

Net Zero Strategy

Our commitment to calculating the greenhouse gas emissions from our business activities and setting ambitious plans to reduce them.

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1. Introduction

Climate Change is the greatest challenge currently facing humankind. To keep temperature rises to 1.5 °C and avoid the most catastrophic effects of a changing climate, we need to reduce emissions of carbon dioxide to net zero by 2050.

At Tisski, we recognise that we all have a role to play in reducing emissions of greenhouse gases (GHGs). As a company in the technology sector we recognise that the emissions from our operations are relatively small, but that we have an important role to play in supporting our clients to reduce their emissions through the use of technology.

We are determined to lead by example, by calculating the emissions from our business activities and setting ambitious plans to reduce them.

We have set out here our progress to date and our plans for the future – we know we have much more to do but we are excited to get started on this journey!

2. Our Tech Zero Commitment

In November 2021, Tisski signed up to Tech Zero, a group of technology companies that have joined together to fight the climate crisis and make faster progress to net zero.

Visit the Tech Zero website

At Tisski, we're committing to reach net zero emissions by 2030. This means limiting our company's carbon footprint in line with keeping global warming to below 1.5°C - the critical level of heating to avoid the worst impacts of the climate crisis.

As part of our net zero commitment, we will:

- Measure all our global organisation's greenhouse gas emissions, including scope 3, and report them publicly each year
- Publish more details about how we plan to reach net zero, including setting a net zero target date by 2050 at the absolute latest, and an interim target(s)
- Appoint a member of our executive team to be responsible and accountable for our net zero target
- Communicate our climate commitments in other meaningful ways, including to our customers
- Report our progress on short and medium-term targets to our Board annually, and on our website

3. Governance

This section outlines how our Net Zero Plan will be implemented and how progress will be monitored.

• The senior level champion is Darren Bassett, Tisski Corporate Services Director. Our Net Zero Plan will have Senior Leadership Team (SLT) level-sign off and regular (at

least annual) updates will be provided to the Board and SLT, updating them on our progress in implementing the plan

- Annual updates will also be published on our website
- At an operational level, implementation of the strategy and plan will be led by Fiona Trinder, Social Responsibility Lead, with support from Darren Bassett, Corporate Services Director
- All Tisski staff will have the opportunity to get involved in the delivery of our Net Zero
 Commitment. We have already started a programme to engage staff via a staff survey
 on home energy use and travel that we plan to repeat annually, together with tips to
 reduce home energy use. This programme will continue with activities including staff
 voting on which carbon offset projects we support and a lunchtime Brown Bag
 session on net zero and what it means for the tech sector

4. Tisski Net Zero Strategy

This section outlines our overall Net Zero Strategy – our initial focus for reducing emissions, how we can influence others and how we have considered the ways climate change might impact on Tisski's operations and business strategy and planning.

Our initial focus: Tisski's own emissions are relatively low. Nevertheless, Tisski takes its environmental impact seriously, so our initial focus is on reducing Tisski's own emissions (i.e. energy use in our office and in business travel) and other areas in which Tisski has an influence. We will consider a company's response to climate change in our procurement of goods and services where possible. For example, the Tisski staff pension provider is Royal London who has already set a target to align investments to net zero by 2050¹.

How we can influence others: we recognise that we may potentially also have a role in supporting and influencing others. We may be able to support our clients in reducing their emissions through the technology solutions that we provide, for example, through reducing the need for travel by allowing for remote working.

How we have considered climate risks and opportunities: we recognise that climate change and the move to net zero will present some challenges – but also some opportunities – for Tisski over the next 30 years as the UK Government implements its strategy to decarbonise all sectors of the UK economy to meet their net zero target by 2050:

- Some companies will benefit from the shift, while others in carbon intensive sectors may go out of business. For Tisski, we have a diverse client base across many sectors, and we recognise that it will be important to maintain this balance
- Tisski uses Microsoft data centres. Data centres are potentially exposed to risks due to a changing climate. For example, higher temperatures will lead to higher cooling demand which could potentially lead to higher costs for Tisski. We also recognise that data centres that are hit by extreme weather (e.g. flooding, fire) caused by climate change may not operate as planned, which could impact on Tisski operations

