

Carbon Reduction Plan

Supplier Name: Hippo Digital Limited

Publication Date: 19th January 2023

Commitment to achieving Net Zero

Hippo Digital Limited is committed to achieving Net Zero by 2025.

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: 2021 (1st November 2020 - 31st October 2021)

Additional Details relating to Emissions calculations.

We calculate our emissions using software provided by DODO Software Limited, which provides emissions by Scope 1, Scope 2 and Scope 3 categorisation. Dodo has developed a methodology for measuring carbon emissions using the greenhouse gas protocol.

In our headcount number we have included both our permanent members of staff as well as non-permanent staff (e.g. contractors).

For Scope 1 and Scope 2 emissions, the Dodo platform uses an activity-based approach. In this approach, emissions are calculated by entering the specific volume or number of items consumed, for example, the total kWh of electricity used. Where this information is not available e.g. in a serviced office, a location based method to determine electricity emissions. DEFRA conversion factors are utilised for scope 1 & 2 emissions data for items like electricity, heating, water, waste, refrigeration.

For Scope 3 emissions the Dodo platform uses a spend-based approach which uses the total amount spent on goods and services from suppliers as a way to calculate emissions. BEIS/GHG information is used to calculate scope 3 data for items like travel and services.

For commuting and working from home, the Dodo platform uses national average figures using EcoAct data. We internally track how many individuals are visiting our offices in order to understand the split between working from home and commuting. We have chosen to include these figures within our Scope 3 emissions calculations.

The factors used to calculate carbon emissions may change over time and these therefore may influence the carbon footprint calculation e.g. changes to DEFRA conversion factors.

There are two points to note with regards to our baseline assessment.

Firstly, the Baseline Emissions Footprint for Hippo Digital was created during the COVID-19 pandemic. The relevant UK lockdown and travel restrictions will have affected this measurement as follows:

- Consultants were mainly working from home.
- Hippo offices were not in full time use.
- Clients were not facilitating on-site working or meetings.

Secondly, Hippo Digital is a rapidly growing business. There is a projected headcount growth anticipated in the next 5 years of reaching approximately 600 members of staff. Therefore, an intensity factor per person will be the key metric to monitor in terms of carbon reduction.

To calculate the intensity factor per person we have taken the average headcount between the start and end of the period i.e. 1st November 2020 and 31st October 2021.

Baseline year emissions:

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	3.55 tonnes
Scope 2	6.51 tonnes
Scope 3 (Included sources)	<p>224.7 tonnes</p> <p>As per the subset of five Scope 3 emissions categories requested by the PPN 06/21 Technical Standard, these are broken down as follows:</p> <p>4. Upstream transportation and distribution - 0 tonnes (not relevant for digital consultancy providing services, not goods)</p> <p>5. Waste generated in operations - 3.6 tonnes</p>

	6. Business travel – 17.12 tonnes 7. Employee commuting (including working from home) – 69.06 tonnes 9. Downstream transportation and distribution – 0 tonnes (not relevant for digital consultancy providing services, not goods)
Total Emissions	234.77 tonnes (giving an intensity factor of 1.4 tonnes / person)

Current Emissions Reporting

Reporting Year: 2022 (1st November 2021 – 31st October 2022)	
Additional Details relating to Emissions calculations.	
<p>There have been no operational boundary changes during the period.</p> <p>To calculate the intensity factor per person we have taken the average headcount between the start and end of the period i.e. 1st November 2021 and 31st October 2022. We have seen continued headcount growth in the year.</p>	
EMISSIONS	TOTAL (tCO_{2e})
Scope 1	10.189 tonnes
Scope 2	1.558 tonnes
Scope 3 (Included sources)	<p>229.802 tonnes</p> <p>As per the subset of five Scope 3 emissions categories requested by the PPN 06/21 Technical Standard, these are broken down as follows:</p> <p>4. Upstream transportation and distribution – 0 tonnes (not relevant for digital consultancy providing services, not goods) 5. Waste generated in operations – 0.56 tonnes 6. Business travel – 61.35 tonnes 7. Employee commuting (including working from home) – 99.75 tonnes 9. Downstream transportation and distribution – 0 tonnes (not relevant for digital consultancy providing services, not goods)</p>
Total Emissions	241.55 tonnes (giving an intensity factor of 1.026 tonnes / person)

