that greater action is needed now across our environmental, social and governance (ESG) efforts.

Our Environmental Impact Report is a key pillar of this wider strategy. It is the roadmap we use to guide our activities, across operations, people, clients and supply chains, to achieve net zero carbon emissions by 2045.



This plan details our baseline emissions, our current carbon trajectory and the steps we will take to meet our 2045 goal. It has been informed through support from Net Zero Now, our ESG Management Team, ESG Steering Committee and ESG senior analyst. The policies and practices laid out within this document are informed by the Science Based Targets Initiative (SBTi), a pathway to reducing carbon emissions in line with the Paris Climate Agreement, and the United Nations' Sustainable Development Goals (SDGs), initiatives targeted at protecting the planet and improving the lives and prospects of everyone worldwide. Specifically, the relevant SDGs targets within this plan are:

- SDG 4 Quality education: Introducing targeted education approaches to help integrate sustainability within the culture of the firm
- SDG 12 Responsible consumption and production: Aimed at understanding how we can reduce our carbon-producing activities through our supply chain
- SDG 13 Climate action: Implementing climate change measures and improving awareness about mitigating strategies.

Ultimately, Hill Dickinson's responsibility to contribute to a more sustainable future is a responsibility to the communities we serve: those we work within, the people we employ and the clients we advise. By aspiring to a more sustainable way of working and reducing our carbon emissions wherever possible, we can ensure a business that best serves the needs of these communities, for generations to come.

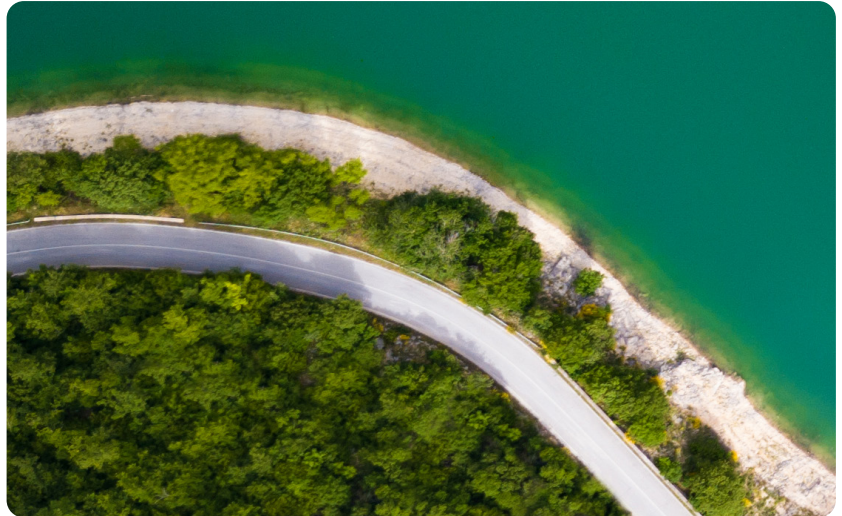
In conversation with Ariel Edesess

Ariel Edesess is ESG senior analyst at Hill Dickinson, specialising in carbon emissions reduction and climate change awareness.

Holding a PhD in Civil & Environmental Engineering, Ariel worked as a postdoctoral researcher with the Low Carbon Eco-Innovatory at Liverpool John Moores University for four years, before joining Hill Dickinson to lead its ESG activities in 2022.

Working to track carbon emissions and implement ESG initiatives across the firm, Ariel discusses the work undertaken to date to drive Hill Dickinson towards a more sustainable future, and its peoples' commitment to making this future a reality.





Why is making progress towards a more sustainable future so important to Hill Dickinson?

There are plenty of reasons why making progress towards this goal is so important for us. Some of these are external, such as regulatory requirements we need to meet or manage on behalf of our clients, or wider governmental and societal factors, from the UK government's net zero by 2050 goal, to the Paris Climate Agreement, to limit global warming at 1.5 degrees.