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¹ https://www.royallondon.com/mutuality/climate-change-commitments/

- However, we also believe that the move to net zero is a potential business opportunity for Tisski. We are a small and very nimble company, able to take action and make change quickly. We have an opportunity in supporting our clients to reduce their emissions through the technology solutions we provide
- We are able to operate remotely meaning that travel disruptions from extreme weather events won't impact on our ability to deliver for our clients

5. Our Greenhouse Gas (GHG) Emissions

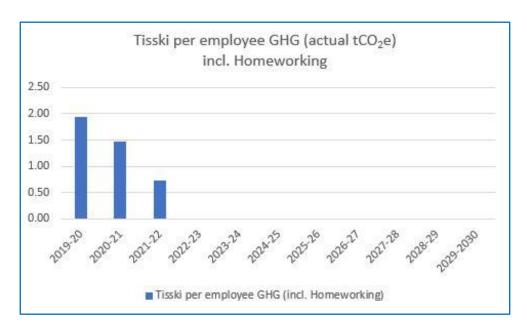
We calculated our baseline carbon footprint for the financial year September 2019-August 2020. In line with the Greenhouse Gas (GHG) Protocol, we considered 3 key categories of emissions:

- Scope 1 emissions (direct emissions from company operated boilers and diesel/ petrol cars): Tisski's scope 1 emissions are 0. Our office does not have any gas boilers and our company cars are electric vehicles (EVs)
- Scope 2 emissions (emissions from the generation of purchased energy): for Tisski this is the emissions from generating the electricity used to run the office we occupy, as well as for charging our company electric vehicles (EVs)
- Scope 3 emissions (this is indirect emissions linked to our operations): we recognise that there are many different categories of scope 3 emissions. So far, we have considered emissions from our business travel (including travel to our office and emissions from homeworking. We will look to expand this to other categories in the coming years e.g. we added the emissions generated by hotel stays for the 2021-22 financial year.

The figure below shows our carbon footprint for the last 3 financial years. Emissions from homeworking make up the majority of our GHGs, all Tisski staff are on homeworking contracts as of January 2022. Business travel by car also made up a large proportion of emissions in 2019-20, this dropped in 2020-21 due to travel restrictions during the Covid-19 pandemic but has started to increase again during 2021-22 as customers have begun to request more on-site meetings.

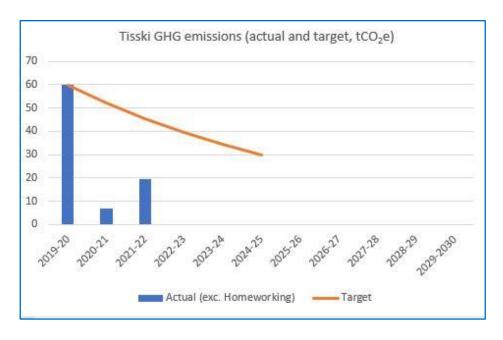


Tisski is a growing business and, as such, our total emissions (including those for homeworking) are likely to increase year on year due to a rise in the number of staff. We will therefore also track the GHG emissions per employee as per the figure below, which demonstrates that our per capita emissions fell from 1.93 tCO₂e per employee in 2019-20 to 1.48 tCO₂e per employee in 2020-21. Per capita emissions were further reduced during 2021-22 to 0.73 tCO₂e per employee, mostly due to the UK Government introducing a new emissions factor for calculating the carbon footprint for homeworking.



6. Our Net Zero Commitment

As outlined above, we have committed to reaching net zero by 2030 and aim to reduce our emissions by 50% by 2025. Our commitment covers our scope 1 and 2 emissions and our scope 3 business travel emissions. Our emissions fell significantly in 2020-21 due to travel restrictions during the pandemic. Our key aim, as travel restrictions ease and the company grows in size, is to ensure that our emissions continue to remain below our target levels.



