

# Virtue Technologies Limited

## Carbon Reduction Plan

June 2024

## Commitment to Achieving Net Zero

Virtue Technologies is committed to achieving the UK Net Zero emissions by 2050 and have implemented solutions to become Net Zero from 2023. We have partnered with Switch2Zero to support offset and tree planting.



## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: FY19/20		
Our first year of recording, our baseline year, was financial year 1 <sup>st</sup> May 2019 through to 31 <sup>st</sup> April 2020. At this time, we had minimal business-wide proactive plans in place for the reduction of our carbon footprint. In addition, we were in the early stages of our growth plans. Our average employee number for the year was 46.		
Baseline year emissions:		
Emissions	Total (tCO <sub>2</sub> e)	Total Per FTE (tCO <sub>2</sub> e)
Scope 1	7.044	0.153
Scope 2	6.732	0.146
Scope 3 (Included Sources)	59.158	1.286
	Our scope 3 travel by our employees by rail, personal vehicle use (through business mileage), employees commuting to our offices and waste generation.	
<b>Total Emissions</b>	<b>72.934</b>	<b>1.586</b>

## Current Emissions Reporting

Reporting Year: FY23/24
Our overall carbon usage has risen by 3.5% on the previous year. However, as a business, we have continued to grow, increasing our Team members by 4.1%. Our average employee number for the year was 76. We have proactive measures in place to reduce our carbon usage and are committed to reducing our overall footprint and we have continued with both our offset agreement and tree planting scheme to achieve overall Net Zero for the year.

FY23/24 Emissions:		
Emissions	Total (tCO <sub>2</sub> e)	Total Per FTE (tCO <sub>2</sub> e)
Scope 1	0.00	0.00
Scope 2	0.04	0.001
Scope 3 (Included Sources)	86.1	1.13
	Our scope 3 travel by our employees by air, rail, personal vehicle use (though business mileage), employees commuting to our offices and waste generation.	
<b>Total Emissions</b>	86.2	1.13
<b>Total Offset</b>	90.0	1.17
<b>Net Emissions</b>	-3.8	0.00

## Emissions Reduction Targets

We have implemented an offset and tree-planting programme to achieve Net Zero whilst working on reducing our actual emissions.