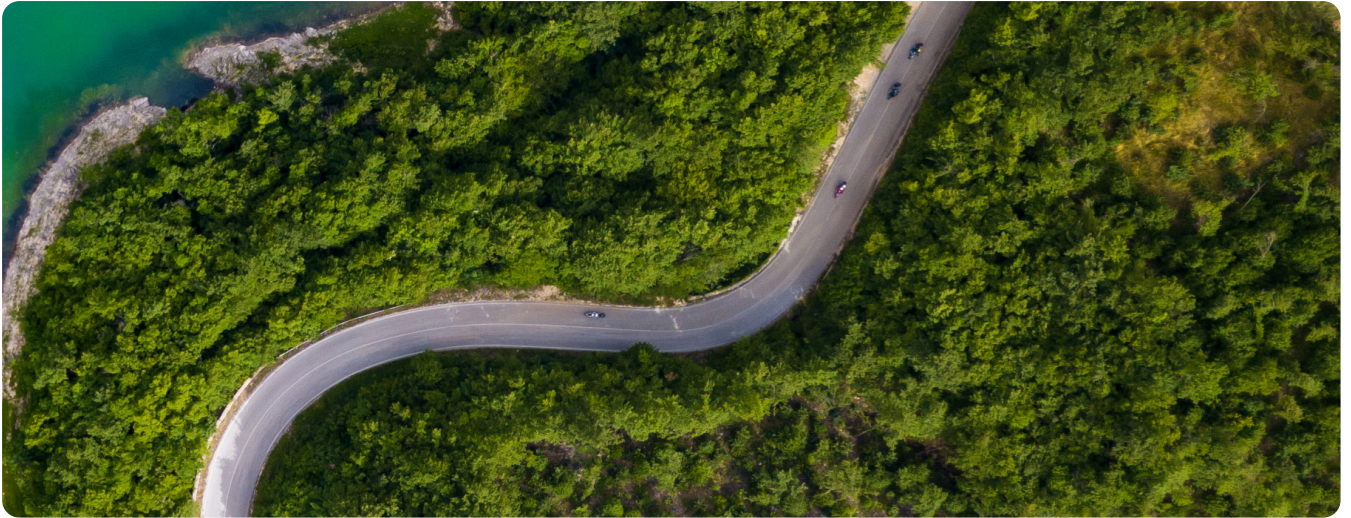
That said, there is also genuine commitment and passion within the firm to make our carbon reduction goals a reality. Hill Dickinson has real heritage, it's a true legacy business, and that means it has had to continually adapt to the challenges and changes of the time. One of the biggest challenges right now is the health of the planet we live on. So as a firm we want to do all we can to minimise our impact, by reducing our carbon emissions as much as possible.

In your experience, what is often the biggest barrier to environmental change for organisations?

Often, the biggest barrier is assuming it cannot be done, or that it's too late to make any meaningful changes. Climate change is a complex challenge and, for many organisations, the targets and actions that need to be taken to reduce carbon emissions can feel overwhelming at first.

The best thing to do is focus on the day-to-day and the next step you need to make to work towards bigger goals.

To get started, organisations need first to understand their emission levels and where they are coming from, whether it's from building operations, wider supply chain activity, business travel and so on. Then, organisations can set an ambitious goal that feels achievable, and identify hotspots to focus initial efforts on to steadily work towards this goal. Breaking down the long-term targets into measurable short-term steps can help the whole challenge feel much more manageable.



Many of Hill Dickinson's carbon reduction activities and initiatives are focused at a local level - why is that?

Climate change can be a challenging concept to comprehend - it feels so big, so all-encompassing, so global. By making it feel more local and immediate, we can see how climate change is impacting our clients and our personal lives today, and how we can effect change in these areas.

Plus, to give people hope that action can have an impact on the climate crisis, we need to be able to see it. We're more likely to see the positive impact of our efforts at a local level.

It gives people ownership, it incentivises them. It is important that we feel more resolute about the changes that need to be made, and can see that they can have a real impact.

Climate change is a global challenge after all, and Hill Dickinson is an international business. How has this been factored into reduction targets and initiatives?

