

PHYGITAL

Carbon Reduction Plan

Prepared in accordance with Procurement Policy Note PPN 006

Supplier	Phyigital Ltd
Reporting period	1 August 2025 to 31 July 2026
Publication date	26 August 2026
Document status	Approved final version - 26 August 2026

Net zero commitment

Phyigital Ltd is committed to achieving net zero greenhouse gas emissions from its UK operations by 2050 at the latest.

1. Organisational boundary and methodology

This plan covers Phyigital Ltd as the bidding entity and its UK operations. The organisational boundary is based on operational control. The reporting period is the company's first quantified carbon footprint and is therefore used as both the baseline and current reporting year.

Emissions are stated in metric tonnes of carbon dioxide equivalent (tCO₂e). Calculations follow the GHG Protocol Corporate Accounting and Reporting Standard, the PPN 006 technical standard and the UK Government GHG Conversion Factors for Company Reporting 2026. Scope 1 and Scope 2 emissions are reported in full. Scope 3 includes the five categories required by PPN 006.

2. Baseline emissions footprint

Baseline year: 1 August 2025 to 31 July 2026

Phyigital had not previously published a quantified organisational carbon footprint. This first reporting period establishes the baseline against which future reductions will be measured. Where primary activity data was unavailable, reasonable SME-level estimates have been used and disclosed in the methodology notes.

Emissions source	Boundary / included activity	tCO ₂ e
Scope 1	No gas, oil or LPG at the office; company fleet is fully electric.	0.000
Scope 2	Purchased electricity for the all-electric office and estimated charging electricity for four company-owned battery-electric vehicles.	1.990
Scope 3	Required PPN 006 categories 4, 5, 6, 7 and 9.	7.766
Total	Total organisational emissions within the stated boundary.	9.756

Scope 3 included sources

PPN 006 category	Basis	tCO ₂ e
4. Upstream transportation and distribution	Rare inbound courier activity; 6 small consignments estimated.	0.003
5. Waste generated in operations	One 1,100-litre mixed-waste bin, 75% full, collected weekly; conservative landfill assumption.	2.233
6. Business travel	Estimated flights, rail, taxis, hire-car fuel and 10 UK hotel nights.	5.252
7. Employee commuting	One rail commuter; walking and remote work are zero. Car-share travel is already represented within company EV electricity.	0.275
9. Downstream transportation and distribution	Rare outbound courier activity; 6 small consignments estimated.	0.003
Total Scope 3		7.766

3. Current emissions reporting

Reporting year: 1 August 2025 to 31 July 2026. As this is Phygital's first carbon footprint, the current reporting year is the same as the baseline year. The figures below repeat the baseline for template compliance and must not be added to it.

Emissions	Total (tCO ₂ e)
Scope 1	0.000
Scope 2	1.990
Scope 3 (included sources)	7.766
Total emissions	9.756

4. Emissions reduction targets

Phygital commits to a minimum 20% reduction in its reported operational footprint by 31 July 2031, relative to the 2025/26 baseline. This corresponds to a target of no more than 7.805 tCO₂e, subject to transparent recalculation if improved primary data materially changes the baseline. Phygital remains committed to achieving net zero emissions by 2050 at the latest.

Five-year target

Baseline: 9.756 tCO₂e | 2030/31 target: no more than 7.805 tCO₂e | Reduction: at least 20%

5. Carbon reduction projects

Completed or established measures

- Maintained a fully battery-electric company fleet of four Tesla vehicles, with zero tailpipe emissions.
- Operated an all-electric office with no onsite combustion of natural gas, oil or LPG.
- Supported remote working, active travel, rail commuting and car-sharing arrangements.

- Used virtual meetings and digital delivery methods where appropriate to reduce avoidable business travel and physical distribution.
- Established annual carbon measurement and management through this first organisational footprint and Carbon Reduction Plan.

Planned initiatives

- Replace supplier-estimated electricity consumption with verified meter readings and retain annual evidence for office and vehicle charging.
- Adopt a rail-first and virtual-first business travel hierarchy, with director approval for avoidable flights and improved capture of journey distance and class.
- Engage the waste contractor to confirm treatment route and introduce separate recycling streams where practicable.
- Request carbon information from material suppliers and courier partners, consolidating consignments to reduce delivery frequency.
- Encourage off-peak and lower-carbon EV charging and assess a verified renewable electricity tariff at the next energy contract review.
- Review progress annually, update this plan within six months of the reporting year-end, and publish the latest approved version on the company website.

6. Data quality and estimation notes

Activity	Method and limitation
Office electricity	4,551.773 kWh annual consumption based on the supplier's estimated annual usage. Five monthly invoices were reviewed; available readings were supplier estimates.
Company EVs	38,000 vehicle-miles estimated from four company-owned Teslas at approximately 9,500 miles each per year. Electricity consumption is estimated at 0.28 kWh/mile, giving 10,640 kWh. Charging is assumed to be split equally between home and public charging.
Waste	42.9 m3 per year derived from a 1,100-litre bin, 75% full, collected 52 times. A density of 0.10 tonnes/m3 and the commercial and industrial waste landfill factor were used conservatively pending treatment-route and weight data.
Flights	Accounting records identified airline purchases but not passenger distance or class. The estimate uses seven average short-haul return journeys (10,500 passenger-km) and two average long-haul return journeys (22,000 passenger-km), including radiative forcing.
Business rail	58 rail transactions were treated as approximately 5,600 passenger-km in total. Eurostar is included within this estimate.
Hire cars and taxis	Hire-car fuel was estimated from GBP180.41 of fuel expenditure at GBP1.45/litre and treated as petrol. Six taxi journeys were estimated at 15 km each.
Hotels	10 UK room-nights were used as a provisional estimate because booking data was unavailable.
Commuting	One employee is assumed to travel 20 miles each way by national rail, three days per week for 46 working weeks. One employee works remotely, one walks and one car-shares.
Courier activity	Twelve small consignments per year were split equally between upstream and downstream categories using a conservative per-parcel proxy pending carrier data.

7. Declaration and sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and the associated guidance and reporting standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the GHG Reporting Protocol Corporate Standard and use the UK Government GHG Conversion Factors for Company Reporting 2026.

Scope 1 and Scope 2 emissions have been reported in accordance with applicable reporting requirements, and the required subset of Scope 3 emissions has been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan was reviewed and approved by a director of Phygital Ltd on 26 August 2026.

Signed on behalf of Phygital Ltd	Peter Gardiner
Job title	Operations Director
Board/director approval date	26 August 2026
Signature / typed approval	Approved by Peter Gardiner, Operations Director
Publication URL	www.phygital.co.uk

Sources

Cabinet Office, PPN 006: Taking account of Carbon Reduction Plans in the procurement of major government contracts (updated 10 July 2025): <https://www.gov.uk/government/publications/ppn-006-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts>

Department for Energy Security and Net Zero, Greenhouse gas reporting: conversion factors 2026 (updated 31 July 2026): <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2026>

GHG Protocol Corporate Standard: <https://ghgprotocol.org/corporate-standard>

GHG Protocol Corporate Value Chain (Scope 3) Standard: <https://ghgprotocol.org/standards/scope-3-standard>