

# NET ZERO PLAN AND ANNUAL REPORT

## (PPN06/21 COMPLIANT)

FOR



Period: March 2022 – February 2023

Prepared by:	CBN EXPERT	Powered by:	CBN EXPERT Professional
Accredited by:	CBN EXPERT	Official Partner Network:	NETWORK NET ZERO RACE TO ZERO Partner

Report author: **James Napier**

Date: **March 2023**



This report has been produced by CBN Expert on behalf of Phoenix Software to fulfil its annual carbon reporting requirements. It has been produced to UK SECR & PPN06/21 requirements.

## Company Overview

**Phoenix** is part of Bytes Technology Group a company listed in the UK. Phoenix registered address is Blenheim House, York Road, Pocklington, York, YO42 1NS.

Year Incorporated	1990
Industry	Software Services
No. of Staff	371
No. of Offices – Owned	1
No. of Offices – Leased	0
No. of Company Vehicles - Owned	0
No. of Company Vehicles - Leased	0

**Phoenix** (PS) provides software licensing and digital transformation solutions to public sector clients supported by inhouse delivery consultants.

The company has a strong commitment to delivery its services in the most environmentally efficient way.

## Reporting Period

**March - February**

## Quantification and Reporting Methodology

This report has been created using the Environmental Reporting Guidelines, including **Streamlined Energy and Carbon Reporting** guidance issued by the UK Government in April 2019. This report meets the requirements for **Carbon Reduction Plans** required by PPN06/21.

Where they exist, **CBN Expert** uses UK Government published carbon conversion factors relevant to the reporting period. Where emissions without published conversion factors have been used, these have been calculated by **CBN Expert** in consultation with relevant stakeholders and any industry norms or standard that exist. The details of these are included in the Data Declaration section of this report.

## Net Zero Committed Date

The company is committed to be Net Zero by 2040.

## Organisational Boundary

This report has been constructed using the

- Operational Control Approach

## Operational Scopes

Emissions from Scope 1 and 2 have been measured along with certain Scope 3 emissions. The Scope 3 emissions that have been included are fully aligned to the requirements of PPN06/21 and are:

- Waste disposal
- Business travel
- Employee commuting
- Up and Down Stream Transport and Distribution

## Benchmark Year

This benchmark year for the company is **March 2020 – February 2021**.

## Net Zero Leadership

Phoenix is fully committed to Net Zero across its organisation. To support its transition to Net Zero, it has appointed and communicated publicly a senior sponsor. The appointed sponsor is:

<b>Sponsor(s)</b>	Clare Metcalfe
<b>Position</b>	Operations Director
<b>Appointed</b>	March 2018

Phoenix uses its ISO14001 quarterly review meetings to review its Carbon Action Plan. Ensuring the capture of the reporting data is clear and accurate. The Sustainability Network, which meets every two months, provides a minimum of a twice-yearly update to the Managing Director, which is shared within the Senior Management Meetings.

## Net Zero Reporting Summary

Phoenix has the mitigation of GHG emissions as priority for the business, initially with a focus on Scope 1 and 2 emissions, as well as key Scope 3 categories aligned to the requirements of PPN06/21

The company has implemented number of initiatives during the year to both mitigate GHG emissions, as well as to expand the company's visibility and understanding of key categories of Scope 3 emissions.

The immediate aims of the company are as follows:

- Reducing our overall waste output, while increasing the recycling mix
- Reducing energy usage within our offices with continued investment and upgrading of lighting to LED and the installation of motion sensors
- Informing and supporting all employees of the business' sustainability activities and to support their own actions within a hybrid working environment
- Implementing travel policies that allow growth within the business, while continuing to focus on minimising emissions
- Maximising environmental opportunities around the offices: increased planting, a focus on enhancing wildlife activity, and the introduction of allotments

## GHG Emissions Summary

### Summary of last three years of reporting

tCO <sub>2</sub> e	Reporting Year		
	2020/1 Baseline	2021/2	2022/3*
Scope 1	35	29.9	16.5
Scope 2	62	0	0
Scope 3	23	31.1	444
<b>Total</b>	<b>120</b>	<b>61</b>	<b>460.7</b>

