

Carbon Reduction Plan

MSF 2022/2050

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Introduction 3

Commitment to achieving Net Zero 3

Reporting Standards and Scope..... 3

Baseline Emissions Footprint 3

Previous Year Emissions Report..... 4

Current Emissions Report 5

Emissions Reduction Targets..... 5

Carbon Reduction Projects..... 6

Declaration and Sign Off 7

Introduction

Fincore Limited is fully cognizant of the fact that reduction of Greenhouse Gas (GHG) emissions will result in significant benefits for the company, our customers, and the wider community as a whole. We are committed to achieving net Zero Emissions by 2050.

This plan with baseline year 2019 information, setting clear targets for reducing Greenhouse Gas (GHG) emissions over key timeframes and listing our planned projects to achieve carbon net zero by 2050. This plan conforms to the requirements of Procurement Policy Note PPN06/21 as published by the Cabinet Office June 2021; “Taking Account of Carbon Reduction Plans in the procurement of major government contracts”, published in June 2021 and the supporting “Technical standard for the Completion of Carbon Reduction Plans”. This document will be reviewed and updated annually and each revision will reflect changes in the company structure and specific projects undertaken to reduce our Carbon Emissions.

The Fincore financial year starts on 1st January and ends on 31st December. Our carbon plan has been aligned to this reporting cycle. The current period covered is 1st January 2022 to 31st December 2022.

Commitment to achieving Net Zero

Fincore Ltd is committed to achieving Net Zero emissions by 2050.

Fincore is a software publishing business. Because of the nature of our operations, our primary emphasis is on Scope 2 where any reduction has the biggest impact on our total carbon footprint. However, we also recognise the importance of reducing our Scope 1 and Scope 3 emissions to ensure steady progress towards achieving our Net Zero emissions target.

Reporting Standards and Scope

Fincore’s carbon footprint calculation is in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Our current carbon footprint accounts for carbon emissions over which Fincore has direct financial control and Scope 3 emissions over which Fincore has direct influence.

The activities of related entities not under the direct control of Fincore Ltd are outside the scope of this report.

Baseline Emissions Footprint

Baseline Year: 2019
Additional Details relating to the Baseline Emissions calculations.
Our baseline emissions inventory includes all our measurable scope 1 and 2 emissions, together with a first estimate of our total scope 3 value chain emissions. We include all seven Kyoto Protocol GHG groups in our emissions footprint calculations where relevant.

Baseline year emissions: 2019	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	0.50
Scope 2	58.40
Scope 3 (Included Sources)	5.70
Total Emissions	64.60

Previous Year Emissions Report

Reporting Year: 2021	
Additional Details relating to the previous reporting period	
<p>Throughout the reporting year 2021 the business was impacted by Covid-19 restrictions that were legislated by the UK Government. These restrictions included employees having to Work from Home and a sharp reduction in business travel and commuting. Even though we have not been able to collect data, it can be assumed that while offices were shut, there would be an increase in emissions by employees at home. While we have no means to measure the emissions, it may be assumed that emissions were reduced by 45% as compared to the previous year (2020). It can also be assumed that once restrictions are lifted and employees return to office, emission levels will rise again.</p>	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	0.05
Scope 2	21.29
Scope 3 (Included Sources)	0.85
Total Emissions	22.19

Current Emissions Report

Reporting Year: 2022	
Additional Details relating to the current reporting period	
<p>In the reporting year 2022 the business emerged from Covid-19 restrictions after these were finally lifted at the end of January 2022. During the first half of the year, a cautious approach to return to work was adopted, with marginal increase of no more than 10% in office attendance. In the second half of 2022 a hybrid policy was formally adopted, with employees encouraged to attend office two to three days a week, resulting in average increase of 250% compared to the previous year of 2021. Business international travel increased by 200% compared to 2021, while there was an overall increase of 45% in waste disposal services. Energy consumption increased by about 25%, largely due to a slow ramp up of services after lockdown.</p>	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	0.05
Scope 2	26.61
Scope 3 (Included Sources)	2.98
Total Emissions	29.64

