

# Annual Carbon Report



March 2024 - February 2025

Report Author: **notch**

Report Date: 14-05-2025

Prepared By:  **notch**

Powered By:  **notch**



This report has been produced by **notch** using notch accounting platform for **Phoenix Software Ltd**

## Company Overview

**Phoenix Software Ltd** enables digital transformation in the workplace, empowering UK organisations to innovate and transform with cloud and hybrid infrastructures data, AI, security, and collaboration tools. By understanding the individual goals of its customers, Phoenix delivers remarkable, outcome-focused IT solutions and services that allow UK organisations to make a difference to the lives of their employees, service users, and communities.

Year Incorporated	1990
Industry	Wholesale of computers, computer peripheral equipment and software
No. of Staff	476
No. of Offices	2
No. of Production Sites	0
No. of Company Vehicles - Trucks	0
No. of Company Vehicles - Other	0

## Reporting Period

March 2024 - February 2025

## Benchmark Year

Scope 1 and 2: March 2020 to February 2021

Scope 3: March 2022 to February 2023

## Reporting Boundary

Financial

## Optional Scope

Emissions from Scope 1 and 2 have been measured in accordance with SECR requirements. The Scope 3 emissions that have been included are:

## Qualification & Reporting Methodology

This report has been created using the Environmental Reporting Guidelines, including Streamlined Energy & Carbon Reporting (SECR) guidance issued by the UK Government in April 2019.

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

- Purchased Goods & Services
- Capital Goods
- Fuel & Energy Related Activities
- Upstream Transportation & Distribution
- Waste Generated From Operations
- Business Travel
- Employee Commuting
- Upstream Leased Assets
- Use of Sold Products

## Net Zero History

As part of Bytes Technology Group, in 2023 we calculated our Scope 3 emissions across all 10 categories, relevant to the business, for the first time. Our baseline for Scope 3 was set at FY 2022/23 and at the end of 2023 we submitted our GHG emissions reduction targets to the Science Based Targets initiative (SBTi). In June 2024 we received validation of our near-term and net zero targets (2040)

Scope 3 Category 1 - purchased goods and services is by far our largest emissions source and has led to greater work with our suppliers, which will gain increasing focus to understand their emissions and reductions plans. In addition, we continue to focus on initiatives that will drive down emissions we can directly impact such as energy efficiency in buildings and green transportation. This supports our work to achieve a 50% reduction by 2030 in Scope 3.

## Net Zero Committed Date

2040



## Annual Carbon Report March 2024 - February 2025

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### Net Zero Leadership

**Phoenix Software Ltd** is fully committed to achieving Net Zero across its organisation. To support its transition to Net Zero **Phoenix Software Ltd** has appointed and communicated publicly senior sponsor(s). The appointed sponsor(s) are

**Sponsor(s):** Clare Metcalfe  
**Position:** Managing Director  
**Appointed:** June 2019

### Net Zero Priorities

Phoenix Software Ltd has mitigation of GHG Emissions as a business priority, having reduced Scope 1 and 2 emissions to net zero, scope 3 categories continue to be the priority to enable us to meet our ambitious targets.

The carbon reduction goals of the company are as follows:

- Phoenix Software Ltd has met and exceeded its previously stated targets of a 50% reduction in Scopes 1 and 2 by 2025/26. Scope 1 target was met in 2023/24 and Scope 2 target in 2022/23. In 2023/24, Phoenix recorded zero tCO<sub>2</sub>e emissions for Scope 1 and Scope 2 (market based) and as such the targets are now to maintain those reductions at 100% from base year 2020/2021.
- To reduce absolute Scope 3 GHG emissions to 50% by 2030/31 from a 2022/23 base year
- To reach net-zero GHG emissions across the value chain by 2040/41

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

Phoenix Software Ltd, as part of Bytes Technology Group Plc, has had its targets validated by the Science Based Targets initiative (SBTi). Carbon reduction activities are aligned to these targets and will form part of a net zero transition plan. These steps for emissions reporting and transparent declarations are key parts of Phoenix's strategy. The immediate priorities of the company to drive down its climate impact are:

