

# Absoft Limited Net Zero Policy and Carbon Reduction Plan

**Commitment to Net Zero** Absoft Limited is committed to achieving **Net Zero emissions** by **2040** and ensuring ongoing reductions in emissions beyond this target.

To reach this goal, Absoft will prioritize reducing emissions across its operations, followed by the purchase of **verified carbon offsets** to balance unavoidable emissions. This plan outlines our strategy, baselines, targets, and actions for achieving Net Zero in alignment with global standards and best practices.

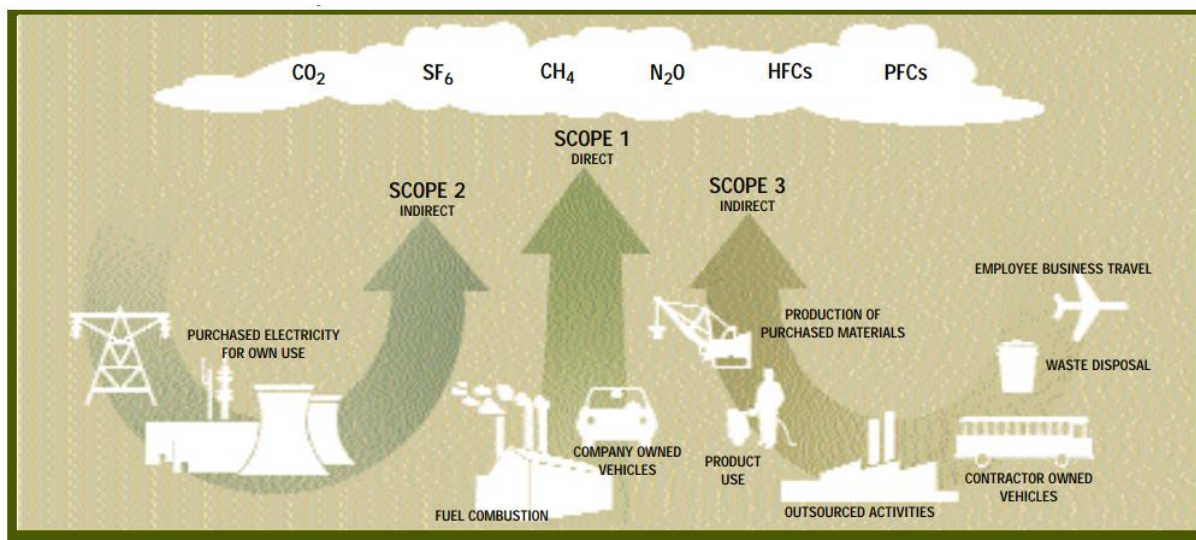
## Carbon Accounting Standard and Reporting

Absoft will adopt the **Greenhouse Gas Protocol** for carbon accounting, which categorizes emissions into Scopes 1, 2, and 3. Carbon emissions will be measured annually using the GHG Protocol Calculation Tool and reported internally and externally.

### Scope Definitions:

- **Scope 1: Direct Emissions:** Emissions from equipment or assets owned or controlled directly by Absoft. Examples include vehicles or on-site fuel combustion.
- **Scope 2: Indirect Electricity Emissions:** These emissions arise from purchased electricity and heating, where emissions are generated during production but consumed indirectly by Absoft.
- **Scope 3: Other Indirect Emissions:** These are emissions resulting from activities not directly controlled by Absoft but related to its operations. Examples include business travel, employee commuting, supply chain emissions, and cloud computing. Absoft's key Scope 3 sources are:

Absoft acknowledges that while Scope 3 reporting is optional, it is a vital aspect of understanding and reducing total emissions. Efforts will focus on **measuring, tracking, and reducing emissions** from these areas.



## Data Collection Process

- **Scope 1:** Absoft maintains zero emissions, but any new activities incurring Scope 1 emissions will require board approval and reduction plans.
  - Absoft's operations as an IT consultancy primarily involve the use of computer hardware and office-based activities, which do not require direct fuel combustion or heavy machinery. Additionally, Absoft does not own any vehicles, furnaces, or other equipment that would generate Scope 1 emissions. The absence of these emission sources aligns with Absoft's sustainability policy and business model.
- **Scope 2:** Measured via monthly electricity and heat data from the office landlord.
  - Absoft's Scope 2 emissions include:
    - Electricity consumption in the Aberdeen office.
    - Shared heat consumption in Davidson House, billed by floor space proportion.
- **Scope 3:**
  - **Employee Commuting:** Survey-based data collection.
    - Collected through employee surveys to measure all modes of transport.
  - **Business Travel:** Emissions from flights, car rentals, and other travel-related activities.
    - Tracked via the company's expense reporting process.

## Emissions Footprint

### Baseline Emissions Reporting (2019)

Baseline emissions are a record of the greenhouse gases emitted prior to implementing reduction strategies. Absoft's baseline emissions year is set as **2019**.