It's been an interesting challenge. We have taken measurements across every one of our offices, and there are certainly regional differences in this approach. For example, the collection of some data considered the norm in the UK, was more unusual in other locations. One of our first steps was to ensure the data we gathered was as consistent as possible across locations. Then we focused on the practicalities in each location - the switch to renewable energy is more straightforward in some regions than others, for example.

We're working to take a localised approach by office location, as we understand that the immediate and long-term changes we can make will vary. It means that our carbon emission reduction goals aren't blanket, but instead influenced by the possibilities and what makes sense within each region.



How is Hill Dickinson educating on the importance of carbon emission reduction efforts?

Environmental education is one of our biggest priorities as part of our carbon reduction efforts. We want to equip our people with greater understanding and ownership of what they can do to reach our collective goals. This could have the biggest impact of all of our initiatives, influencing people's sustainable choices both professionally and personally.

We've therefore launched a comprehensive education programme, sharing key resources, updating people on our progress towards our goals and sustainability training sessions. It has been really well received internally, as there is real cultural acceptance within the firm of the need to make change. The fact that my position exists at all is testament to this and shows Hill Dickinson's commitment to true environmental change.

Hill Dickinson has already come a considerable way in its carbon emission reduction efforts. What are the initiatives that you feel have so far had the biggest impact?

The education programme has so far been the most impactful, and it goes back to mindset being the biggest enabler (or barrier) to true change.

Our people need to be behind the firm's environmental initiatives, which will be driven in large part through our internal education efforts. It makes our other activities much more achievable because carbon reduction is becoming part of mainstream conversation across the firm now.

The full impact of our education programme goes well beyond organisation-wide efforts too, as it affects the choices people make in their personal lives. So although the true impact of this education is immeasurable in one sense, the value of it is clear, and important in ensuring full support for our other initiatives.

We are truly energised by the challenge ahead of us, and our people are fundamental to achieving our goals. To that end, we will continually work with our teams to learn, develop our goals and put actions in place to support wider global healing.

Our carbon emission reduction targets

Hill Dickinson is committed to reaching **net zero by 2045**.

We will achieve our goal by reducing our carbon emissions by **90%** from our initial baseline levels by **2045**, with the residual **10%** neutralised through our support of carbon drawdown initiatives (see our carbon emission reduction initiatives, page 14).

Our methodology and carbon footprint reporting

To ensure our carbon emission reduction action has meaningful impact, we have undertaken a detailed review of current emission levels across our global organisation.

Our measurements included our six UK offices that were open at the time of measurement and our bases in Piraeus, Monaco, Hong Kong and Singapore.

This reporting represents a detailed review, which Hill Dickinson has undertaken into its carbon emissions.

These levels have been measured in accordance with guidance from the Greenhouse Gas Protocols (GHG Protocols), considered the global standard for carbon emission accounting.

Emission-creating activities

We have reviewed all emission-creating activities according to the GHG Protocol scopes: 1, 2 and 3 (see Table 1). Scope 1 refers to emissions from sources Hill Dickinson directly owns or controls, such as offices and vehicles. Scope 2 emissions are those we produce indirectly through the energy we purchase and use. Scope 3 accounts for indirectly produced emissions that are not generated by assets we own or control, but through the activities of our wider supply chain.

Scope 3 categories

Category 1: goods & services (inclusive of emissions from transportation and distribution of our purchased products), Category 2: capital goods; Category 3: energy loss due to transmission and distribution of electricity; Category 5: waste generated in operations; Category 6: business travel; and Category 7: employee commuting and home working.

We have omitted Category 4: Upstream transportation and distribution and Category 9: Downstream transportation and distribution as they are not relevant to our business. As a provider of legal services, we do not manufacture or distribute physical products.

Quality of data

Where available, we have used primary data sources to ensure the best accuracy possible, collected responses from a survey to inform our commuting data and utilised spend data or life cycle analyses (LCAs), where available, to determine emissions from products purchased.

These measurements have enabled us to build a more complete picture of our wider environmental impact and inform us as we work to reach net zero by 2045.

In accordance with our carbon emission reporting methodology, we have captured our baseline emissions on the following page (see Table 1).