- Reduce travel emissions
- Reduce waste
- Positively influence supply-chain emissions

### Emissions Summary

tonnes CO <sub>2</sub> e	20-21 Baseline Scopes 1 & 2	21-22	22-23 Baseline Scope 3	23-24	24-25 Reporting Year
Scope 1 (Market Based)	34.9	29.9	16.5	0.0	0.06
Scope 2 (Market Based)	61.6	0	0.0	0.0	0.00
Scope 3	12.9	31.1	39,325.7	54,323.1	80,204.91
<b>Total (Market Based)</b>	<b>109.4</b>	<b>61.0</b>	<b>39,342.2</b>	<b>54,323.1</b>	<b>80,204.97</b>

Material progress has been made in reducing Scope 1 and Scope 2 emissions, primarily through the procurement of REGO backed certified electricity and gas, solar panel implementation, as well as the introduction of an employee EV scheme and active car share programme. Comparing like-for-like emissions from the baseline year, Scope 1 and Scope 2 have reduced by ~100% and are at 0.06 tCO<sub>2</sub>e for the reporting year, exceeding our original reduction targets for both these scopes.

The baseline for Scope 3 emissions was updated in 2022/23 to include all categories material to the business. Scope 3 emissions have increased from 39,342.2 tCO<sub>2</sub>e (benchmark year) to 80,204.91 tCO<sub>2</sub>e. This is an increase of 103.9%, which is attributable to business growth and associated employee commuting, business travel and purchased goods and services increases, which is reflective of the Phoenix Software Ltd business model. There are continued efforts underway to further reduce consumption through the continued expansion of the EV scheme and green travel initiatives, as well as working with top tier suppliers to understand and support their journeys to net zero.

### Emission Map

All categories that are material and relevant to Phoenix Software Ltd have been measured and included based on the data available. Any categories not reported are not applicable to Phoenix Software Ltd.

Phoenix Software Ltd - Emissions Mapping by Scope & Category

Year: Mar 2024 - Feb 2025

	Fuels		Energy		Embedded in what you buy								As a consequence of what you sell						
	Scope 1		Scope 2		Scope 3 - Upstream								Scope 3 - Downstream						
CategoryStatus	✓	CNR	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗
Total Emissions tonnes CO <sub>2</sub> e	0		0	0	73.8K	129	24	2	0	142	638	0			5.51K				
% Reported Emissions tonnes CO <sub>2</sub> e	0		0	0	92	0	0	0	0	0	1	0			7				