Emissions Reduction Targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

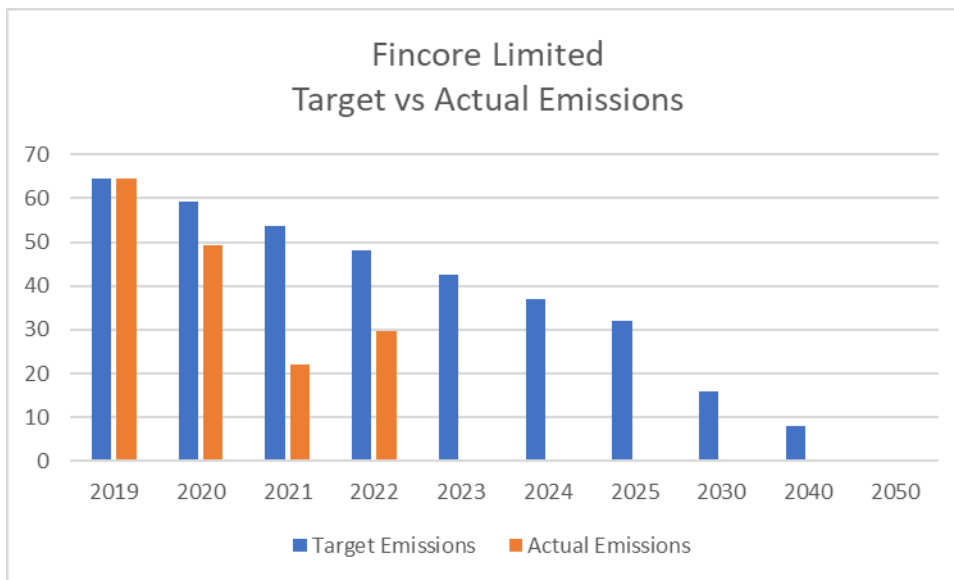
We aim to reduce

- Scope 1 emissions to zero gradually in the period to 2050 but as rapidly as market options allow by incentivising the use of net-zero fuel options, i.e., the use of carbon-neutral electric energy for vehicle use on company business.
- Scope 2 emissions by:
 - Making greater use of low emissions or net-zero cloud computing services in the production of our SaaS services with the aim of eliminating at least 15-20% of carbon emissions by 2025. We have already signed up to Net-zero cloud services and commenced eliminating physical

servers.

- Fincore is in the process of moving offices to a more modern and recently refurbished building. The new office space is 37% smaller than the current offices, designed at saving cost and energy consumption, while factoring in the hybrid style of reduced office attendance.
- Further improving software efficiency through tuning in order to eliminate at least a further 15-20% of energy use for equivalent workloads over the next 10 years through the use of more efficient algorithms.
- Scope 3 emissions by promoting:
 - Smarter commuting with better use of in-office time and incentivising modes of travel with a lower carbon footprint such as rail services, cycling and walking.
 - Reduced business travel as a percentage of turnover and incentivising modes of travel with a lower carbon footprint such as rail services instead of air travel.
 - Enabling customers to switch to equipment with lower carbon emissions faster wherever possible.
 - The new office space is located minutes away from two major train and underground terminals. Which will further reduce footprint due to Scope 3

Fincore is already ahead of its projected target and near 50% below the baseline. We plan to continue to decrease carbon emissions over the next years to stay on track.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

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

Reduction of carbon emissions through:

- 1) Reduction of business travel as a % of turnover and incentivisation of travel options with a lower carbon footprint such as rail travel.
- 2) Restricting face-to-face business meetings to most essential and encouraging ever increasing use of online video conferencing tools, e.g. Microsoft Teams, Zoom, Skype WhatsApp etc for business meetings.
- 3) Reduction of carbon emissions from commuting through a more efficient mix of work from office/home. We have adopted a Hybrid model of working. Employees are now required to attend office two to three days a week and work from home for the balance days.
- 4) Performance improvements in our SaaS software to reduce energy use for equivalent workloads accounting for 5-10 % across different software products.
- 5) Greater use of cloud services (like AWS and Azure) that have a lower carbon footprint than older data centres and which also have aggressive Net Zero Targets such as, e.g. AWS aiming for Net Zero by 2025.
- 6) Fincore has already decommissioned its servers in co-location services in Byfleet and moving all data stored on physical servers to cloud by the end of 2022.
- 7) Moving towards a totally paperless office, including e-signing.

The carbon emission reduction achieved by these schemes equate to 29.64 tCO₂e, a 46% reduction against the 2019 baseline and the measures will be in effect when performing the contract.

Declaration and Sign Off

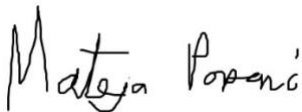
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and use of the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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

Signed on behalf of the Supplier



Mateja Popovic

CEO

¹ <https://ghgprotocol.org/corporate-standard>

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² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>