Additional details relating to the emissions calculations:

We began calculating our emissions using a baseline financial year of 2019 - 2020 and collected data for Hill Dickinson's UK-based and international offices.

We initially collected data for May 2019 - April 2020 and for May 2021 - April 2022, omitting the May 2020 - April 2021 as this year was impacted significantly by Covid and the data was not comparable to previous or later years.

As we continue to report, we have worked to improve the data we have collected and to ensure that we are covering our emissions as completely as possible. This approach has led to a much wider scope of focus for May 2022 - April 2023, where we worked to cover our supply chain more completely.

We have therefore also backtracked and updated our data set for our baseline year, leading us to recalculate our baseline value for financial year 2019 - 2020.

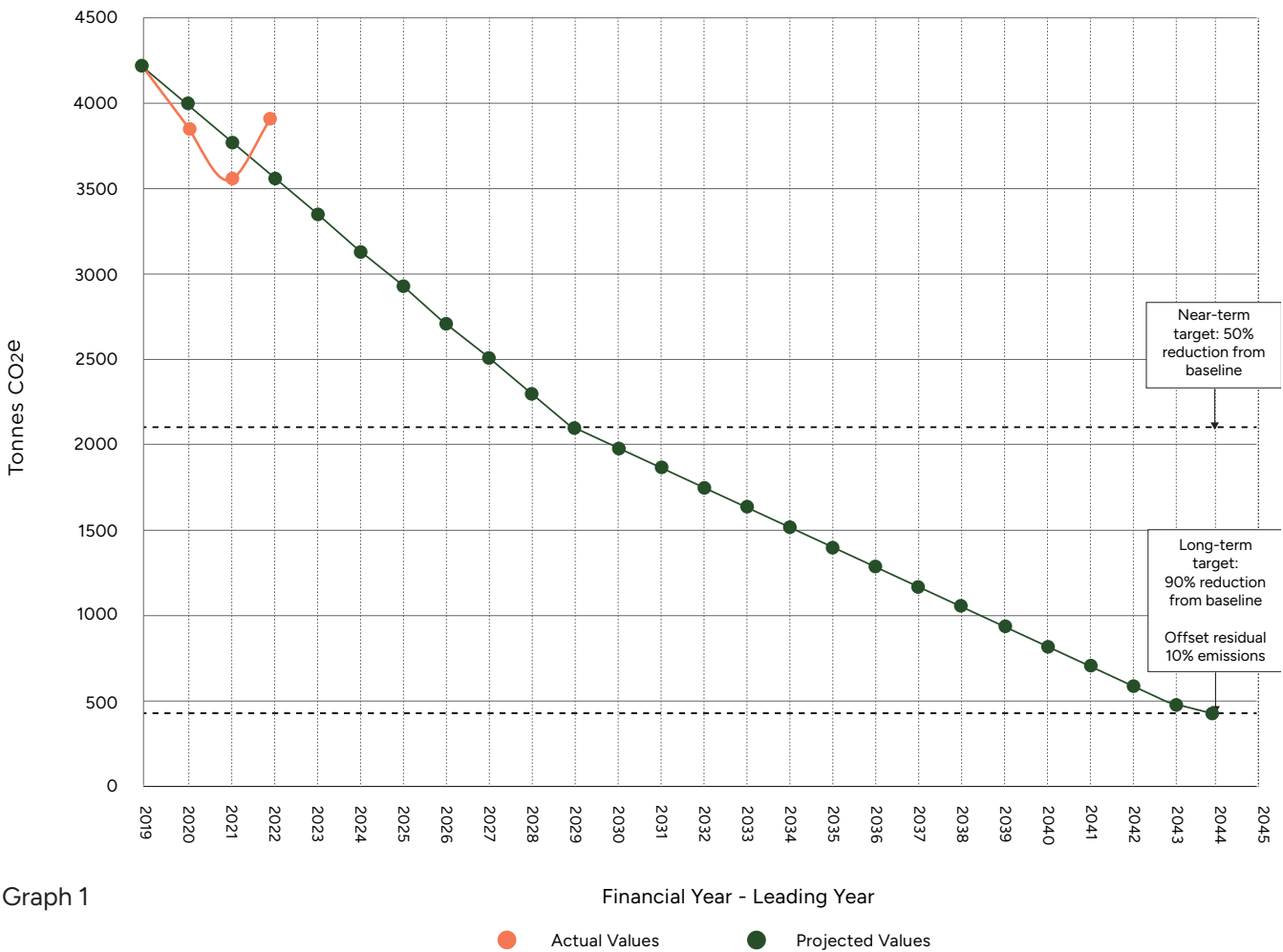
Scope	Emission Type	Data Source	Baseline Year May 2019 - April 2020		May 2021 - April 2022		Current Year May 2022 - April 2023	
			tCO ₂ e by Scope	% total by Scope	tCO ₂ e by Scope	% total by Scope	tCO ₂ e by Scope	% total by Scope
Scope 1	Fuel used	Emissions from fuel-based sources including heating, fugitive emissions and fleet	672.6	16.0%	515.5	14.5%	625.7	16.1%
Scope 2	Electricity	Emissions from electricity use, using a market-based approach	535.5	12.7%	393.3	11.1%	186.5	4.8%
Scope 3	All relevant indirect emission sources	Spend-based emissions associated with Hill Dickinson's purchased and capital goods and services, energy losses due to transportation and distribution of energy, primary waste and water data, commuting survey results, primary business travel data	3007.6	71.3%	2637.5	74.4%	3067.5	79.1%
Total tonnes CO ₂ e			4215.7		3546.3		3879.7	