Emissions Reduction Targets

Our plan is focused on:

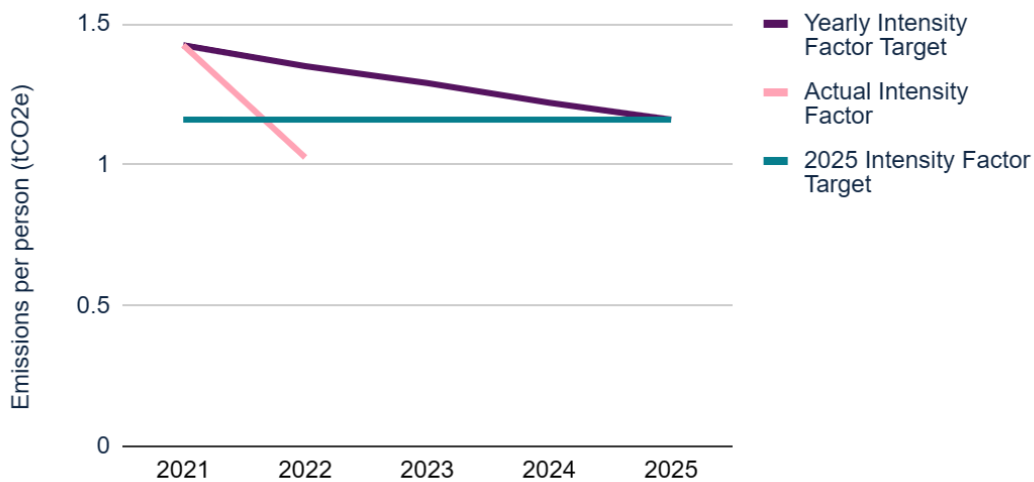
- Actively implementing carbon reduction initiatives to meet our Net Zero ambition.
- Implementing carbon offsetting initiatives for any carbon that cannot be removed from the supply chain.

We have been working to reduce our carbon emissions since our baseline period. Our baseline set a carbon intensity factor of 1.4 tonnes per person which allows us to track our reduction initiatives over time as the company grows.

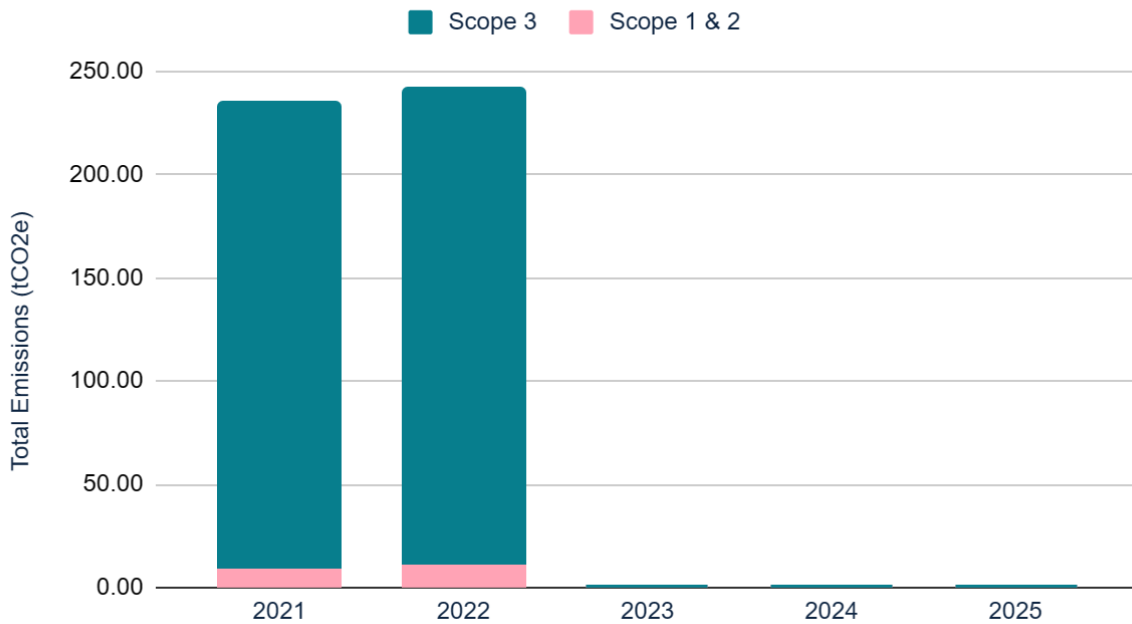
From our baseline we are targeting an 18.5% reduction using the carbon intensity factor per person of 1.4 tonnes in the baseline, reducing to 1.16 tonnes by 2025.

