ESG report
Planet

Planet

Leaving no trace

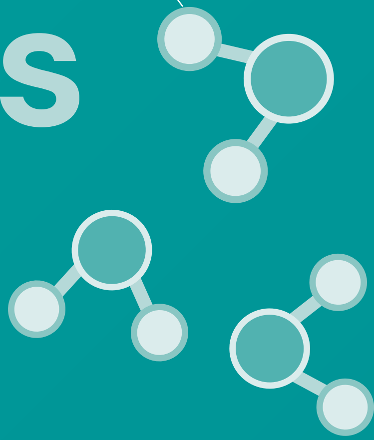
We are working to decouple our economic growth from environmental degradation by measuring, reducing and offsetting our impact on the planet. We are funding and supporting climate action, removing barriers for our employees and raising awareness of the climate emergency.

We understand the enormous threat that business as usual poses to our planet, our people and our communities. As we set the foundations for TPXimpact, we have the benefit of doing so with the knowledge that our planet is a crucial stakeholder. We are working hard to ensure that our operations are doing no harm and that our work is contributing to a more sustainable society.

CO2 EMISSIONS

2,742 tonnes

Total CO2e emissions



SCOPE 1

40%

Absolute reduction in our Scope 1 emissions

RENEWABLE ENERGY

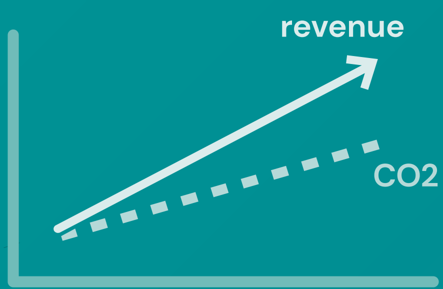
82%

Of our UK electricity is from renewable energy suppliers

EMISSIONS BY REVENUE

8%

reduction in CO2 emissions per £1m revenue



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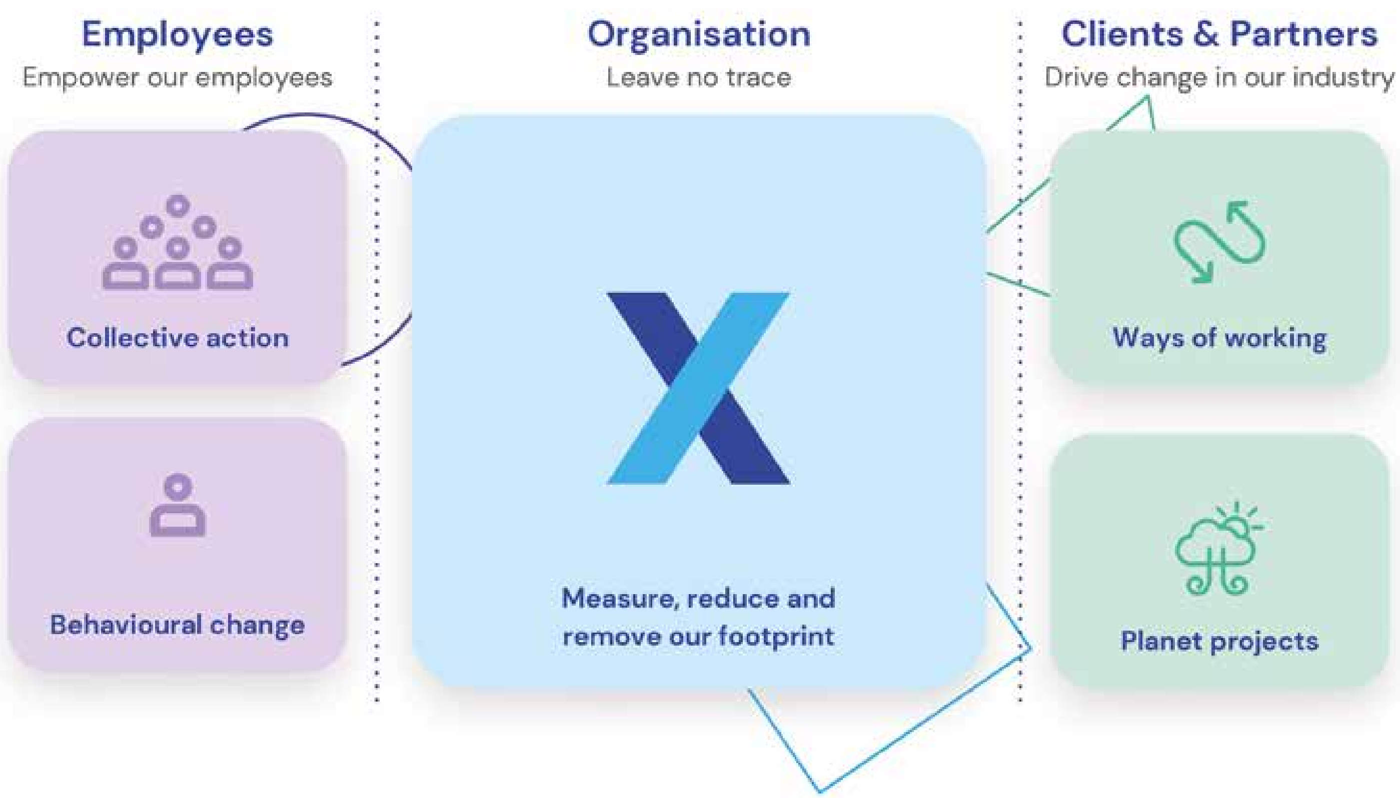
Our planet strategy