Table 1

To support our emission reduction journey, we have developed a set of near-term and long-term targets (see Graph 1). Our near-term targets include a reduction in carbon emissions across Scopes 1, 2 and 3 from a baseline value of 4215.7 tonnes of CO₂e (tCO₂e) to 2107.9 tCO₂e by 2030, representing a reduction of 50% from our baseline emissions. Our long-term target would see us reach 421.6 tCO₂e by 2045, a 90% reduction from baseline emissions. Progress against these targets can be seen in see Graph 1.

As of May 2023, Hill Dickinson had achieved a 7.3% reduction in our total carbon emissions through projects implemented since 2019. We are committed to staying on track to reach our net zero target by 2045, if not sooner.

Carbon Reduction: Projection vs Actual



Graph 1

Our carbon emission reduction initiatives

To achieve net zero carbon emissions by 2045, Hill Dickinson has planned a series of bold projects to reduce carbon emissions by 90% and invest in carbon drawdown initiatives to neutralise the residual 10% emissions to achieve net zero.

Our ongoing projects can be separated into measures in place, measures we have put in place since publication of our previous Carbon Reduction Plan, and measures to be explored or taken within the next 12 months.

Wherever possible, they are focused at a local level; either directly aimed at reducing carbon emissions from across our international offices or investment in local initiatives that positively benefit the communities we work within.

The following measures are currently in place:

Energy and utilities

Continued to monitor waste and water usage across our offices and **send 0% of UK waste to landfill.**

Increased our energy use backed by renewable energy guarantees of origin (REGO) certificates from **30%** in 2022 to **42%** in 2023.

Decreased our office-space in Liverpool, and therefore decreased our energy use by **56%**.

We have achieved our **ISO14001 certification.**

In 2024, we are replacing all lighting in our UK offices with LED lighting.

We are developing our Science-Based Targets (SBTI) submission to set specific, measurable near-term and net-zero goals to help us reduce our carbon emissions

Procurement

Moved to using 100% recycled paper for all our UK offices.

Updated our sustainable procurement policy and code of conduct to screen for social and environmental topics.

Where possible, prioritised suppliers with reputable sustainability credentials.

Opened a new office in Leeds which will exceed our environmental requirements as it has been deemed BREEAM Outstanding and boasts a NABERS score of five stars.

Travel, transport and colleague engagement

Retained our hybrid working policy and continue to invest heavily in the infrastructure to support this since 2019.