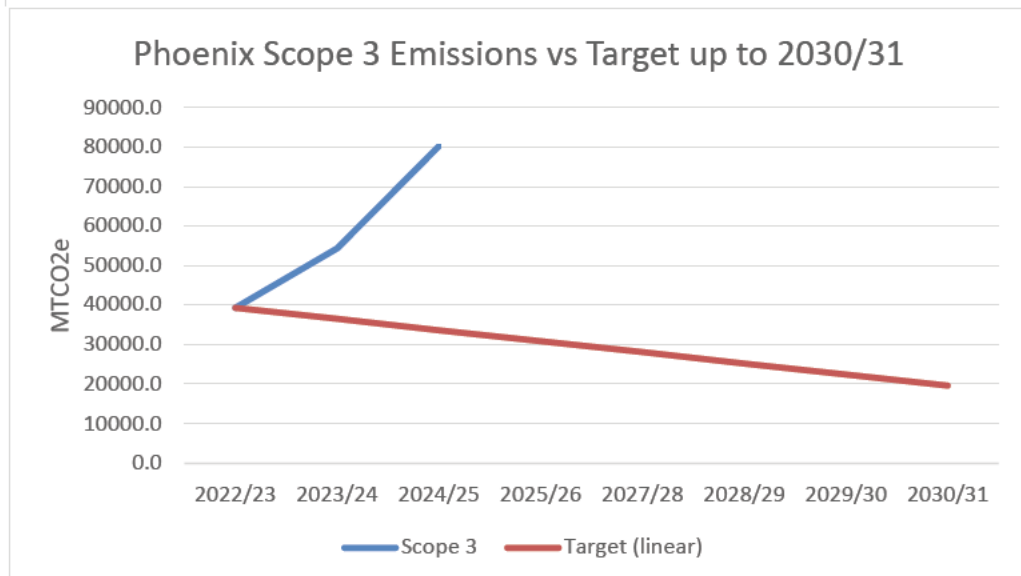
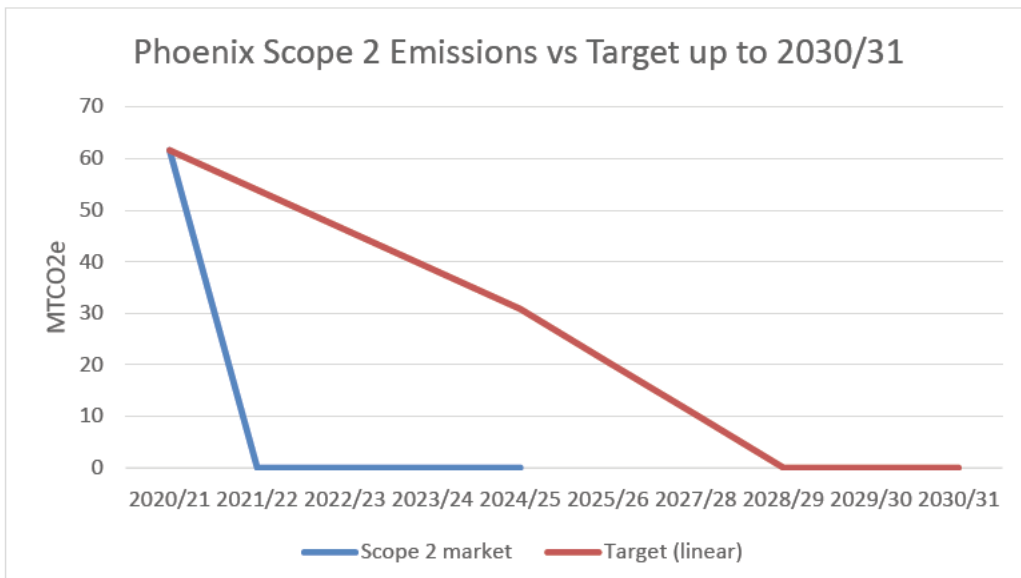
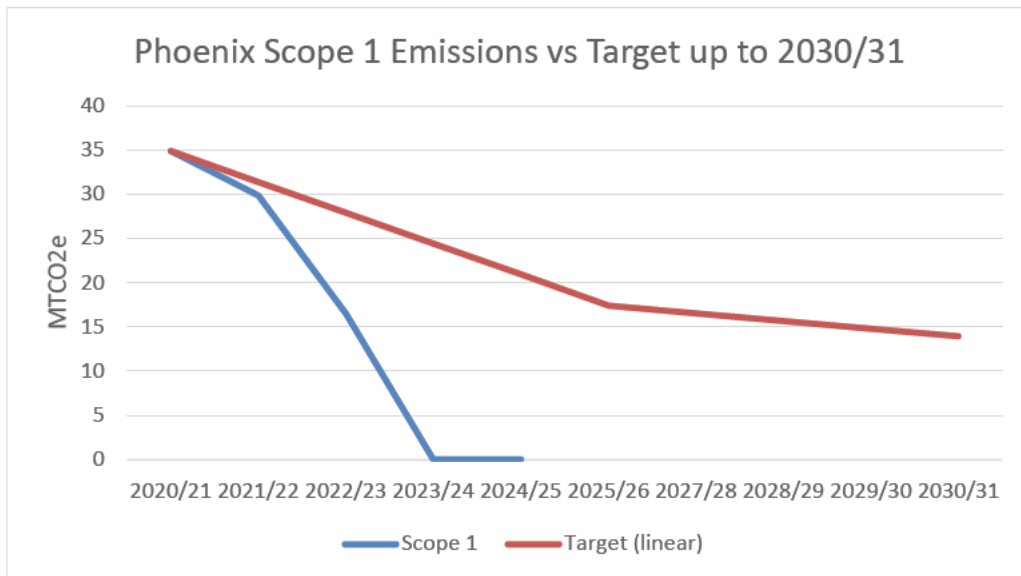
✓	Reported	✗	Not Applicable	CNR	Category Not Reported
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tonnes CO<sub>2</sub>e



The second emissions map below shows all reported scopes and categories, with the exception of categories 1 and 11. The purpose of this view is to show the relative emissions of reported categories, on an appropriate scale.