Scope	2019 Baseline Emissions (tCO <sub>2</sub> e)
Scope 1: Direct Emissions	0
Scope 2: Electricity Indirect Emissions	27.96
Scope 3: Other Indirect Emissions	133.23
Total	137.19

Scope 3 emissions included the following measured categories:

- Business Travel: 72.87 tCO<sub>2</sub>e
- Employee Commuting: 60.6 tCO<sub>2</sub>e

### Current Emissions Reporting (2024)

Scope	2024 Emissions (tCO <sub>2</sub> e)
Scope 1: Direct Emissions	0
Scope 2: Electricity Indirect Emissions	19.87
Scope 3: Other Indirect Emissions	45.56
Total	65.43

- Business Travel: 9.2 tCO<sub>2</sub>e
- Employee Commuting: 36.36 tCO<sub>2</sub>e

# Net Zero Strategy

## 1. Emissions Reduction Targets

Absoft projects a **40% reduction in total emissions** by 2029, aiming to decrease to 40 tCO2e. Our long-term target remains achieving **Net Zero** by **2040**, with progressive annual reductions in emissions.

Progress against these targets will be reported annually to the board and stakeholders.

## 2. Emissions Reduction Policies

Absoft prioritizes emissions reduction over offsetting. Policies include:

- **Scope 1:** Maintain **zero Scope 1 emissions**. Any proposed change requiring direct emissions will require board approval and include a reduction plan.
- **Scope 2:**
  - Utilize **100% renewable electricity** providers.
  - Prioritize energy-efficient IT hardware and office infrastructure.
  - Engage with landlords to improve building energy performance.
- **Scope 3:**
  - **Employee Commuting:** Encourage hybrid work, promote Cycle-to-Work schemes, and evaluate low-carbon transport options.
  - **Business Travel:** Prioritize lower-carbon options such as trains over flights. Carbon-neutral or carbon-negative flights will be selected where available.
  - **Supplier Management:** Prioritize suppliers with sustainability policies and consider emissions data when selecting or reviewing suppliers.
  - **Cloud Computing:** Optimize operations and leverage carbon emission dashboards provided by cloud vendors.

### Waste Management:

- Remove landfill waste bins from office locations.
- Ensure recycling facilities are available and used.
- Select recyclable or compostable office supplies.

## 3. Carbon Reduction Projects

### Completed Initiatives:

- A hybrid work model (2 days per week remote) reduced Scope 3 emissions by **18%**.
- Scope 2 emissions reduced by **30%** through improved energy efficiency in the Aberdeen office.
- Prioritization of carbon-neutral travel options has reduced business travel emissions by **40%**.

**Future Actions:**

- Further reduction of Scope 2 and 3 emissions through the policies outlined above.

**4. Offsetting Unavoidable Emissions**

For emissions that cannot be eliminated, Absoft will purchase carbon offsets certified by reputable standards:

- **The Gold Standard:** Ensures high-integrity carbon offsets with global certification.
- **The Woodland Carbon Code:** Independently verifies carbon sequestration in UK woodland projects.

Absoft's offset purchases will increase annually to match emissions by 2040 and then decrease as emissions reduce. Offsets will be reviewed for validity, avoiding double counting.

## **Roles and Responsibilities**

### **Board:**

- Maintaining and owning this policy, making updates based on changing regulations, market requirements, board requests and best practices including gaining board approval
- Ultimately ensuring Absoft achieves Net Zero status, as defined by this policy, during the calendar year 2040
- Ensuring Absoft continues to have Net Zero status indefinitely beyond

### **Sustainability Officer:**

- Measure and report emissions annually.
- Monitor compliance with the Net Zero Plan.
- Performing spot-checks to ensure compliance with this policy from all areas of the business, for example reviewing the appointment of a particular supplier or a change to an employee travel policy
- Providing consultation and advice to employees who need assistance with interpreting and implementing this policy
- Championing and promoting continued reduction of total emissions from Absoft on an ongoing basis, and highlighting any increase, or lack of decrease, to the board
- Maintaining knowledge of sustainability, carbon accounting, market trends and terminology used in this policy and the broader subject of business sustainability
- Supplying information for sales and marketing to use in proposals, tender responses and marketing material where sustainability is relevant

### **All Employees:**

- Follow policies on travel, commuting, and energy use.
- Contribute to emissions reduction goals.

## Relevant Definitions

- **Net Zero:** Achieving a balance between emitted and removed greenhouse gases.
- **Greenhouse Gases:** Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and other gases defined under the Kyoto Protocol.
- **tCO<sub>2</sub>e:** Metric tonnes of carbon dioxide equivalent, a standard unit for measuring greenhouse gas impact.
- **Carbon Accounting:** The process of measuring and reporting emissions, guided by standards such as the **Greenhouse Gas Protocol**.

## Conclusion

Absoft is dedicated to achieving Net Zero by 2040. By combining emissions reduction efforts, operational changes, and certified offsets, we will ensure long-term environmental sustainability while supporting global carbon reduction goals.

## Declaration

This plan has been completed in alignment with **PPN 06/21, GHG Reporting Protocol**, and other relevant standards.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

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.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors It has been reviewed and signed off by the board of directors.

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**Keith Davidson**

*Vice President and Head of UK Operations*

**Date:** 18th December 2024