We understand that our impact on the planet includes more than just our emissions. The climate and ecological emergency needs an enormous number of solutions, ranging from regenerative and restorative programmes, big shifts in behaviour as well as commitments to reducing our footprint. We look to make a positive impact right across our sphere of influence; from the people who work for TPXimpact, to our industry peers, to those organisations we work for and those who supply us.

We have therefore looked at our environmental impact as; company impact, collective action and client and partners.



Breakdown of emissions by category

Purchased goods and services
86%

Remote working
10%

Business travel
2%

Electricity and district heating
1%

Employee commuting
0.6%

Other
0.3%

Gas
0.1%

Company impact

The most significant part of our Planet Strategy is to reduce the carbon emissions contributing to the climate emergency. There are three stages to this; measure our carbon footprint, actively reduce emissions wherever possible, and offset any residual emissions.

This is the third financial year that we have fully measured emissions across all categories of Scope 1, 2 and 3. This has helped enormously with our collective knowledge. Our carbon accounting approach is as extensive as it is possible to have. We have shown our commitment to this by hiring an in-house Sustainability Analyst to work full-time on carbon footprinting and planet-related initiatives, alongside our existing Planet Officer. This will allow us to understand our footprint more deeply as well as report with more regularity, accuracy and reach in the future. As a result of this we can see what impact our activities are having on our carbon footprint on a monthly or quarterly basis and can act to reduce these impacts faster.

	FY2022	FY2021	FY2020
Scope 1 (tCO2e)	**3.84**	6.41	3.55
UK	3.84	6.41	-
Norway	0	0	-
Bulgaria	0	0	-
Scope 2 (tCO2e)	**36.04**	23.49	43.85
UK	11.52	4.79	-
Norway	5.70	4.87	-
Bulgaria	18.82	13.83	-
Scope 3 (tCO2e)	**2,702.22**	1,867.69	1472.38
Purchased Goods & Services	2,344.99	1,662.63	1,210.59
Employee Commuting (and Remote Working)	285.74	180.57	60.61
Business Travel	64.21	10.90	184.59
Fuel and Energy Related Services	7.17	13.59	15.45
Upstream transportation and distribution	0.11	0.27	1.14
Total Scope 1, 2 and 3 (tCO2e)	**2,742.00**	1,915.00	1,531.00
tCO2e per £1m Revenue	34.28	37.32	48.61
tCO2e per Full Time Employee (FTE)	5.01	4.30	4.05
Percentage of Renewable Scope 2 Energy (UK)	81.9%	–	–
Percentage of Renewable Scope 2 Energy (Global)	29.4%	–	–

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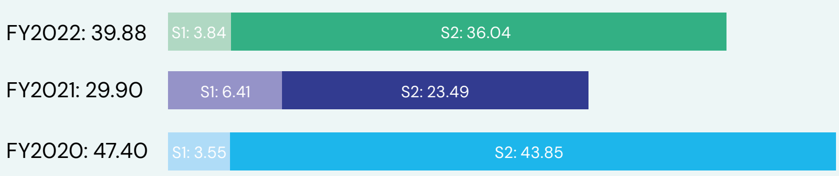
Scope 1 and 2 Emissions (tCO2e)