## Carbon Reduction: Projected vs. Actual



## Carbon Reduction Projects

### Completed projects FY23/24

Site	Country	Project	Emissions Impacted
Pocklington	UK	Implemented EV car scheme and Car Share Programmes	Scope 3 - Cat. 6 - Business Travel and Cat. 7 Employee Commuting
Pocklington	UK	Removal of all aerosols from site. Replaced with gel block air fresheners in toilets and kitchens	Scope 3 - Cat. 5 Waste
Pocklington	UK	LED lighting for car parks completed Q3 2023	Scope 2
Pocklington	UK	Zero waste to landfill waste management contract	Scope 3 - Cat. 5 Waste
Pocklington	UK	Replaced all toilet and kitchen paper with recycled paper	Scope 3 - Cat. 5 Waste
Pocklington	UK	Solar panel installation	Scope 2 - Electricity usage, Scope 3 - Cat. 3 Fuel and energy-related activities
Pocklington	UK	Supply chain environmental survey - ESG scorecard introduced for onboarding	Scope 3 - Cat. 1 Purchased goods and services
All	UK	Data collected on home working emissions	Scope 3 - Cat. 7 - teleworking
Pocklington	UK	Install vape recycling bins	Scope 3 - Cat. 5 - Waste
All	UK	SBTi validation of near-term and net zero targets	All emissions

### In progress projects

Site	Country	Project	Emissions Impacted
Pocklington	UK	Supply chain environmental survey and continued engagement with suppliers on ESG matters	Scope 3 - Cat. 1 Purchased goods and services
Pocklington	UK	Continue to promote EV scheme - as of FY25 10% of employees taking advantage of the scheme	Scope 3 - Cat. 6 and 7 - Business Travel and Employee commuting
Pocklington	UK	Employee engagement in travel and impact on environment. Encouraging sustainable choices.	Scope 3 - Cat. 6 and 7 Business travel and Employee commuting
All	UK	Carbon literacy and sustainability training for all employees. Delivered to non-sales in FY25 to be expanded to sales and further non-sales in FY26	All Emissions
All	UK	Net zero transition plan	All Emissions

### Planned projects

Item	Description	Action Type	Emissions Impacted	Target	Time frame
1	Create waste and water policy with annual usage metrics and targets for reduction	Carbon reduction	Scope 3 - Cat. 1 (water) Scope 3 - Cat. 5 Waste	Appropriate target creation for reduction in usage	Q3 2025
2	Develop supply chain engagement strategy and risk assessment	Stakeholder engagement	Scope 3 - Cat. 1 Purchased goods and services	Better understanding of supplier emissions	Q2 2025

3	Engage with hardware distributors for better data on upstream transportation emissions	Data Improvement	Scope 3 - Cat. 3 Upstream transportation	Better understanding of supplier emissions	Q2 2025
4	Develop carbon data checklist and methodology to aid governance of data collection and reduce any errors	Data Improvement	All emissions	Better understanding of all emissions	Q2 2025
5	Greater understanding of emissions from home working	Data Improvement	Scope 3 - Cat. 7 - Teleworkers	Better understanding of homeworking emissions	Q3 2026
6	Reduce general waste	Carbon reduction	Scope 3 - Cat.5 - Waste	Reduce emissions from waste	Q2 2025
7	Update Travel Policy to consider sustainable travel	Carbon reduction	Scope 3 - Cat. 6 and 7 - Business Travel and Employee commuting	Reduce emissions from business travel and employee commute	Q2 2025
8	Update Environment Procurement Policy to make stronger considerations for sustainable procurement on business items	Carbon reduction	Scope 3 - Cat. 1 Purchased goods and services	Improved understanding of procurements	Q2 2025

## Scope 1 & 2 Emissions



### Scope 1 - Direct Emissions

0.06 tonnes CO<sub>2</sub>e

Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Gas	kwh	145,359	0.03
Fuels	litres	160	0.03
<b>Total</b>			<b>0.06</b>

Phoenix Software Ltd sourced 100% REGO certified renewable gas for its main office. Leased offices emissions are captured within Scope 3 – Category 8 and reported separately.