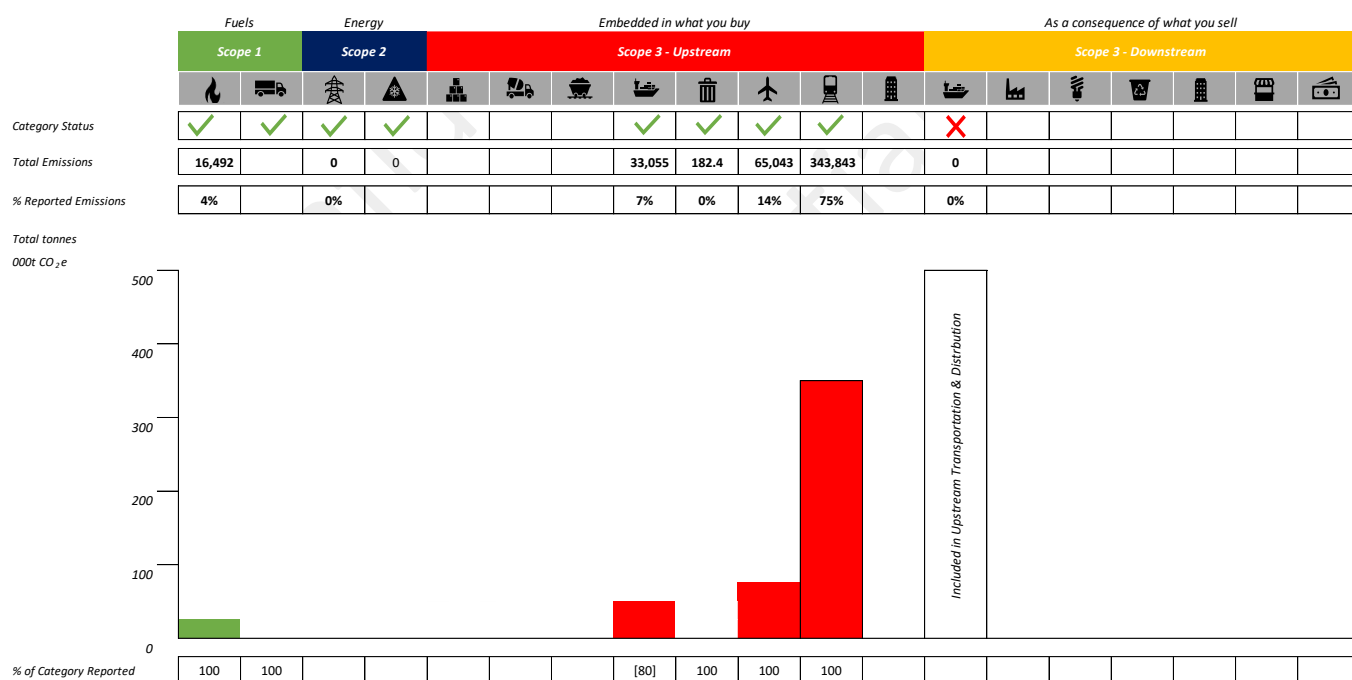
There has been a significant jump in the total number of tonnes of CO<sub>2</sub>e reporting this year due to the additional work the company has done to fully understand and disclose its emissions in the required scope 3 categories.

\*Scope 3 now includes figures for Upstream Transportation and Distribution and Employee Commuting. The company continues to be committed to reporting, planning, and acting to fully disclose and mitigate emissions in all Scope and Categories.

The table below shows the total emissions for Scope 1, 2, and the five relevant categories of Scope 3, either measured or calculated in the reporting year.

#### Phoenix - Emissions Mapping by Scope & Category for PPN06/21

Year: March 2022 - Feb 2023



Phoenix continues to evaluate all options to minimise GHG Emissions as well as to minimise overall consumption even where there is a minimal impact on GHG Emissions (e.g. energy efficiency with 100% renewable electricity). During the reporting year, the company completed a number of energy projects the details, which are listed below:

Site	Country	Project		
Phoenix Head Office	UK	Coffee cup recycling units installed across the building	Mar-22	Landfill
Phoenix Head Office	UK	Generator fuel changed from Red Diesel to low emission diesel made entirely from waste products	April-22	Diesel/ Petrol
Phoenix Head Office	UK	Replaced out of date air conditioning units, which would otherwise have required a refill of R22 gas, with nine new efficient units	Feb-22	Fugitive Emissions
Phoenix Head Office	UK	Car park lighting upgraded to energy efficient LED and also redesigned for less light pollution	Dec-22–Feb-23	Electricity
Phoenix Head Office	UK	Change of waste contractor ensuring that more of the waste is recycled due to sorting of the general waste (diverting 40% from general waste to recyclable) and ensuring that none goes to landfill due to RDF scheme	Aug-22	Landfill
Phoenix Head Office	UK	Planning for all light switches across the older building to be PIR sensors, this will mean the whole building is PIR activated	Feb-22	Electricity
Phoenix Head Office	UK	Reduction in Printers by 25%	Sep-22	Electricity
Phoenix Head Office	UK	Introduction of free bus passes	Nov-22	Diesel/ Petrol

