

Carbon Reduction Plan

Supplier name: H3O Digital Limited

Publication date: 10/06/2025

Commitment to achieving Net Zero

H3O Digital is committed to achieving Net Zero emissions by 2050

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: 2025	
Additional Details relating to the Baseline Emissions calculations.	
This is our first year of reporting under the carbon reduction plan framework. As such, we have established a new baseline using the most recent available emissions data, covering Scope 1, Scope 2, and, Scope 3 emissions. No prior carbon reporting has been undertaken, and this baseline reflects our current organisational structure and operational footprint. We recognise the importance of consistent and transparent reporting and will refine our methodology in future submissions as our data maturity and carbon management practices develop.	
Baseline year emissions: June 2024 – May 2025	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	0 tCO ₂ e H3O Digital does not operate any owned or controlled combustion sources such as boilers, furnaces, or company vehicles. Our organisation occupies an office where heating and cooling are powered by electric systems. As such, our direct emissions from fuel combustion are zero.
Scope 2	0 tCO ₂ e We procure 100% of our electricity from a UK renewable energy provider on a tariff backed by Renewable Energy Guarantees of Origin (REGO) certificates. Using the market-based method in line with the GHG Protocol, our Scope 2 emissions are therefore reported as zero. For transparency, using the location-based method our estimated Scope 2 emissions for FY 2024/25 would be 2.83 tCO ₂ e, calculated using the 2024 UK Government conversion factor of 0.19338 kg CO ₂ e per kWh.
Scope 3	Upstream Transport and Distribution - 1.75 tCO ₂ e

(Included Sources)	Waste Generated in Operations - 0.0378 tCO₂e Business Travel - 0.7 tCO₂e. Employee Commuting - 5.78 tCO₂e Downstream Transport and Distribution – 0.0 tCO₂e (As a digital services business, we do not distribute physical products to customers. All services are delivered remotely or on-site via professional staff. Therefore, our emissions from downstream transport and distribution are considered negligible and reported as zero tCO₂e.)
Total Emissions	8.26 tCO ₂ e

Current Emissions Reporting

Reporting Year: 2025	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	0 tCO₂e H3O Digital does not operate any owned or controlled combustion sources such as boilers, furnaces, or company vehicles. Our organisation occupies an office where heating and cooling are powered by electric systems. As such, our direct emissions from fuel combustion are zero.
Scope 2 (Market-based method)	0 tCO₂e We procure 100% of our electricity from a UK renewable energy provider on a tariff backed by Renewable Energy Guarantees of Origin (REGO) certificates. Using the market-based method in line with the GHG Protocol, our Scope 2 emissions are therefore reported as zero.
Scope 3 (Included Sources)	Upstream Transport and Distribution - 1.75 tCO₂e Waste Generated in Operations - 0.0378 tCO₂e Business Travel - 0.7 tCO₂e. Employee Commuting - 5.78 tCO₂e Downstream Transport and Distribution – 0.0 tCO₂e (As a digital services business, we do not distribute physical products to customers. All services are delivered remotely or on-site via professional staff. Therefore, our emissions from downstream transport and distribution are considered negligible and reported as zero tCO₂e.)
Total Emissions	8.26 tCO ₂ e

Emissions reduction targets

This is the first year that H3O Digital has completed a full carbon footprint assessment and formally set emissions reduction targets. In order to continue our progress towards achieving Net Zero by 2050, we have adopted an internal annual reduction target of 10% year-on-year across all reported emissions scopes.

We project that carbon emissions will decrease over the next five years to approximately 4.98 tCO₂e by 2029, based on a 10% reduction per year from our 2024/25 baseline of 8.26 tCO₂e. This represents a reduction of 40% over five years.

These targets will be reviewed annually as we continue to monitor emissions and implement reduction initiatives.

Scope 2 Emissions

We purchase 100% of our electricity from a UK renewable energy provider under a tariff backed by Renewable Energy Guarantees of Origin (REGO) certificates. Based on this, our Scope 2 emissions are reported as 0 tCO₂e using the market-based method in line with the GHG Protocol.

For transparency, using the location-based method, which reflects the UK average grid mix, our estimated Scope 2 emissions for FY 2024/25 would be 2.83 tCO₂e, calculated using the 2024 UK Government conversion factor of 0.19338 kg CO₂e per kWh.

Scope 3 Emissions

In line with the requirements of PPN 06/21, H3O Digital has calculated emissions from the five mandatory Scope 3 categories. Our total Scope 3 emissions for the reporting year are estimated at 8.26 tCO₂e. A breakdown of each category is provided below:

1. Upstream Transport and Distribution

Our organisation receives regular deliveries including monthly van deliveries from Sainsbury's, approximately 12 hardware deliveries per month via courier, and weekly catering deliveries by bicycle. Using DEFRA conversion factors, emissions from upstream transport and distribution are estimated at 1.75 tCO₂e.

2. Waste Generated in Operations

During the reporting year, our organisation generated approximately 240 kg of operational waste, of which 40% was recycled. Additionally, one WEEE (electronic waste) collection was arranged, totalling 10 kg.

Based on UK Government emissions factors, our estimated emissions for waste management activities are 0.0378 tCO₂e.

3. Business Travel

Business travel activity included approximately 10 round-trip train journeys between London and Bristol and 2,000 miles of travel by car. No flights were taken.