### Scope 2 - Indirect Emissions

0.0 tonnes CO<sub>2</sub>e

Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Green Electricity (Grid)	kwh	309,964	0.0
Green Electricity (Non-Grid)	Kwh	86,939	0.0
<b>Total</b>			<b>0.0</b>

Phoenix Software Ltd sourced REGO-backed renewable energy. Solar panels came online from April 2024 with exports back to the grid from February 2025.

## Scope 3 Emissions - Analysis by Reporting Category



### Scope 3: Category 1 - Purchased Goods & Services

73,762.5 tonnes CO<sub>2</sub>e

Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Water Supply	m3	1,025	0.2
P G & S	tonnes	73,762.3	73,762.3
<b>Total</b>			<b>73,762.5</b>

Software and hardware purchases were based on 6 key vendors for the 24/25 reporting period. Spend with vendors was used to determine a fair share of scope 1, 2 and 3 emissions. All vendors scope 2 emissions used were market-based, in order to recognise the impact of their commitment to consumption of cleaner energy and actual attributable emissions during the period. Data from these vendors varied, and in some cases the total reported revenue was more recent than the total reported emissions. This invariably leads to a disconnect in carbon intensity but is deemed better than using industry averages for calculating Phoenix's Cat.1 emissions. In total, this accounted for 89.2% of vendor spend, and 81.7% of total spend.

For External Consultancy, the 2021 BEIS spend-based CF for 'Other Professional, Scientific and Technical Services' was applied.

For Overheads, and BTG Spend Attribution (75% attributed to BSS; 25% to Phoenix), the 2021 BEIS spend-based CF for 'Services of head offices; management consulting services' was applied.

Water supply was included based on actual supply volumes, and paper has been included based on weight.

Due to the expansion and recalculation work to 2022/23 reported emissions, this is the third reporting of a full category 1 (see the Group's Annual Report 2023/24 for more detail on this expansion work – available at [www.bytesplc.com](http://www.bytesplc.com)).



### Scope 3: Category 2 - Capital Goods

128.9 tonnes CO<sub>2</sub>e

Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Computer Equipment	£	165,169	66.7
Office Equipment - Refurbishment	£	121,739.6	54.2

Furniture	£	17,475	7.9
<b>Total</b>			<b>128.9</b>

Emissions were grouped into Computers/ Hardware, Furniture and Refurbishment activities. Conversion factors were based on 2021 EEIO spend based factors derived from BEIS. Right of use assets (EVs for the employee car scheme) were excluded since Phoenix does not have financial or operational control of these assets, nor access to any data regarding the use or charging of these vehicles.



### Scope 3: Category 3 - Fuel & Energy Related Activities

23.9 tonnes CO<sub>2</sub>e

Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
WTT - Electricity (generation)	kwh	309,964	14.2
WTT - Electricity (T & D)	kwh	309,964	0
WTT – Green Gas	kg	145,199	2.7
WTT – Bio Diesel	litres	160	0.1
Transmission & Distribution	kwh	309,964	5.7
<b>Total</b>			<b>23.9</b>

Cat.3 emissions include all well-to-tank (WTT) and transmission & distribution emissions from scope 1 and 2 fuel and energy use. WTT emissions for vans (Cat.4) and plane travel (Cat.6) have now been included in their respective categories, having been incorrectly included in Cat.3 in the prior year.



### Scope 3: Category 4 - Transportation & Distribution

2.2 tonnes CO<sub>2</sub>e

Transport type	Unit	Volume	tonnes CO <sub>2</sub> e
Upstream T & D	tonne.km	5,055.49	1.8
WTT – Upstream T&D	tonne.km	5,055.49	0.4
<b>Total</b>			<b>2.2</b>

Upstream Transportation and Distribution emissions have been calculated for Westcoast dispatched hardware. It has been assumed that parcels travel by Average Van, and pallets by Average HGV. For TD, it has been assumed all deliveries by van are point-to-point (without any uplift to reflect potential inefficiencies in the supply chain).