## Scope 1 and 2 Emissions

	Scope 1: Direct Emissions	16.5t/CO <sub>2</sub> e
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The company's Scope 1 emissions consist of gas consumption at its office in near York. During the previous reporting year the company replaced its gas boiler, which will save an estimated 60,000kWh of gas consumption a year equivalent to 11tCO<sub>2</sub>e saved per year. The company will continue to explore ways to minimise gas consumption as well as the viability to, over time, utilise carbon removal credits to offset natural gas emissions. From November 2022, the company switched to a green gas contract making all of their gas consumption 100% renewable.

	Scope 2: Indirect Emissions	0/CO <sub>2</sub> e
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The company's Scope 2 emissions have been zero since November 2021 with the company purchasing 100% renewable electricity from its energy supplier. The company continues to look at ways to minimise the overall consumption of electricity with the completion of a project to switch to LED lighting completed in the year and saving an estimated 3,000kWh of electricity consumption per year.

## Scope 3 Emissions: Analysis by Reporting Category

	Scope 3: Category 4: Up Stream Transport and Distribution	33.055t/CO <sub>2</sub> e
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As part of the delivery of its core software services, Phoenix also sells a limited amount of supporting IT hardware. These products are sourced either directly from the manufacturer or via its distributors. In all cases, the products are delivered directly to Phoenix customers and do not, at any point, enter any facilities occupied or operated by the company.

Therefore, for the purposes of GHG Emissions reporting, the company's calculation of its Transport and Distribution emissions covers both Up and Down Stream Scope 3 emissions categories.

Basis of emissions calculation:

### Phoenix Software

	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Total
Pallets	5	1	4	1	5	1	2	0	1	0	0	3	23
Parcels	43	40	89	83	82	100	109	71	69	73	43	49	851
Total Miles	4,850	3,977	9,600	6,165	8,133	7,565	8,105	4,857	9,462	5,714	6,284	5,890	80,602
kg/CO <sub>2</sub> e	1,989	1,631	3,937	2,528	3,335	3,102	3,324	1,992	3,880	2,343	2,577	2,415	33,055
t/CO <sub>2</sub> e													33.05

The company does not have access to the exact vehicles used to deliver each order. It has therefore made an assumption that all deliveries were made by a Class III van with a 2022 BEIS/DEFRA Carbon Conversion factor of 0.4101 kgCO<sub>2</sub>e / mile.

The company continues to work with product manufacturers and their distributor to maximise the opportunity for deliveries to be made using low carbon (hybrid, PHEV, or BEV) vehicles. Progress will be reported as part of the company's overall annual carbon reporting.


**Scope 3: Category 5: Waste Generated from Operations**
**0.1t/CO<sub>2</sub>e**

Phoenix	kg			
Type of Waste	Unit	Total	CF	kg/CO <sub>2</sub> e
General Waste (annual total)	kg	<b>2,311</b>	21.28019	<b>49.18</b>
Dry Mixed Recycling (annual total)	kg	<b>2,855</b>	21.28019	<b>60.74</b>
Other - please specify	kg			
<b>Total</b>				<b>109.92</b>

The company is committed to exploring all opportunities to decrease waste from its operations. The nature of the business operations means that waste streams are, largely, limited to General commercial waste, dry mixed recycling, and WEEE. Currently WEEE is not measured but will be added to waste measurement going forward.

During the reporting year the company completed to projects to reduce or divert waste:

1. Diverting 30kg of non-plastic sealed tea bags from landfill to composting
2. Driving recycling initiatives among employees resulting in 100kg of additional recycled waste that would otherwise have been sent for landfill