Scope 1 – direct emissions

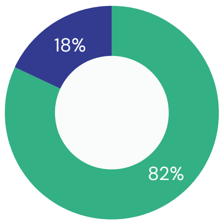
We have achieved an absolute reduction in scope 1 emissions, in FY21 we had scope 1 emissions of 6.4 tCO2e which has been reduced to 3.8 tCO2e in FY22 representing a 40% decrease. This is due to our long-term strategy of moving away from offices with gas usage as it is not a renewable source of energy. Only three of our seven offices use gas to heat the building and we do not exercise operation control over the building in these leases. Therefore, under the GHG protocol this could be classed as indirect energy emissions (scope 2) but we have decided to still report them as direct scope 1 emissions to allow easier comparison to previous years. We are looking to eliminate scope 1 emissions entirely in the future.

Scope 2 – indirect energy emissions

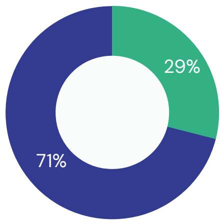
Scope 2 has seen increases across the board for all three countries we are based in. Total scope 2 emissions have increased from 23.5 tCO2e in FY21 to 36.0 tCO2e in FY22 but they are still down on FY20's pre-covid levels of 43.0 tCO2e.

This can be explained by two factors. The previous financial year was heavily impacted by the pandemic and our offices saw much less footfall and therefore drew less electricity from the grid which led to lower scope 2 emissions. As a result of us moving away from gas heating in offices, electricity must be used to heat them instead, which in turn also increases scope 2 emissions. However, electricity is becoming increasingly decarbonised and is much more manageable as a source of sustainable energy than gas.

UK scope 2 energy from renewable suppliers



Global scope 2 energy from renewable suppliers

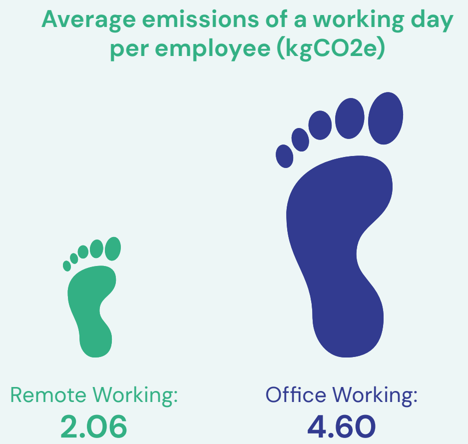


Three of our five UK offices use renewable energy suppliers, meaning 82% of our UK electricity usage, and 29% of our global usage, is from renewable energy suppliers. However, we report the headline numbers using a location-based approach based on the carbon intensity of the electricity grid where the office is located.

Total Scope 1 and 2 emissions (39.9 tCO2e) are up on the previous year (29.9 tCO2e) but are still significantly lower than pre-covid FY20 (47.4 tCO2e) numbers despite the large growth of the company's revenue and an 86% increase in FTEs over the past 2 years.

Scope 3 – purchased goods and services

Purchased goods and services remain the large bulk of our total emissions. They account for 86% of our total emissions. A steady growth in absolute emissions is due to the growth of the business. The 41% increase in purchased goods and services emissions from 1,662 tCO2e to 2,345 tCO2e is smaller than the



58% increase in revenue over the same period, and although we are working to decrease the annual growth in purchased goods and services emissions we can see the continuation of the decoupling of economic growth and increase in carbon emissions. We are also beginning to ask suppliers directly for their real emissions data and taking a longer-term view on decarbonising our supply chain. By moving away from being heavily dependent on spend-based estimates, we can directly compare suppliers in the same industry and make sensible procurement decisions for the good of the planet.

Scope 3 – employee commuting (and remote working)

Employee commuting emissions also include emissions associated with remote working. As part of our methodology this year we have decided to count contractors working on behalf of TPXimpact as employees for emissions purposes. In previous years they had been listed as suppliers in purchased goods and services and assigned a spend-based emissions factor which did not give a representative amount of emissions per contractor. This year we counted their home working and commuting emissions as if they were employees. The total commuting/homeworking emissions this year is 286 tCO2e, a significant increase on the 180 tCO2e from the previous year.

There are three factors explaining this:

- the inclusion of contractor's emissions
- the growth in the number of FTEs (22%)
- a 59% increase in employee commuting from the previous year which was heavily affected by the pandemic.