### Scope 3: Category 5 - Waste Generated From Operations

0.2 tonnes CO<sub>2</sub>e

Type of waste	Unit	Volume	tonnes CO <sub>2</sub> e
Waste Disposal	tonnes	9	0.06
Water Treatment	m3	974	0.18
<b>Total</b>			<b>0.24</b>

Waste weights have been used to calculate emissions, with all waste being diverted from landfill. Water treatment has been included at 95% of water supply volumes. Phoenix continues to meet its "zero waste to landfill" policy.




### Scope 3: Category 6 - Business Travel

142.4 tonnes CO<sub>2</sub>e


Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Cars	miles	182,999	47.6
Rail	km	263,461	9.3
Plane	km	291,047	56.5
Taxis	km	5,631	0.8
Hotel Stay	nights	543	6.1
WTT – Business Travel	miles	743,139	22.0
<b>Total</b>			<b>142.4</b>

Business Travel emissions were calculated as Economy class based on Bytes Group travel policies. The exception is for Domestic, where all calculations are based on Average passenger. All relevant WTT calculations have now been included in cat 6.


 <b>Scope 3: Category 7 - Employee Commuting</b>			<b>638.2 tonnes CO<sub>2</sub>e</b>
Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Cars	miles	1,475,118	362.8
Bus	km	506,369	8.1
Rail	km	9,794	0.3
Taxis	km	7,778	1.2
Motorbike	miles	4,546	0.8
Walking	miles	341	0.0
Homeworking	hours	506,368	169.0
WTT – Employee Commuting		1,559,516	95.9
<b>Total</b>			<b>638.2</b>

Phoenix Software Ltd's employee commuting survey was completed by 358 employees (80%). The results of the survey were converted into annual distance per transport type, assuming 46 working weeks per year. This was grossed up to account for the actual total number of commuting employees on a monthly basis, averaging 382 in the year (380 Phoenix and 2 BTG). WTT emissions for all relevant transport types have been included.

The survey also gathered data on employees' homeworking patterns. The results of this survey were used to estimate the total number of homeworking hours per month for all employees, based on 46 working weeks in the year, and an 8-hour workday. Homeworking emissions cover all 445 Phoenix employees. There were an average of 63 employees on a remote contract throughout the year. While many of the 63 remote employees commute to the office on occasion, the emissions from these journeys are included under Business Travel (Cat.6).

 <b>Scope 3: Category 8 - Upstream Leased Assets</b>			<b>0.4 tonnes CO<sub>2</sub>e</b>
Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Leased Offices	kwh	1,876	0.4
<b>Total</b>			<b>0.4</b>

This category includes emissions associated with all leased offices across Phoenix Software Ltd, which in 2024/25 was Salford. Detailed activity data was not available; as such estimates have been generated based on regular office user headcount benchmarks for waste, water supply and water treatment. It is assumed Salford has two regular users. No other fugitive emissions data were available. Although it is claimed by the freeholder that energy is renewable, no REGO certifications are available, so emissions have been calculated as non-renewable. Category 3 emissions also deemed beyond Financial Control scope boundaries.

 <b>Scope 3: Category 11 - Use of Sold Products</b>			<b>5,506.2 tonnes CO<sub>2</sub>e</b>
Emission Type	Unit	Volume	tonnes CO <sub>2</sub> e
Laptops / Desktops	Tonnes	80.6	80.6
Servers	Tonnes	5335.2	5,335.2
Small Devices	Tonnes	30.7	30.7
Video Conferencing Systems	Tonnes	59.7	59.7
<b>Total</b>			<b>5,506.2</b>

Use of sold products has been updated based on more granular information being made available on the product makeup of hardware sold. The majority of products (by volume and percentage of total hardware revenue) are servers and laptops. Dell provided use-phase emissions for servers and personal computing devices, and these have been included (at an average level) to calculate in use phase. All other power consuming products have been grouped as either video conferencing (VC) equipment or small form factor devices (phones), with 7 year and 4 year lifespans, respectively. The annual power consumption has been estimated at 7.3 kwh per annum for small form factor devices, and 1,000 kwh per annum for VC facilities. The latter is broadly in line with 30% of the estimated p/a kwh consumption for a server from Dell.