The graphs below show progress towards reducing our intensity factor per person, our overall emissions per year and the amount of offset.

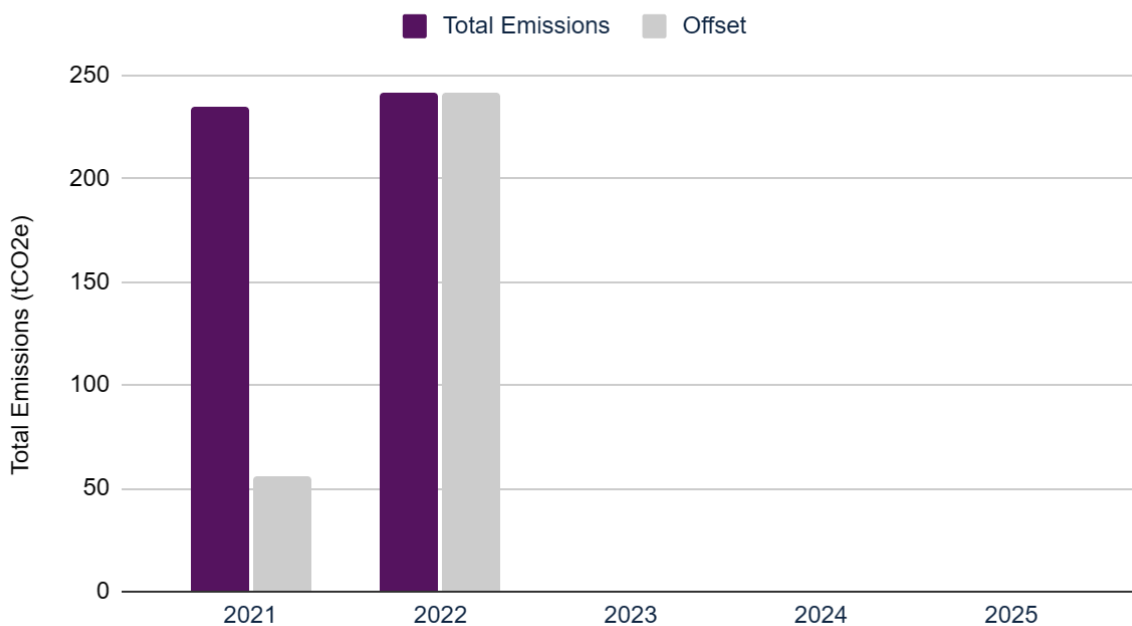
Emissions by Intensity Factor



Emissions by Scope



Total Emissions and Offset



We have in real terms reduced our Scope 2 emissions from 6.51 tonnes to 1.558. We have met our target to reduce our emissions to 1.16 tonnes per person (exceeding this by achieving an actual intensity factor of 1.026 tonnes) but recognise that the changes to the conversion factors e.g. in May/June 2022, will have played a part in this. Therefore we will continue to work to reduce our carbon footprint as per our Carbon Reduction Projects.