In FY21 the average commuting/remote working emissions per employee was 0.45 v 0.41 tCO2e in FY20. This slight increase is mainly due to more commuting taking place as more employees work from the office following the large impacts of the pandemic on FY21. Commuting to the office is more intensive than working from home in most cases so it increases the amount of emissions per employee for FY22.

Scope 3 – business travel

Business travel has increased from 11 tCO2e in FY21 to 64 tCO2e in FY22. This is still significantly lower than pre-Covid-19 levels of 185 tCO2e in FY20. The increase from the previous year is due to the return of regular business travel following the easing of restrictions. Despite large growth in the business we have still reduced business travel emissions from 2 years ago and are attempting to keep them as low as possible by changing the way we work. Teleworking and videoconferencing is always the priority, and if employees must travel then they are urged to use public transport. We are attempting to reduce flights as much as possible and they should only be taken in business critical situations.

Summary

Scope 1	Scope 2	Scope 3
0.14%	1.31%	98.55%

Overall our emissions have increased by 43% compared to a 58% increase in revenue. Scope 3 still remains the overwhelming majority of our emissions which is to be expected for a largely remote professional services business. The vast majority of scope 3 emissions come from the purchased goods and services category. Within this category the most common supplier types are IT, consultancy and recruitment firms. Although we began to adjust our estimations of contractors emissions this year, we believe many more suppliers within those categories are also contractors. Going

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forward we will be looking to reclassify more suppliers as employees if the activity is only that of a contractor working on behalf of TPXimpact so we can continue to make our emissions estimates more accurate.

Our economic intensity dropped for another consecutive year going from 37.32 to 34.28 tCO_2e/£1m revenue, a drop of 8%. The decoupling of economic growth with carbon emissions is a key goal for us, and we will be looking to repeat this decrease in future years to bring our economic intensity down to levels aligning with the 1.5˚C Paris Agreement science based target.

Ecological impact

As a digital native professional service company, we don't manufacture or sell physical products that negatively impact nature, land use, ecological sensitivity, freshwater availability or water consumption. However, we accept that in order to operate we need buildings and infrastructure, which will negatively impact those things.

We therefore donate time and money to organisations who are tackling the ecological emergency to try to ensure that we are having a positive impact. We have continued to support Rewilding Britain this year, contributing towards many different direct rewilding projects as well as research, education and policy influencing.

Our offsetting approach

We have continued to offset our annual emissions using Verra verified projects and offset 2,742 tonnes, equivalent to our total emissions. This year we will settle our historic footprint offset bill, taking into account all acquired businesses from the date of incorporation, not the date of acquisition.

Collective action

There are approximately 29 million payrolled employees within the UK. We believe that there is a huge amount of collective power that could be leveraged if employers properly encourage and incentivise climate action and behaviour change amongst their workforce.

We don't think that businesses should expect employees to carry the burden of solving the climate and ecological emergencies on their own. Therefore, we have been delivering the following initiatives to facilitate positive environmental impact through the power of our employees:

- Our **Octopus Electric Vehicle (EV) leasing scheme** opens up the possibility of EV ownership to a wider range of people through a tax efficient salary sacrifice scheme. This year, 12 people signed up. Given that lifetime emissions from an EV is over two thirds lower than a vehicle with a combustion engine, these 12 cars are contributing to the decarbonisation of the transport industry.
- Our **Cycle Scheme** remains well used with an upper limit of £10,000 per person. This financial year, 10 more people have made use of the scheme helping to decarbonise employee travel.
- We launched a dedicated **Planet Employee Resource Group** (ERG) as a community for climate activists to advocate on behalf of the planet. The ERG rolled out its first campaign, taking on the subject of fashion. Tips were shared around how to reduce the impact of your wardrobe on the planet, culminating in a clothes swap in one of our London hubs.

- We organised a **planet philanthropy workshop** with Impatience Earth attended by over 100 employees. This helped highlight the importance of donating money to organisations specifically helping with all of the aspects related to climate and ecological emergencies. This resulted in £13,000 donated to planet related organisations such as Rewilding Britain, WWF, Sheldrick Wildlife Trust and Wiltshire Wildlife Trust.
- Over 140 **community action** hours (14% of the total) were donated to planet related projects or organisations this year including lake and river clean ups, preparing logs and planting trees in Vitosha mountain.
- We have continued to encourage the use of **Ecosia** throughout our business as a search engine and have our own dedicated sign up link to track the number of trees planted as a result of the actions of our employees. As of the end of FY2022, 67,236 searches by TPXimpact employees have financed the planting of 1,212 trees.