### 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 Software Ltd recognises that its activities have an impact on the environment and are committed to minimising any adverse impact wherever practical.

Phoenix Software Ltd's Carbon Reduction Plan is aligned with science-based targets and is being incorporated into a more formal net zero transition plan. They are working to both mitigate emissions already identified and to ensure that sustainability and carbon reduction is baked into future business decisions.

A full supplier engagement programme is now underway to understand and influence emissions in the supply chain, alongside introducing an environmental procurement policy.

The immediate priorities of the company to drive down its climate impact are:

Item	Description	Action Type	Emissions Impacted	Target	Time frame
1	Create waste and water policy with annual usage metrics and targets for reduction	Carbon reduction	Scope 3 - Cat. 1 (water) Scope 3 - Cat. 5 Waste	Appropriate target creation for reduction in usage	Q3 2025
2	Develop supply chain engagement strategy and risk assessment	Stakeholder engagement	Scope 3 - Cat. 1 Purchased goods and services	Better understanding of supplier emissions	Q2 2025
3	Engage with hardware distributors for better data on upstream transportation emissions	Data Improvement	Scope 3 - Cat. 3 Upstream transportation	Better understanding of supplier emissions	Q2 2025
4	Develop carbon data checklist and methodology to aid governance of data collection and reduce any errors	Data Improvement	All emissions	Better understanding of all emissions	Q2 2025
5	Greater understanding of emissions from home working	Data Improvement	Scope 3 - Cat. 7 - Teleworkers	Better understanding of homeworking emissions	Q3 2026
6	Reduce general waste	Carbon reduction	Scope 3 - Cat.5 - Waste	Reduce emissions from waste	Q2 2025

## Declaration

Phoenix Software Ltd categorises its Greenhouse Gas (GHG) emissions as Scope 1, 2 and 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/DEFRA Greenhouse Gas Conversion factors for the relevant 12-month period over which the 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 within the company and its stakeholders. Where available emissions have been converted to CO<sub>2</sub>e using the published Conversion Factors published by BEIS/DEFRA for the relevant 12-month Reporting Period.

Data quality across scopes and categories was predominantly good. Any gaps have been noted and documented within commentary for each scope and category, and any assumptions generated to substitute these gaps have been detailed. Further efforts will focus on establishing operational measures to systematically curate, validate and refine data from source systems.

## Third Party Verification

The data in this report has been produced using the **notch** accounting platform and verified by **notch**

## Carbon Removal & Offset Schemes used in Reporting Year

Scheme Name	Details	tonnes CO <sub>2</sub> e
Ecologi Carbon Removal	<a href="#">Peatland restoration and conservation in Indonesia</a>	169
Ecologi Carbon avoidance	<a href="#">Carbon removal through reforestation in Australia</a>	687

## Scope 3 Emissions

Phoenix Software Ltd is committed to measure and act to reduce its emissions in all three scopes. This report reflects the Scope 3 categories that are relevant to the business. Scope 3 category 12 – end-of-life of sold products is also relevant to the business but is deemed de minimis and not reported in our annual carbon reports. Phoenix Software Ltd remains committed to work with its entire value chain to ensure as much of its Scope 3 emissions can be accurately measured and to develop actions that target long-term reductions aligned to science-based targets.

## Carbon Removals & Offsets

As part of the commitment of Phoenix Software Ltd 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 removal and offsetting options will be considered and reported including formally certified schemes (e.g. Gold Standard) as well as more informal scheme



Annual Carbon Report  
March 2024 - February 2025

Signature

Signed on behalf of **Phoenix Software Ltd**

Signed on behalf of **notch**

Position : **Managing Director**

Name : .....

Position : .....

Signed : **23/05/2025**

Signed : .....