

Hippo Digital

PPN 006 Carbon Reduction Plan: FY25

Supplier Name:

Hippo Digital Limited

Publication Date:

September 2025

Introduction

This Carbon Reduction Plan has been produced in response to Procurement Policy Note (PPN) 006 which specifies how Hippo Digital Limited (Hippo) should have a plan to manage greenhouse gas (GHG) emissions and have a commitment to Net Zero emissions by 2050 in order to bid for Government contracts.

Hippo is committed to supporting Government Net Zero targets by 2050 and are taking all reasonable steps to achieve this before 2050. Hippo is committed to implementing this Carbon Reduction Plan and providing a wide range of carbon reduction initiatives in the delivery of contracts.

Emissions have been quantified following PPN 006 Technical Standard and ISO 14064-1:2019, the international standard for the quantification and reporting of GHG emissions.

This Carbon Reduction Plan has been produced in collaboration with [Carbonology[®] Ltd](#) and [Dodo](#).

Commitment to Achieving Net Zero

Hippo is committed to achieving net zero emissions by 2040. This will be supported by the quantification of GHG emissions and development of a Carbon Reduction Plan in alignment with PPN 006 technical requirements on an annual basis.

Environmental measures referenced in this document will be in effect and utilised in the delivery of relevant contracts. A series of reduction targets have been set to progress towards Net Zero. This document is a summary version of our full Carbon Reduction Plan.

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.

We originally took the baseline period for quantification of GHG emissions as 1st November 2020 – 31st October 2021 and have been working on initiatives in response to our carbon footprint since 2021. In April 2023 we aligned our carbon footprint to our financial year which is 1st April to 31st March. In response to PPNO6/21 (Technical standard for Completion of Carbon Reduction Plans) we have re-baselined our emissions to align with this period (FY24) so that the same reporting period is used throughout. For transparency, our previous carbon reduction plans are available on request.

We anticipate the need for a further re-baseline in FY27 as part of our ambition to set science-based targets and once we have gathered the necessary data to quantify emissions from purchased goods and services and conduct a full supply chain analysis.

Baseline year: FY24 (1st April 2023 – 31st March 2024)
Additional Details relating to Emissions calculations
In March 2024, Hippo adjusted its annual Carbon Reduction Plan reporting period (previously November– October) to align with its financial reporting period (April – March) and have therefore re-baselined to ensure that the timeframes remain consistent.
Emissions were calculated using a combination of DEFRA conversion factors and Dodo.
There were changes to the organisational and reporting boundaries during the reporting period. In addition to ongoing hiring, Hippo acquired another business (The Data Shed, which has been included in the carbon footprint from 1st August 2023). Additional offices were opened and added to the footprint (Bristol, Data Shed office in Leeds and Edinburgh), the Manchester office was relocated into a serviced space, and the Coventry office closed in June 2023. This means we now operate 2 leased offices and 5 serviced offices in total and anticipate an increase in Scope 2 emissions due to estimating electricity and gas consumption

based on floor area. Our footprint also includes Scope 3 emissions from T&D (transmission and distribution) emissions. Over the course of the reporting period, we continued to see an increase in consultants returning to work in our offices (for collaborative working) as well as client requirements to work onsite at their premises, which has increased both commuting and business travel.

Dual reporting (location and market) has been applied for Scope 2 electricity generation and for Hippo's total emissions, this has been done to highlight the emissions reductions from renewable energy. Our actual emissions are market emissions, which factors in the emissions savings attributed to renewable energy, whereas location emissions are a projection of emissions in the absence of renewable energy. The use of renewable energy resulted in a reduction in emissions of 5.58 tCO₂e.

Emissions from upstream transportation and distribution, as well as downstream transportation and distribution have not been included, as the associated emissions are not estimated to be significant given that Hippo provides digital services rather than physical goods. Additionally, data for the distribution of hardware (employee laptops) is currently unavailable. We are collecting this data for the next full year reporting period.