Reaching net zero emissions means to get to a point where our activities result in no net impact on the climate from greenhouse gas emissions. We aim to reduce our emissions as far as we can and any remaining emissions which cannot be removed will be offset with permanent carbon removal credits.

In our journey to net zero, we will be offsetting our emissions each year with high-quality carbon offsets based on emissions removals or emissions avoided.

7. Emissions Reduction Plan

This section outlines the measures we are planning to reduce our emissions in line with our Net Zero commitment.

Scope 1: As outlined above, there are no gas fired boilers in Tisski's office; nor does Tisski have any company cars that run on diesel or petrol.

Scope 2: Tisski's scope 2 emissions come from the electricity used to power and heat Tisski's office and from the electric company vehicles. The UK electricity grid has decarbonised by 66% over the last 7 years², and this trend is expected to continue with a target for the grid to be completely decarbonised by 2035³. So we expect our scope 2 emissions to fall in line with the grid carbon intensity. However, we will also be trying to reduce our office energy consumption through the measures outlined below:

- We will seek to reduce the amount of energy used in the Tisski office and by homeworkers
- Lights and electrical equipment should be switched off completely when not in use (not left on stand-by)
- Heating will be adjusted with energy consumption in mind
- Tisski office posters to remind staff of energy and water-saving tips
- Energy consumption and efficiency rating will be considered when purchasing new equipment (minimum of 'A' rating)
- The energy provider for the Tisski office is 100% renewable (supplied by Opus Energy)
- we encourage homeworkers to change their home energy provider/s to a 100% renewable or carbon neutral tariff
- IT devices will be refreshed when performance issues emerge, ensuring optimal power usage from our IT assets

² https://www.nationalgrid.com/stories/journey-to-net-zero-stories/2020-greenest-year-record-britain

³ https://www.gov.uk/government/news/plans-unveiled-to-decarbonise-uk-power-system-by-2035

Scope 3: our focus will be on reducing emissions from business travel through the following measures:

- Tisski's workforce can operate fully effectively remotely. We make full use of travel alternatives, including video conferencing and collaborative tools such as Microsoft Teams and Azure DevOps
- We will actively promote the use of these travel alternatives to colleagues, customers and other stakeholders to minimise the need to travel to carry out work on behalf of Tisski
- Travel will be limited to essential meetings; colleagues will only attend customer premises to carry out work if the customer insists
- We will encourage car sharing, wherever practical, for essential car journeys
- We will make additional efforts to accommodate the needs of those using public transport or bicycles (active travel)
- We will actively encourage membership of the Bike to Work scheme
- We will promote train travel rather than air travel, wherever practical
- We are piloting an electric vehicle (EV) salary sacrifice hire scheme for our employees to support them in shifting from fuel engines to electric vehicles

In addition, we are putting in place measures to reduce scope 3 emissions in the goods and services we procure:

- Before purchasing new equipment, we will evaluate if the need can be met another way e.g. renting, sharing
- When purchasing new equipment, we will evaluate its environmental impact and energy efficiency rating and favour more environmentally friendly products wherever possible
- We will prioritise suppliers who have embedded sustainable and ethical practices
 within their organisation, and who encourage such practices within their own
 supply chain, particularly in the areas of conservation of resources, including their
 use of energy, water and materials; minimising waste within their operations and
 by the reduction of packaging; favouring local sourcing for labour and materials,
 where possible, to minimise the impact of travel and deliveries

8. PPN 06/21 Carbon Reduction Plan

Since September 2021, companies bidding for contracts worth over £5 million from Central Government or arms-length public bodies have been required to create a 'clear and credible' PPN 06/21 Carbon Reduction Plan that details their commitment to reaching net zero by 2050 at the latest. The plan must be publicly accessible e.g. published on the company website.

Tisski published its first PPN 06/21 Carbon Reduction Plan on our company website in January 2022. An updated version of the plan will be published annually in September and can be viewed here: https://tisski.com/about-us/corporate-social-responsibility/

9. Approval

SIGNED BY the duly authorised representative of the party. The following authorised representative of the party executes this Agreement at the Commencement Date:

Name: Darren Bassett

Position: Corporate Services Director

Date: 01 September 2022