Carbon Reduction Projects

During this current reporting period (Nov 21 – Oct 22) the following initiatives have been introduced to reduce our carbon footprint:

- Moved our leased offices onto renewable electricity (July 2022).
- Launched a salary sacrifice electric car scheme providing a more affordable solution for staff to move to using an electric vehicle (April 2022). To date 11 Hippos have enrolled in this scheme.
- Green Hippo initiative focused on providing our staff with greater information and support on how they can personally reduce their carbon footprint outside of work.
- Introduced 2 volunteer days per permanent employee per year which can be used on sustainability or social value initiatives. Under this scheme, 8 employees took part in a workshop with the charity Plastic Shed which included an educational session on plastics and how they can be recycled/repurposed.
- We gave the option to all permanent employees in October 2022 to be provided with an electric blanket to help reduce their heating consumption/costs and to reduce carbon emissions whilst working from home. The positive impact of this has been estimated at a potential reduction of 0.349t CO₂e per Hippo per annum (note that this has not been factored into our carbon footprint calculation).

In the past year we have also achieved the 14001 Environmental Management ISO accreditation.

We have continued with a number of existing initiatives:

- Cycle to Work Scheme, 4 Hippos enrolled in the Cycle to Work Scheme during the year.
- Use of Google products e.g. G-Suite. Google matched 100 percent of its annual electricity consumption with purchases of renewable energy.
- Hippo “Ways of Working” which identifies what work is best achieved face to face with clients and what work can be done remotely in order to reduce unnecessary travel to client locations. We would like to continue to share this initiative with our clients to show that we are serious about promoting Net Zero and reducing unnecessary travel.
- New life for phones and laptops – where laptops are no longer needed for business use but are in good condition, these can either be purchased by our employees or are donated to charity.

During this measurement period (Nov 21 – Oct 22) we have introduced the following initiatives to offset our carbon footprint:



- 100% of our carbon footprint for this year has been offset. 41 tonnes have been offset through the GreenPerks programme by Travel Perks (travel provider) and the remainder (201 tonnes) through Dodo offset initiatives.
- In December 2021, we chose to send festive e-cards (rather than physical cards) for employees, and did this via '1 Tree Cards' who planted a tree for each of the 129 cards sent.
- In January 2022 we started an initiative to plant 5 trees to celebrate each permanent Hippo's work anniversary. This has resulted in 555 trees being planted in association with THG.

These initiatives mean we are carbon neutral for the year.

Future Carbon Reduction Initiatives

The following initiatives are being considered for future reduction/management of our carbon footprint (in addition to our existing initiatives):

- We are investing in an internal role that is focused on sustainability and social value. It is expected that this full time individual will join the business in February 2023.
- As we onboard new leased offices we will continue to move these offices to renewable electricity.
- We are looking to work with the landlords from our serviced offices to request that they move to renewable energy.
- Enhance our waste management process to maximise recycling in our leased offices to reduce general waste.
- Identify and work with suppliers that prioritise recycling and minimising energy and waste, and also allow us to measure our waste emissions more accurately.
- Work with our carbon footprint measurement supplier to introduce the ability to capture if people working from home have renewable electricity so that we can look to introduce this data point to more accurately measure our carbon footprint and track if individuals move to renewable energy.
- Consider potential incentives to encourage permanent members of staff to move to renewable energy at home.
- Continue to look at ways of reducing single-use plastic and waste in the office e.g. providing tupperware boxes to allow Hippos to use these when purchasing lunch from food outlets to reduce waste.
- Introduction of a tree planting option as part of our flexible benefits scheme.
- Roll out training to our staff on how they can have a positive impact on reducing their carbon footprint.

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^[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting^[2].

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^[3].

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:

A handwritten signature in black ink that reads "Lara Longhurst".

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Lara Longhurst, Hippo Digital Limited, Chief Operations Officer

Date: 20th January 2023

^[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>