Emissions	TOTAL (tCO₂e)
Scope 1	14.87
Scope 2 (location-based)	17.36
Scope 2 (market-based)	11.78
Scope 3 (included sources)	608.93
<ul style="list-style-type: none"> • Category 2 – Capital goods: 109.24 • Category 3 – Fuel and energy related activities (T&D): 1.50 • Category 4 – Upstream transportation and distribution–0(not relevant for digital consultancy providing services, not goods) • Category 5 – Waste generated in operations: 3.20 • Category 6 – Business Travel: 316.19 • Category 7 – Employee commuting: 12.12 • Category 7 – Employee homeworking: 166.68 • Category 9 – Downstream transportation and distribution – 0 tonnes (not relevant for digital consultancy providing services, not goods) 	
Total emissions	641.16 (location-based)
	635.58 (market-based)
(giving an intensity factor of 1.66 tCO₂e per head)	

Current Reporting Year: FY25

Reporting year: FY25 (1st April 2024 – 31st March 2025)	
Additional Details relating to Emissions calculations	
<p>Emissions were calculated using a combination of DEFRA conversion factors and spend-based conversion factors sourced by Dodo.</p> <p>There were changes to the organisational boundaries during the reporting period, with site closures in Leeds (Mabgate Mills), and the relocation of the Birmingham Office (Hurst Street to Temple Row). There were no changes to the reporting boundaries.</p> <p>In FY25 we continued to increase our headcount which grew up to 10% during the year based on demand for our services (both employees and contractors).</p> <p>Dual reporting (location-based and market-based) has been applied for Scope 2 purchased electricity. This approach highlights the emissions reductions achieved through the use of renewable energy. Market-based emissions reflect our actual emissions, accounting for the use of renewable energy, while location-based emissions are calculated using average grid factors, which include a mix of energy sources. The use of renewable energy resulted in an estimated saving of 7.87 tCO₂e.</p> <p>Significant reductions have been made in Scope 3 Capital Goods and Business Travel. This is due to reduced spend on ‘computers and office equipment’ and calculating rail and air travel emissions using activity data rather than spend-based estimates, resulting in improved accuracy. However, emissions from waste increased. This is partly due to an updated waste generation estimation methodology introduced in FY25. Emissions are now based on estimated waste generation per square foot, with total waste apportioned across appropriate waste management practices. The assumed breakdown of treatment methods was revised in FY25, contributing to the increase.</p> <p>Emissions from upstream transportation and distribution, as well as downstream transportation and distribution have not been included, as the associated emissions are not estimated to be significant given that Hippo provides digital services rather than physical goods. Additionally, data for the distribution of hardware (employee laptops) is still unavailable due to distribution of employee laptops being undertaken by a new supplier.</p>	
Emissions	TOTAL (tCO ₂ e)
Scope 1	14.02
Scope 2 (location-based)	9.30
Scope 2 (market-based)	1.42
Scope 3 (included sources)	487.70
• Category 2 – Capital goods: 41.99	

- Category 3 – Fuel and energy related activities (T&D): 0.82
- Category 5 – Waste generated in operations: 6.29
- Category 6 – Business Travel: 169.79
- Category 7 – Employee commuting: 22.52
- Category 7 – Employee homeworking: 246.29
- Category 9 – Downstream transportation and distribution – 0 tonnes (not relevant for digital consultancy providing services, not goods)

Total emissions	511.02 (location-based)
	503.13 (market-based)
(giving an intensity factor of 1.04 tCO₂e per head)	