**Scope 3: Category 6: Business Travel**
**65.043t CO<sub>2</sub>e**

Cars (Grey Fleet)	Unit	CF	Total	kg/CO <sub>2</sub> e
Small Petrol	miles	0.2358	<b>6,416</b>	1,513
Medium Petrol	miles	0.29724	<b>44,841</b>	13,329
Large Petrol	miles	0.4448	<b>10,537</b>	4,687
Large Petrol Hybrid	miles	0.24929	<b>4,058</b>	1,012
Small Diesel	miles	0.22514	<b>3,839</b>	864
Meduim Diesel	miles	0.27039	<b>33,939</b>	9,177
Large Diesel	miles	0.33722	<b>26,015</b>	8,773
Electric	miles	0.07578	<b>4,583</b>	347
Average Car				
Petrol (bio-blend)				
Diesel (bio-blend)				
<b>Total Cars</b>			<b>134,228</b>	<b>39,701</b>
Other Business Travel	Unit	CF	Total	kg/CO <sub>2</sub> e
Plane - Domestic	km	0.24587	1,674	412
Plane - Short Haul	km	0.15102	69,542	10,502
Plane - Long Haul	km	0.14063	78,980	11,107
<b>Total Planes</b>			<b>150,196</b>	<b>22,020</b>
Trains	km	0.03549	87,663	3,111.16
Taxis	km	0.14876	1,413	210.21
Hotels	Nights	10.4	188	1,955
<b>Total Trains &amp; Taxis</b>			<b>89,264</b>	<b>5,277</b>

<b>Total Business Travel</b>	kg/CO <sub>2</sub> e	<b>66,998</b>
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The majority of the company's business travel is incurred by the sales team visiting clients in non-company owned (grey fleet) vehicles. While it will remain important for the sales team to visit customers the company is committed to exploring options to encourage individuals to transition to lower carbon vehicles as part of the normal vehicle replacement cycle.

Train travel will continue to be a priority travel method for business travel and employees will be encouraged to utilise trains as much as possible in the course of its commercial activities .

Air travel is already minimised as much as possible and will be on an ongoing basis.


**Scope 3: Category 7: Employee Commuting**
**343.83t/CO<sub>2</sub>e**

Vehicle	Fuel	Mileage	CF	
			(kg/CO <sub>2</sub> e/mile)	Total kg/CO <sub>2</sub> e
Small Car	Diesel	77,271	0.22514	17,397
	Hybrid	5,200	0.16628	865
	Petrol	322,521	0.2358	76,050
Medium Car	Diesel	220,042	0.27039	59,497
	Hybrid	47,372	0.17702	8,386
	Petrol	139,318	0.29724	41,411
Large Car	Diesel	93,635	0.33722	31,576
	Hybrid	7,696	0.24929	1,919
	Petrol	59,022	0.4448	26,253
Electric Car	Average	38,299	0.07578	2,902
Motorbike	Large	8,416	0.21315	1,794
Public Transport Average * (km)		4,180	0.03549	148
<b>Total - 78% Reporting rate</b>		<b>1,022,971.56</b>		<b>268,197.35</b>

The reported number are based on a Q1 Employee Commuting survey representing 78% of the total employees. We have calculated a full Employee Commuting emissions for Phoenix of 343.8t/CO<sub>2</sub>e for the reporting year.

The company has begun communicating employee commuting emissions across the business and is committed to supporting ongoing actions that enable employees to reduce the emissions associated with travel to work. This includes the ongoing ability for some employees to work from home for a number of days per week and the company introducing a salary sacrifice scheme to support employees adopting low carbon transport.


**Scope 3: Category 9: Down Stream Transport and Distribution**

All deliveries of hardware to Phoenix customers are delivered directly from the manufacturers or their distributors. Phoenix does not, in any cases, take delivery of these products and then onward ship them to customers. Therefore, all Transportation and Distribution emissions have been accounted for in Category 4: Upstream Transportation and Distribution.

## Immediate Carbon Reduction Priorities

The need for taking immediate and bold action on climate change is being increasingly recognised by businesses, government, and the general population. **Phoenix** recognises that its activities have an impact on the environment, and we are committed to minimising any adverse impact wherever practical.

We have identified several areas, which will contribute to us achieving our Net Zero pledge:

### 1. Engagement of Team:

The entire **Phoenix** team is engaged with the company's plans to mitigate carbon emissions, and this is now a topic at our regular team meetings. A regular employee commuting survey is undertaken, and the results communicated back to employees to encourage them to look at reductions.

### 2. Other Actions being taken:

**Fleet emissions:** the company is looking at ways that it can transition to lower carbon fleet via both its policy for car allowances and finding ways to incentivise lower carbon commuting for its employees. The company is also introducing a salary sacrifice scheme to support the purchase of electric vehicles.

**Electricity:** the company now buys 100% renewable energy.

**Transport and Distribution:** the company will look at how it can influence its Tier 1 suppliers to utilise low carbon transport options for the deliveries they make on its behalf.

**Non-reported emissions:** while the company's focus is on mitigating the emissions, it currently reports it will also build in future plans to report key additional categories in Scope 3 – Category 1 – Purchased Goods and Services.