Client and Industry

Planet focused projects

We are growing our portfolio of planet focused client projects both in terms of revenue and impact.

Client work with a direct planet focus and work for organisations specifically helping the planet, made up 1% of our overall revenue this year and our total income from this work has increased by 50% since financial year 20/21. The impact of this work has also significantly increased. We're involved directly with the research, recommendations and implementations that will help our clients address the climate and ecological emergencies. We intend to increase the percentage of our revenue that comes from planet focused projects and clients this year and improve our reputation as the go-to professional services company for clients concerned about their environmental impact.

Some examples of work from this year;

- We have concluded our work with **Innovate UK and Emergent Energy** which helped identify previously unknown insights into smart local energy systems, from the perspective of local authorities, landlords and residents. Particularly pertinent was the work to design the future customer experience journey with layers of support to help residents manage their budget and household energy use.
- We worked with Open Innovations Leeds on a project sponsored by **Connected Places Catapult (CPC)**, the UK's innovation accelerator for cities, transport, and places. We designed prototypes showing how data and technology can promote collaboration, enable coordination and unlock net zero action in regards to retrofitting homes and bulk EV charging points. The bulk EV charging points data tool identifies the best locations for rolling out bulk charging infrastructure for fleets of vehicles and is helping planners see the benefit of collectively considering data from local authorities, the energy sector and net zero commitments.
- For **NHS Digital**, we analysed the rapidly growing digital sustainability market. The digital industry is now responsible for more emissions than the airline industry, which for NHS Digital is a very important issue. We defined the culture, approach and tooling needed to make the planet a stakeholder and sustainability a non-functional requirement throughout the delivery of their digital estate. Having been given a BIMA 10 Award for our groundbreaking work with reducing the emissions from The **Climate Group** website, this is an area we will continue to lead on.

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- Wild Ingleborough is a partnership project partnership between **Yorkshire Wildlife Trust, WWF-UK, Natural England, The University of Leeds, United Bank of Carbon and The Woodland Trust**. It is an ambitious, landscape-scale project working with the community to bring about nature's recovery in an area of the Yorkshire Dales. We enabled local people to help develop a community vision and co-design the project ensuring Wild Ingleborough provides benefits for local people, communities and businesses, whilst welcoming more diverse groups of visitors to enjoy the area.
- In partnership with **Knowledge Network on Climate Assemblies (KNOCA)** we have developed practical guidance for policy officials who are organising climate assemblies. The focus is on ensuring the process results in positive policy changes, with guidance across how to set up, facilitate and action an effective climate assembly.

Industry collaboration

As for our wider industry, we're playing leading roles at the BIMA Sustainability Council and the Sustainable Digital Infrastructure Alliance (SDIA). The BIMA Sustainability Council is helping BIMA member organisations (UK based advertising, digital and technology agencies) measure, understand and reduce their carbon footprint as well as understand and take action on the emissions caused by the digital products they build. We're actively partnering with the SDIA to release a tool that will measure the emissions caused by software running in data centres.

The student-led research projects we set for groups of Masters students at Loughborough University London highlighted that the impact on the planet caused by the digital industry is not taught in university education. This is especially worrying given the subjects being studied by the people taking part in the research were engineering, marketing and general business. These are our next generation of leaders, coming into the world of work with no appreciation of how to discuss, measure or reduce the carbon footprint of the digital industry. In the summer and autumn of 2022 we will be working with a Masters student who will focus her dissertation on this problem.

What's next?

- **Science based targets –** We will be committing to setting short and long-term Science Based Targets to align with the Science Based Targets Initiative Net-Zero Standard.

Therefore, we will be committing to:

  - An absolute reduction in our Scope 1 emissions
  - Using 100% renewable electricity
  - Reducing the economic intensity of our scope 3 emissions

- **New funding model for our planet strategy –** To ensure that our investment in measuring, reducing and offsetting our impact on the planet keeps pace with our commercial growth, we will be ringfencing 0.5% of our pre-tax profits each year going forwards.
- **Historical emissions offset –** In our FY2021 annual report, we committed to offset all of the historical scope 1, 2 and 3 emissions of the various companies that came together to form TPXimpact. Given recent acquisitions, we now have more historical emissions to offset. We have done the calculations and our offsets will be purchased later in 2022. Emissions are a debt to the planet that we will pay back.


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