Implemented a comprehensive education programme to improve climate literacy, including two mandatory training modules for all colleagues covering sustainability and climate change.

Working with external partners to support colleague transition to zero emission energy sources at home, in further support of our hybrid working policy.

Restructuring how we advance ESG by creating six working groups. These are comprised of colleagues from across the firm, ensuring that we have the required expertise to drive progress in key areas of our agenda. The six areas the groups focus on are: operations and emissions, colleague learning and engagement, policies and procedures, communities, supplier engagement and client engagement.

Formed an ESG Management Team to take the lead in shaping and developing overall strategy. This team includes a new ESG partner and ESG client lead to support our ESG senior analyst in effectively communicating our agenda to clients.

Next steps

To keep us on track to achieve a 50% reduction in carbon emissions by 2030, we are exploring or introducing the following initiatives within the next 12 months:

Energy and utilities

Submit our science-based targets (SBTs) to the Science-Based Targets Initiative (SBTI) by June 2024.

Work to increase the procurement of renewable energy across all UK offices.

Switch to 100% recycled paper in every office.

Embed a comprehensive energy savings system into our operations and facilities management.

Ensure our emission reduction targets are approved by the science-based target initiative (SBTI) and continue to monitor and disclose our emissions through organisations such as CDP.

Procurement

Screen all our suppliers for implementation of sustainability and climate change measures.

Open a new office in Manchester which will exceed our environmental requirements. This site is currently being developed with the aim of achieving net zero carbon in construction and operation and targeting a BREEAM Outstanding rating.

Work to engage more with vendors that have clear sustainability targets in place and who consider circularity in the design process.

Implement supplier engagement programme and work to educate all internal buyers.

Travel, transport and colleague engagement

Encourage cycling or the use of public transport to travel into the office and to meetings.

Explore initiatives to reduce overall business travel emissions.

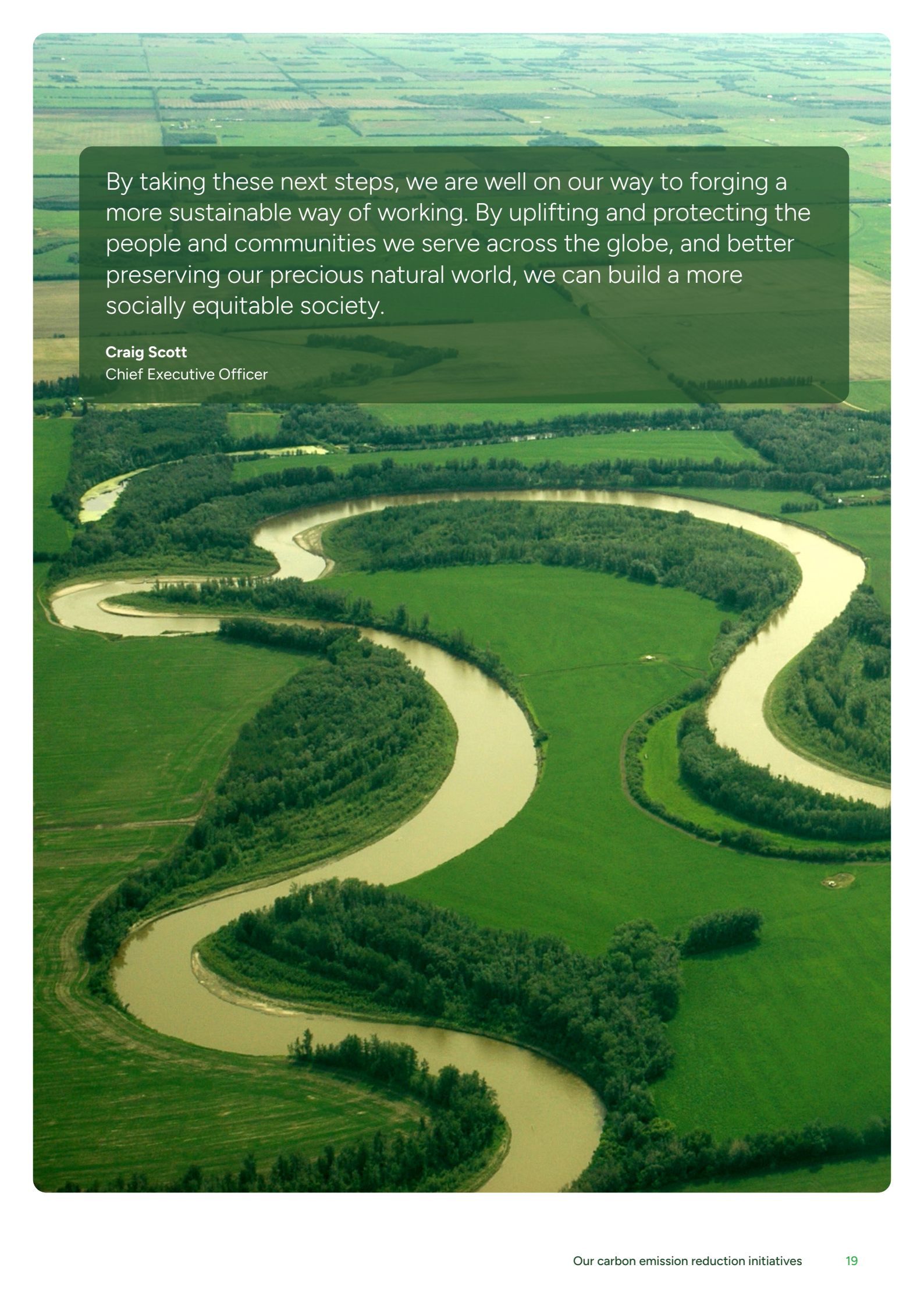
Develop an electric vehicle (EV) salary sacrifice scheme.