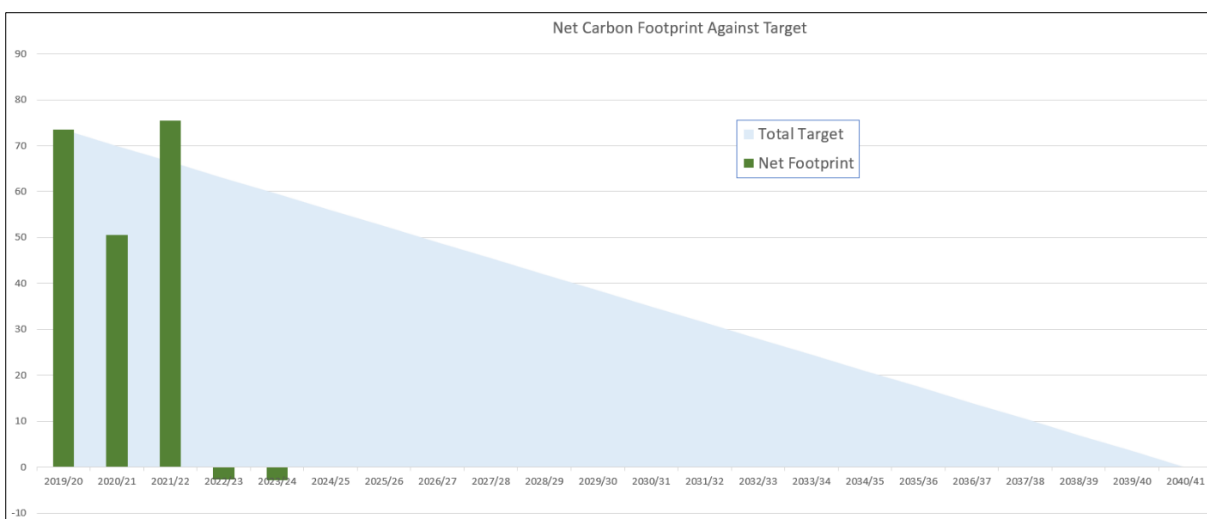
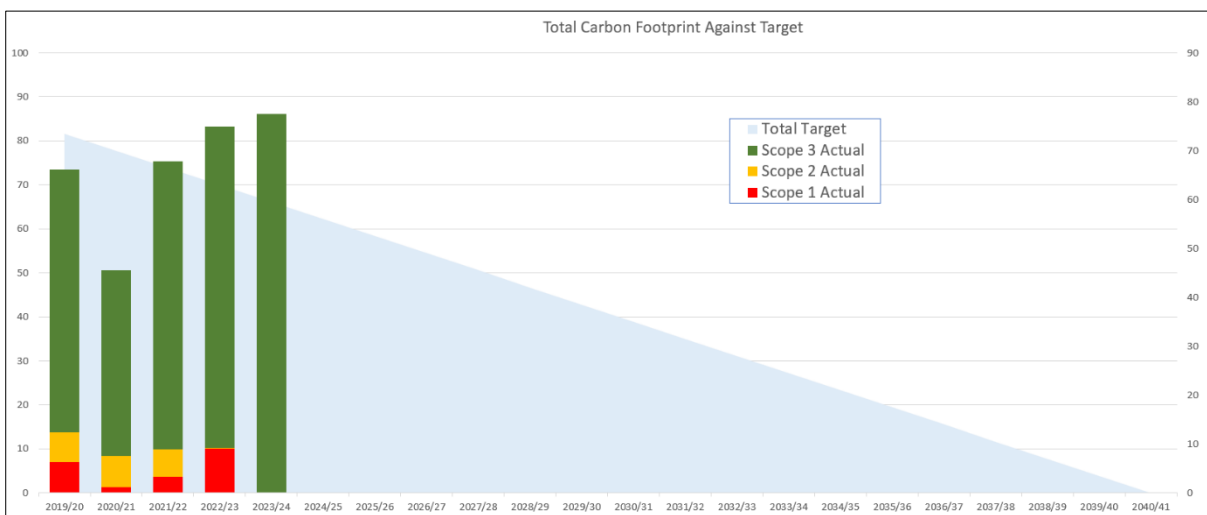
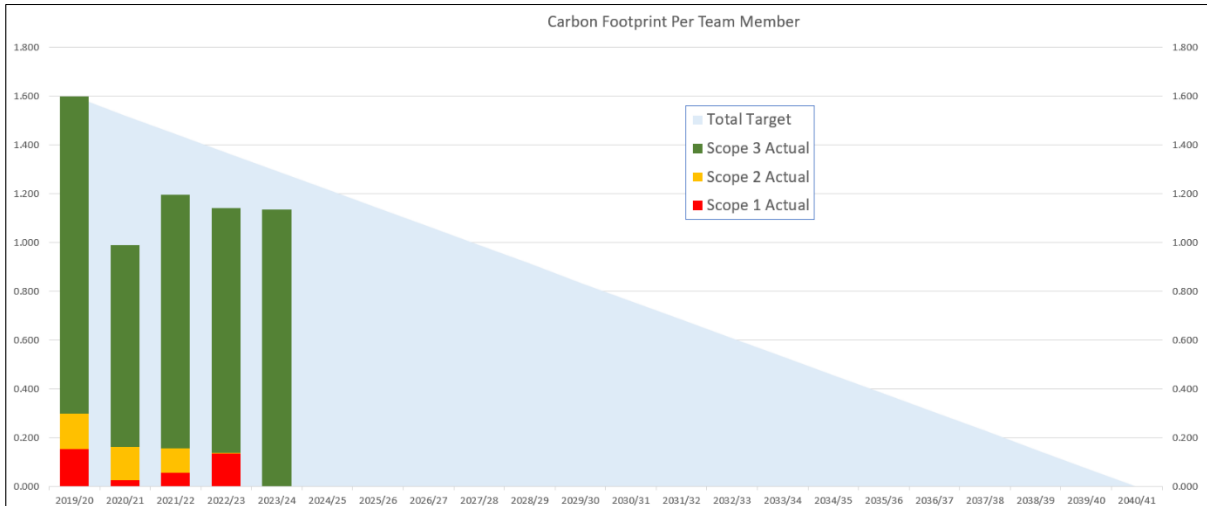
## Progress Against Target

Our plans to reduce our carbon emissions without tree planting continue and we have made positive steps throughout the year.

- We have achieved NetZero on our Scope 1 emissions.
- Our three offices continue to be powered by 100% renewable energy.
- We have achieved Net Zero in our direct emissions from our company vehicles in partnership with our fuel provider.
- Our company car fleet is now 63% EV based, up from 55% in the previous year. Free charging remains available at our Head Office, using 100% renewable energy.
- Our water supply is now carbon neutral, with our usage being offset by the supplier.
- We have started a programme to change our office lighting to LED based lighting, reducing our energy consumption.