Emissions reduction targets

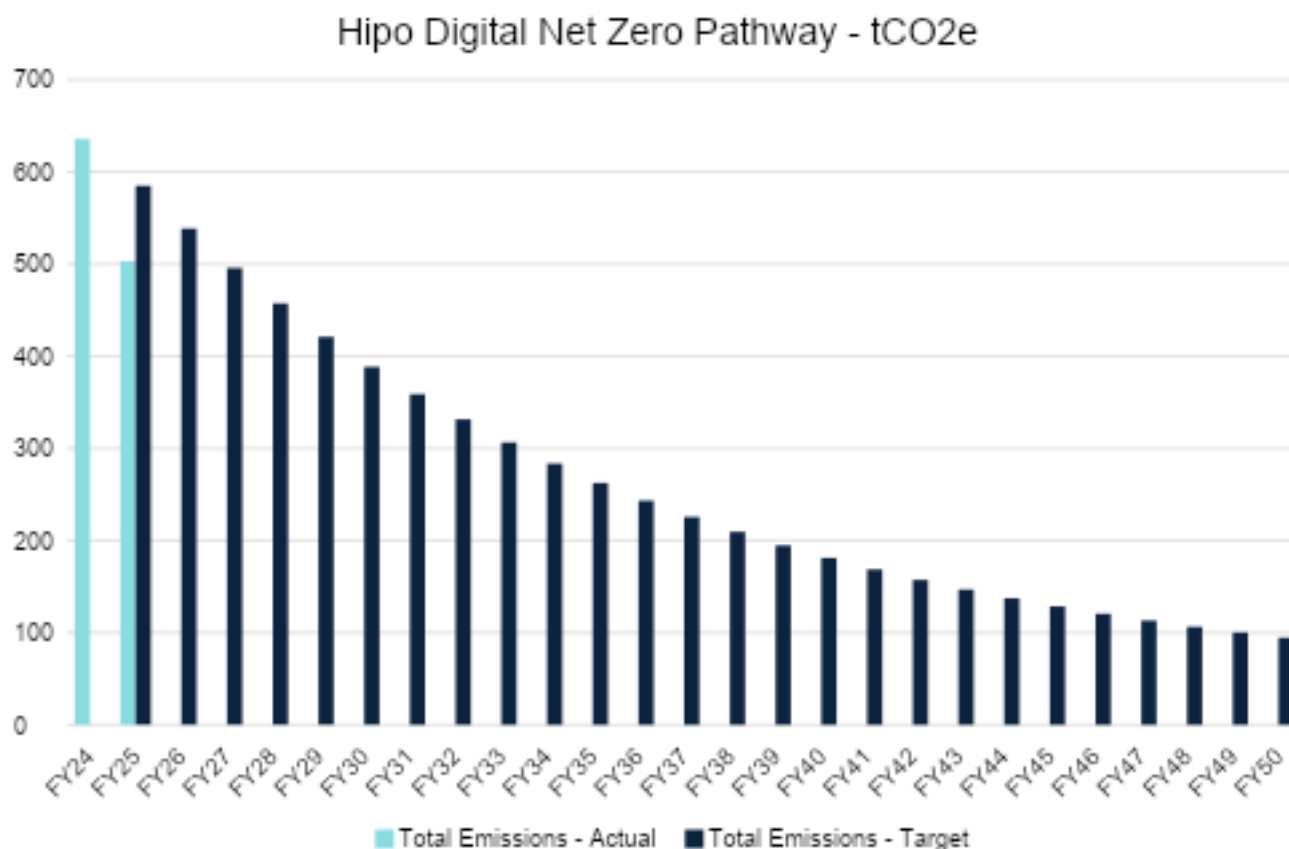
Below is a summary of our reduction targets and forecasted results.

In order to continue our progress to achieving Net Zero we have adopted the following carbon reduction targets and milestones;

- **Remove gas heating by 2030.**
 - Work with landlords to remove existing gas infrastructure and replace with electric alternatives.
- **Reduce emissions from electricity consumption by 12% each year.**
 - **4.90 tCO₂e** reduction over the next 5 years
- **Reduce emissions from homeworking by 8% each year.**
 - **52.28 tCO₂e** reduction over the next 5 years
- **Reduce emissions from commuting by 10% each year.**
 - **4.47 tCO₂e** reduction over the next 5 years
- **Reduce emissions from business travel by 8% each year.**
 - **99.17 tCO₂e** reduction over the next 5 years
- **Reduce emissions from capital goods by 10% each year.**
 - **40.26 tCO₂e** reduction over the next 5 years

Based on these targets and milestones, we project that carbon emissions will decrease over the next five years to 388.64 tCO₂e by FY30. This is a reduction of 38.85% from the FY24 base year.