Community carbon drawdown projects

Invest in innovative community projects that will positively benefit local environments.

These include but are not limited to:

- Land regeneration
- Peatland restoration
- Reforestation
- Legal support for climate-related causes

An aerial photograph of a river with several large, sweeping meanders. The river is a light brownish-yellow color, contrasting with the vibrant green of the surrounding agricultural fields and dense forested areas. The landscape is flat, and the river's path is clearly defined by the sharp curves of the meanders.

By taking these next steps, we are well on our way to forging a more sustainable way of working. By uplifting and protecting the people and communities we serve across the globe, and better preserving our precious natural world, we can build a more socially equitable society.

Craig Scott
Chief Executive Officer

Our carbon emission reduction initiatives

Having made progress towards our carbon reduction efforts already, we are committed to maintaining this momentum. To ensure accountability for our carbon reduction activities and wider ESG efforts, an ESG Management Team is now in place at Hill Dickinson:



Richard Allingham
ESG partner
Partner - Marine Group



Dr Ariel Edesess
ESG Senior Analyst



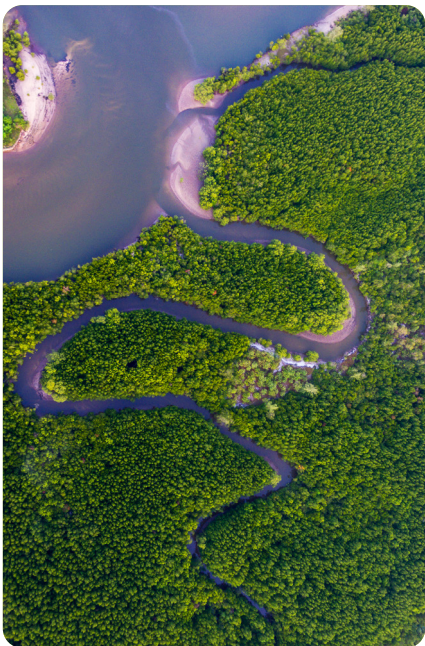
Gemma Badger
ESG Client Lead
Health Group Professional
Support Lawyer



Amanda Butler
Director of Risk and
Compliance



Iain Johnston
Non-Executive Director



ESG representative to the
operations executive

ESG representative to LLP Board

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Hill Dickinson