Total emissions from business travel are estimated at 0.7 tCO₂e.

4. Employee Commuting

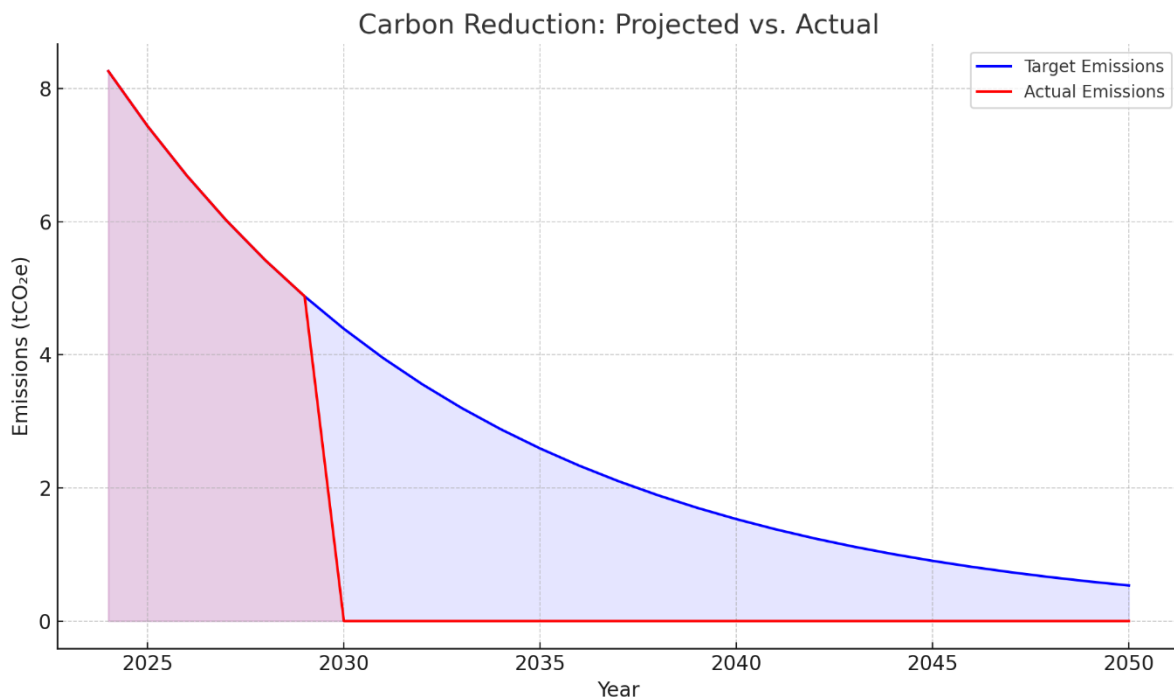
Our organisation has 9 employees, all of whom work from our Mayfair office 3 days per week. All employees commute using public transport. Typical commuting distances range from nearby London areas (e.g. Stratford, Barking) to longer-distance commutes from locations such as Welwyn Garden City, Camberley, and Newcastle.

Based on the number of trips per year and the average emissions factor for public transport, our estimated emissions from employee commuting are 5.78 tCO₂e.

5. Downstream Transport and Distribution

As a digital services business, we do not distribute physical products to customers. All services are delivered remotely or on-site via professional staff. Therefore, our emissions from downstream transport and distribution are considered negligible and reported as zero tCO₂e.

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



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Since our 2024/25 baseline year, H3O Digital has implemented a number of initiatives that have significantly contributed to our efforts to reduce carbon emissions:

- We operate on 100% renewable electricity, backed by REGO certificates.
- We have an active carbon offsetting agreement with Carbon Footprint Ltd, through which we offset 52 tCO₂e, placing us in a carbon negative position.
- The business utilises collaboration platforms and video conferencing to reduce the need for business travel, which is already limited due to our digital-first operating model.
- As a company founded just eight years ago with sustainability embedded into our values, we benefit from not carrying the legacy infrastructure or carbon-intensive practices found in larger organisations. This has enabled us to design lean, modern, low-carbon operations from the outset.

We are also actively working with the British Assessment Bureau to achieve ISO 14001 certification, ensuring our environmental management practices meet internationally recognised standards.

While it is difficult to assign a precise figure to all reductions achieved through these measures, our use of renewable energy, low-emission business model, and offsetting programme position us significantly below our estimated emissions baseline of 8.26 tCO₂e. The measures described above are fully embedded and will remain in effect throughout the duration of any contracts undertaken.

Future Carbon Reduction Initiatives

Looking ahead, we are committed to continuous improvement and plan to implement further carbon reduction measures, including:

1. Achieving ISO 14001 certification in the 2025 reporting year.
2. Implementing stricter supplier assessment criteria to prioritise low-carbon vendors and partners.
3. Expanding our use of remote working technology and digital collaboration tools to further reduce the need for travel.
4. Formalising staff travel policies to discourage unnecessary journeys and promote the use of low-emission transport options.
5. Monitoring emissions at a granular level using data-driven tools, to identify new opportunities for reduction.

As a growing SME, we believe every decision offers an opportunity to reduce our environmental impact and we remain fully committed to reaching net zero well before 2050.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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:

D Sackfield

Role: Chief Operating Officer

Date: 02/10/2025

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>