Progress against these targets can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

- Obtained ISO 14001:2015 Environmental Management System.
- In 2022, all permanent members of staff were gifted an electric blanket to help reduce heating consumption/costs and to reduce carbon emissions whilst working from home.
- In 2023, all permanent members of staff were offered the option of being sent an oodie and thermal socks which is an item of warm clothing that can be used when working at home to help reduce the need for additional heating.
- Hired a full time ESG & Social Value Lead (2023).
- As part of the refurbishment of Hippo’s head office in Leeds in 2023 we disconnected our gas supply, replaced old fluorescent tube lighting with LED, installed new energy efficient hot water boilers to all kitchen tap units, installed PIR movement sensors in low traffic areas, and repurposed as much existing furniture as we could, including all office desk chairs, the majority of meeting room seating and all our existing desk frames – installing new tops only. We also procured several upcycled items from reputable local providers including our pool table, leather armchairs, meeting pods, phone booth and storage cupboard.
- In March 2024, staff meeting eligibility requirements who travel by rail for work were given access to Railcards to further encourage their use of public transport e.g. in their private life.

- FY25 quantified business travel using activity data rather than spend – improving the accuracy of our reporting.
- 90.6% of all electricity used was from renewable supplies. (100% target by FY27).
- Offset 100% of our carbon emissions for our base year and previous reporting years through TravelPerk and Gold Standard/verified initiatives through Dodo.
- Established a sustainability selection criteria for serviced offices to ensure any new office/relocation meets our high ESG standards.

Ongoing Carbon Reduction Initiatives

- Fully maintain HVAC systems to ensure zero leaks of F-gases.
- Provide Environmental Awareness (mandatory) and Sustainability and Climate Change (optional) training to our Hippos to support more environmentally friendly ways of working and how they can reduce their carbon footprint.
- Provide a salary sacrifice electric car scheme providing a more affordable solution for Hippos to move to using an electric vehicle. To date, 30 Hippos have enrolled in this scheme – including 3 who have chosen ‘nearly new’ vehicles – saving 76 tonnes of carbon to date.
- Our employee-led environmental community, Green Hippos, provides employees with information and support on how they can personally reduce their carbon footprint at work and at home.
- Provide 2 volunteer days per permanent employee per year which can be used on sustainability and social value initiatives. During FY25 53.5 volunteer days were spent on environmental and sustainability initiatives.
- Ongoing provision of a cycle to work scheme. To date, 26 Hippos have enrolled in this scheme.
- Use of Google products as Google matches 100% of its annual electricity consumption with a purchase 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 business travel.
- New life for phones and laptops – where devices are no longer deemed fit for business use, but are in good condition, these can either be purchased by Hippos or are donated to charity. To date, 69 laptops, 2 Surface Hubs and 40 mobile telephones have been donated to charities: RiseUp, Shine, Surplus To Purpose, Solidaritech, Scope and 180 Project. 117 laptops and 24 mobile phones purchased by Hippos.
- Conducting employee commuting surveys to get a more accurate understanding of travel to Hippo/client offices.
- Offsetting 100% of our carbon emissions for this current year through Gold Standard/Verified Carbon Standard initiatives through Dodo.
- 5 trees planted on each permanent member of staff’s work anniversary and offer a tree planting option as part of our flexible benefits scheme. To date, 10,987 trees have been planted.

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

- During FY27, we plan to set science-based targets in line with the Paris Agreement's goal of limiting global warming to 1.5°C and seek verification through the SBTi.
- Enhancing our waste management process to include measuring waste volumes in our leased offices and identifying reduction/recycling opportunities that will reduce the waste we send to landfill.
- Identifying and working with suppliers that prioritise recycling and minimising energy and waste, and also allow us to measure our waste emissions more accurately.
- Consider potential incentives to encourage Hippos to switch to renewable energy at home. 62 Hippos already use renewable energy at home.
- Moving to UKAS accreditation for ISO 14001:2015 Environmental Management System.

Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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 standard¹³ and uses the appropriate government emission conversion factors for greenhouse gas company reporting.¹⁴

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), 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.¹⁵

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:



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Position: Chief Operating Officer

Date: 5th September 2025

¹³ <https://ghgprotocol.org/corporate-standard>

¹⁴ www.gov.uk/government/collections/government-conversion-factors-for-company-reporting