As we grow, we remain focused on our Net Zero plans and appreciate that we may not see a reduction each year. As a guide, we are also measuring our footprint per FTE, as a secondary measure to provide a guide to our ongoing efforts.

Our growth is currently having a negative impact on our overall plans. However, our carbon footprint per employee continues to drop with a reduction from the last reporting period and 40% from our baseline year. We are also offsetting this in partnership with Switch2Zero to achieve Net Zero each year from 2022/23.



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## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019/20 baseline.

- **Scope 1:** Our Net emissions in Scope 1 have been reduced to 0 in this period.
- **Scope 2:** Our Net emissions in Scope 2 have been reduced to almost zero, with only our water usage contributing to our footprint. This will be reduced to zero in the next reporting period due to switching to a carbon neutral Water Supplier in January 2024.
- **Scope 3:** As we grow, our Scope 3 emissions has grown by 44% since the baseline year, predominantly driven by employee commuting and business mileage. However, in the same period of time, employee numbers have increased by 65%.

To achieve Net Zero across all scopes, we have implemented a Tree Planting scheme with Switch2Zero where we will plant trees for each order we receive for our cloud services. However, we remain committed to reducing our actual footprint where possible and have the completed the following reduction initiatives:

- **Renewable Power.** All three of our offices have transitioned to use 100% renewable energy, completed in August 2022. This has reduced our energy emissions from 6.692 tCO<sub>2</sub>e to zero. We continue to strive to reduce our overall energy usage.
- **Virtual meetings.** Relationships with our customers are critical to our business and we strive for person to person contact to support our long-term relationships. However, we encourage virtual meetings where possible, which can reduce the need for travel and, thus, carbon emissions.
- **Hybrid working.** We have deployed a hybrid working programme for staff to reduce the time Team members spend in the office and the associated emissions from commuting. Currently, Team members work 4 days per week in the office and one at home, leading to a 20% reduction in the maximum (Scope 3) commuting emissions.
- **Recycling and responsible disposal.** We have implemented recycling programs in our offices and responsibly dispose of equipment in line with WEEE regulations to reduce the amount of e-waste generated and minimise the environmental impact of our waste.
- **Energy-efficient equipment.** We consider energy use for all our equipment purchases and, where possible, purchase energy-efficient equipment, such as monitors & printers, and have installed boiling water taps in the place of kettles to reduce our overall energy consumption. All IT equipment is configured, where available, to turn off or sleep when not in use.
- **Green Fuels.** Our Company Car Fuel Card agreement will offset all company ICE and Hybrid vehicle fuel by the fuel card provider, resulting in carbon neutral company cars.
- **Printer Reduction.** We have reduced the printers in each office to just 1 to support the reduction in paper usage.

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### Current and Future Carbon Reduction Initiatives

We have a number of carbon reduction projects in place at the moment, including:

- **Tree planting.** We plant 10 trees for every customer order that utilises services from our data centre. Since 1<sup>st</sup> April 2023 we have planted 841 trees, which will capture 168.2 tonnes of CO<sub>2</sub> throughout their lifetime.
- **Electric Vehicles.** Continuing the reduction in the use of fossil fuels by transitioning our fleet to Fully electric vehicles. Our company car fleet is currently 63% electric and 37% ICE. This will continue to reduce over the next 10 years to be a Net Zero fleet.
- **EV Salary Sacrifice.** We are trailing a scheme to encourage our employees to reduce their own carbon footprint with an EV Salary Sacrifice Scheme.
- **Cycle to Work Scheme.** We have implemented a cycle to work scheme to encourage our Team members health and their community footprint.
- **Reducing Paper.** We are actively reducing paper consumption and printing by moving towards a paperless office. We have already limited our printers to one per office building, achieving three printers across our three offices. All departments have now achieved an almost 100% paperless office.

In the future we hope to implement further measures such as:

- **Car Sharing/ Public Transport.** We want to explore more ways to encourage employees to use public transportation or carpool to work and when on business.
- **Single Use Plastics.** We want to explore a further reduction in our waste output by removing all single use plastics from our office waste, potentially by stopping the use of any single use plastics in the office.
- **Net Zero Couriers.** We are already using couriers that are actively working towards becoming Carbon Neutral & are creating a preferred list of couriers, based primarily on their commitment to sustainable deliveries.

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## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and the associated guidance and reporting standard for Carbon Reduction Plans.

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

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<sup>iii</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the directors of Virtue Technologies Limited.

### Signed on behalf of Virtue Technologies:

  
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Name: Will Stead

Role: Strategy & Compliance Director

Date: 30<sup>th</sup> May 2024

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