### 3. Carbon Emissions Leadership:

**Phoenix** has made the commitment to measure and report its GHG emissions on a regular basis, and review these as part of the company's ongoing management and reporting. This is overseen by a member of the Senior Management Team and shared with the wider team on a regular basis.



## Data Declarations

### Standard and Methodology Used

**Phoenix** categorises its Greenhouse Gas (GHG) Emissions as Scope 1, 2, or 3 as referred to in the WBCSD – WRI Greenhouse Gas Protocol (revised edition, dated March 2014). Emissions in Carbon Dioxide equivalent (CO<sub>2</sub>e) for all scopes are calculated using the conversion factors listed in BEIS Greenhouse Gas Conversion Factors for the relevant 12-month period, over which the Carbon emissions are calculated. Procured renewable electricity and gas is calculated in accordance with the WBCSD – WRI Scope 2 Guidance on procured renewable energy (2015).

### Data Quality / Confidence

The data used to generate this report has been collected from various sources from both within the company. All assumptions have been verified by **CBN Expert**. These emissions have been converted to CO<sub>2</sub>e using the Conversion Factors published by BEIS/ DEFRA for the relevant period.

### Scope 3 Emissions

**Phoenix** is committed to measure and act to reduce its emissions in all 3 Scopes. This report reflects the

amount of Scope 3 emissions that it has been technically feasible and cost effective to measure and act against. **Phoenix** remains committed to work with its entire supply chain to ensure as much of its Scope 3 emissions can be accurately measured and to develop actions that target long term reductions in this emissions category.

### Carbon Removals and Offsets

As part of the commitment of **Phoenix** to target reductions in its GHG emissions, and ultimately attain Net Zero, the company will review and report all carbon removals and offsetting that it uses. All offsetting options will be considered and reported included, formally certificated schemes (e.g., Gold Standard), as well as more informal schemes. Where offsetting is done against informal schemes, details of the calculation logic will be reported.

### Third Party Verification

The data in this report has been produced using the **CBN Expert** dashboard and the figures have been certified under the future Net Zero Standard. The certification and licence number for the period for this report is shown here.

### Offset schemes (if appropriate)

Scheme Name	Details (including weblinks)	tCO <sub>2</sub> e
India hydropower	Generating clean electricity from hydropower in India – <a href="http://www.ecologi.com">www.ecologi.com</a>	117.9
Thailand wind power	Supporting the prevention of 132tCO <sub>2</sub> 3 via wind power in Thailand - <a href="http://www.ecolog.com">www.ecolog.com</a>	64.4
Biodiversity protection in Peru	Reducing deforestation and degradation in the Tambopata Bahuaja Biodiversity Reserve in Peru	27.6
Vietnam wind power	Generating electricity from wind power in Vietnam	2.4
Total		212.3

#### Signed on behalf of Phoenix

Name: **Clare Metcalfe**

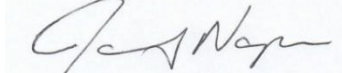
Position: **Operations Director**

Signed: 




















#### Signed on behalf of CBN Expert

Name: **James Napier**

Position: **Director**

Signed: 

## Data Source and Quality Analysis

		Category Description	Data Source Description
Scope 1		Company Facilities	Actual consumption provided by the company
		Company Vehicles	The company has no owned fleet
Scope 2		Electricity	Actual consumption provided by the company
		Other Purchased Energy	None
Scope 3 - Upstream		Purchased Goods & Services	Paper & Water consumption provided by the company. Waste water was calculated as 100% of Water supply
		Capital Goods	Not Reported
		Fuel & Energy Related Activities	Not Reported
		Transportation & Distribution	Individual delivery data provided by suppliers. All deliveries are directly from manufacturer/distributors to Phoenix clients. No exact vehicle data provided but all deliveries assumed to be by Class III van
		Waste Generated from Operations	Measured amount of waste provided by the company
		Business Travel	Car mileage provided by the company. Flight, Taxi & Train trips provided by the company with mileage calculated based on distances (Air Travel & Train) or converting spend into distances (Taxi)
		Employee Commuting	Based on a Q1 survey of employees with a 78% response rate. This data was then used to calculate a full year, all employee, commuting emissions figure
		Leased Assets	n/a
		Transport & Distribution	All deliveries are sent from the manufacturer/distributor directly to clients. Therefore all Transportation & Distribution emissions have been accounted for in Upstream
Scope 3 - Downstream		Processing of Sold Products	n/a
		Use of Sold Products	Not Reported
		End-of-Life Treatment of Sold Products	Not Reported
		Leased Assets	n/a
		Franchises	n/a
		Investments	n/a