

Ryolto CARBON REDUCTION PLAN

The UK Government amended the Climate Change Act 2008 in 2019 by introducing a target of at least 100% reduction in the net UK carbon account (i.e. a reduction of greenhouse gas emissions when compared to 1990 levels) by 2050. As a result, Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies are required to ensure that suppliers to contracts with an annual value of in excess of £5 million (excluding VAT) per year are committed to achieving “Net Zero by 2050” for all procurements after 30th September 2021.

This has led to PPN 06/21 which applies to all new procurements from this date including framework call-offs and Dynamic Purchasing Systems where the anticipated individual value of the call-off or DPS is £5 million or more (excluding VAT) per annum. To demonstrate compliance, we have set out our environmental management measures in our Carbon Reduction Plan which includes:

- Confirming our commitment to achieving Net Zero by 2050 for our UK operations.
- Details of our carbon footprint/current emissions for the sources included in Scope 1 and 2 of the GHG Protocol and a defined subset of Scope 3 emissions.
- Providing emissions reporting of the CO₂e (Carbon Dioxide Equivalent) for the greenhouse gases covered by the Kyoto Protocol (predominantly carbon dioxide, methane and nitrous oxide).
- Setting out the environmental management measures we have adopted including specific carbon reduction measures.
- Publication of our Carbon Reduction Plan on our website.

Scope 1, 2 and 3 Emissions Definitions

Scope 1 Direct Emissions - these are direct greenhouse gas emissions that occur from sources that are controlled or owned by us (e.g. emissions from boilers in our buildings, company vehicles etc).

Scope 2 Energy Indirect Emissions - these are indirect greenhouse gas emissions associated with the purchase of electricity, heating or cooling etc, and are measured and reported in alignment with our energy use.

Scope 3 Other Indirect Emissions - these fall into 15 categories and include all sources not specified within Scopes 1 and 2 above. The Scope 3 emissions that we are required to report on are:

- **Transportation of employees for business related activities** in vehicles not owned or operated by us.
- **Transportation of employees between home and work** in vehicles not owned or operated by us including in their own vehicles.
- **“Upstream” transportation and distribution** of products purchased by us from Tier 1 suppliers (e.g. paper, printer cartridges, office consumables etc).
- **“Downstream” transportation and distribution** of products sold by us including retail and storage. This category is not applicable as [RYALTO] is a service business and does not produce, transport or distribute products.
- **Disposal and treatment of waste** generated in facilities not owned or controlled by us, but from whom we purchase Tier 1 products.

Carbon Reduction Plan

The tables below show our carbon footprint in our baseline years, [2021], when we first started measuring our emissions and the current year.

Baseline Year:	12 months commencing 02/2021
Baseline Emissions Calculations:	No Scope 3 emissions reporting took place prior to [2021] so baseline emissions have been calculated according to the baseline on this date.
Scope 1 CO ₂ e:	12,960kg CO ₂
Scope 2 CO ₂ e:	807.84kg Co ₂
Scope 3 CO ₂ e (included sources):	8141kg CO ₂
Total Emissions:	21,908.84kg Co ₂

Current Year:	12 months commencing 02/2022
Scope 1 CO ₂ e:	2,160kg CO ₂
Scope 2 CO ₂ e:	134.64 kg CO ₂
Scope 3 CO ₂ e (included sources):	503 kg CO ₂
Total Emissions (tCO ₂ e):	2,797.64 kg CO ₂

Carbon Reduction Commitments/Actions

[RYALTO] is committed to achieving Net Zero by 2050 and as part of this commitment, has an interim target of reducing emissions by 50% by 2030. This plan is reviewed annually by the Directors to check progress and establish if changes should be made to the actions we have in place to maximise our reduction in carbon emissions.

The basis of our Carbon strategy is one of **Measure – Prioritise – Act – Measure – Repeat**.

Measure

We report on the sources of environmental impact over which we have operational control, calculate our carbon footprint monthly in accordance with the Greenhouse Gas (GHG) Protocols Corporate Standard, and report against the Kyoto Protocol greenhouse gasses in terms of:

- Actual targets – absolute reduction targets which compare actual figures in the target year to those in the base year.
- Intensity targets – based on a normalising factor.

We subscribe to a proprietary online carbon calculator service to manage our data inputs, conduct the required calculations, set and record our intensity metrics, and provide monthly carbon reporting. The data that sits behind this is the UK Government Greenhouse Gas reporting database, updated when appropriate.

This provides us with our emissions by source, and total emissions by month, sets our intensity metrics and tracks performance month-on-month.

Our chosen intensity metric is kg/CO₂ per employee.

Our base year for all measurements is 02/2021. This will not change unless there is a significant change to our company structure (e.g. a merger or acquisition) or a change in the company's ownership, in which case the base year may move to the reporting year following the structural change.

Specific inputs and output used to calculate figures quoted in our Carbon Reduction Plan include:

- Electricity.
- Gas.
- Fugitive emissions (uncontrolled/unmanaged emissions e.g. fridges/air conditioners that leak refrigerant gases).
- Water.

- Business travel by private car / bus / rail / air / sea.

Prioritise

Our monthly carbon calculation has enabled us to identify the largest sources of GHG emissions, and to focus those which have most impact. That does not imply however that we are not implementing actions across the board. We have been able to identify quick and easy wins e.g. looking at using 100% renewable energy providers, limiting travel to essential meetings only or where zoom calls aren't appropriate, working with third party providers (AWS) to understand their plan. which relate to relatively low impact areas whilst also implementing longer term multi-facet strategies for the larger emission areas.

Act

Our action plan involves Behaviour Change, Process Change and Technology Change.

We have taken the obvious first step and committed to sourcing electricity from a 100% Renewable Energy tariff.

Behaviour Change

We have communicated our Net Zero ambitions across our workforce, and have tasked staff with identifying where they can affect carbon reductions through behaviour change.

Examples include:

- Encouraging the turning-off or powering-down of appliances and lights when not in use.
- Eliminating unnecessary heating in unoccupied areas.
- Education programme relating to the importance of saving water as a carbon mitigation measure.
- Permitting home-working and encouraging video-conferencing.
- Encouraging alternative travel to work e.g. walk, cycle, car-share, public transport.

Process Change

We have conducted a thorough review of all our process to identify opportunities to reduce or eliminate physical waste, and making more efficient use of materials (e.g. electronic data storage and moving towards paperless systems).

Scope 3

Whilst we can influence the Scope 3 emissions arising from our staff travel to work, other upstream and downstream emissions are harder to measure and report.

We have communicated our Net Zero ambitions to our Tier 1 supply chain partners and are engaging with them to support us with reporting Scope 3 emissions that are not under our control.

Measure

Our monthly carbon reporting means that we are in a continual measurement programme, and by implementing the above actions, we are able to see how well each specific measure is working and refine our processes accordingly.

Offsetting

Offsetting the emissions that we can't mitigate will become part of our strategy, but only at the point that we've implemented all of the possible behavioural, process and technology changes that we can influence.


Declaration

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans, the GHG Reporting Protocol Corporate Standard and we use 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.

We confirm this Carbon Reduction Plan is reviewed and signed off at board level on an annual basis and is available on the home page of our website.

Signature: 
Name: G. DREW
Job Title/Designation: CTO
Date: 6/5/2022

