



## Introduction

ESP helps enterprise organisations reduce their impact on the environment by providing the software and service to measure, report and reduce carbon emissions. The team has grown by more than 50% in FY 23 to 32 FTE.

ESP is based in the Auckland CBD, but has a remote team in Christchurch, Wellington and Tauranga as well as around the outskirts of Auckland.

## Summary

ESP continues to review and improve emissions reporting accuracy and completeness. In some instances, prior years have been updated with data and will therefore be different to previous reports. Total FY23 emissions increased by 16.5% from 10.31 T CO<sub>2</sub>-e to 12.01 TCO<sub>2</sub>-e in the year. However, on a headcount intensity basis, emissions reduced by 27% from 0.52 TCO<sub>2</sub>-e per employee to 0.36 TCO<sub>2</sub>-e per employee.

ESP's baseline year was 1st April 2019 to 31st March 2020. Under our sustainability policy we have aligned with the Science Based Targets Initiative (SBTI). SBTI requires a 50% reduction in Scope 1 and Scope 2 emissions by 2030 to limit warming by 1.5 deg C. This equates to maximum annual emissions of 6.44 tonnes CO<sub>2</sub>-e from Scope 1 & 2, achieved by 2030. In addition, on a straight-line basis, ESP needs to target a 7% year-on-year reduction of Scope 3 emissions from 2020. ESP remains well ahead of these targets.

Looking forward, as we help more business reduce their impact on the environment, unfortunately we recognise that our impact will likely increase. We will continue to focus on reducing emissions intensity as we grow.

## Reporting Boundary

This report states the greenhouse gas emissions by Scope (as per the GHG Protocol) from ESP's business activities for the period from 1st April 2022 to 31st March 2023.

Included Emissions:

- Scope 1: Road travel in company-owned cars,
- Scope 2: Electricity Usage in the Auckland office
- Scope 3: Air travel, waste to landfill, incoming mail (often by airfreight) and outgoing mail (local and national road-freight), private staff cars and rental cars, both for existing clients and for sales proposals

Other emissions not currently included:

- Employee commuting
- Recycled waste
- Client visits on public transport and using private staff small vehicles (e-bikes & e-scooters)
- Embedded emissions in non-consumables (computers, printers whiteware, printers etc) and office supplies
- Emissions associated with AWS hosting

Future reporting will include some of the emissions omitted from this report, as ESP's monitoring of different emissions sources widens.

The emissions for air travel, road travel, waste-to-landfill and electricity were calculated using the Catalyst ACE (Annual Carbon Emissions) calculator, available from the Sustainable Business Network website.



Emissions for outgoing mail were calculated from data provided by Courier Post New Zealand, and the emissions for incoming mail were calculated from the mass and direct-flight distance travelled for each item. The total emissions by Scope as tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e) for this period were:

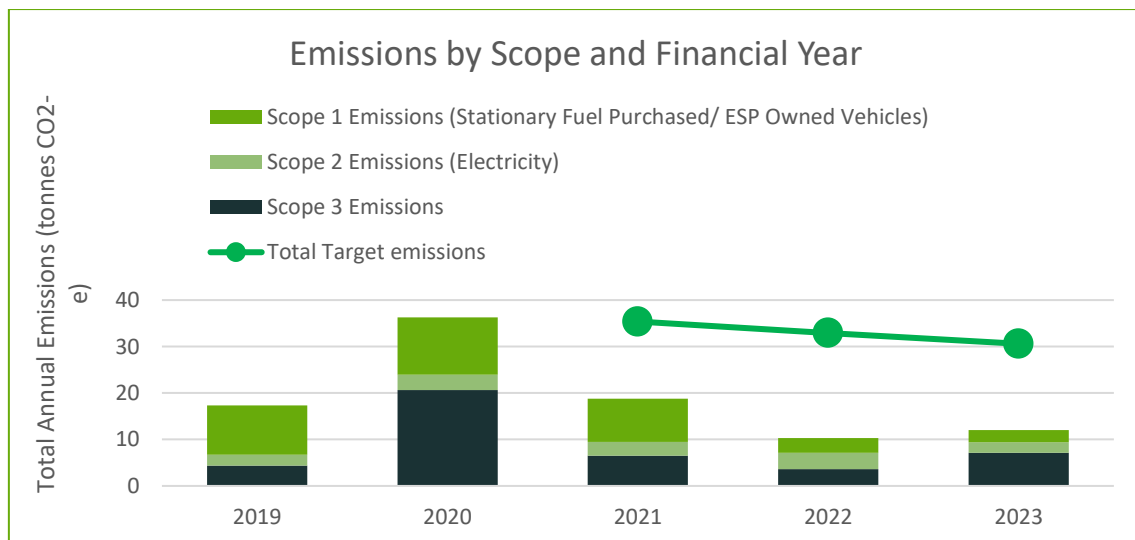
### Emissions by Scope

Scope	Total Annual Emissions (t-CO <sub>2</sub> )	Emissions Sources
Scope 1	2.59	ESP Company Owned Vehicles
Scope 2	2.30	Electricity Usage
Scope 3	7.12	Air Travel Waste to Landfill Incoming and Outgoing Mail Non-ESP Owned Vehicle GHG Emissions
Total	12.01	

### Changes from FY22

Scopes 1 and 2 continue to decline by lightly over 25%. Scope 3 emissions nearly doubled to 7.12 TCO<sub>2</sub>-e. These were primarily due to:

- Road travel emissions increasing by nearly 400% as we travelled to support clients, and grow the business
- Air Travel emissions increasing by nearly 400% as we travelled to support clients, and grow the business
- Waste to landfill increased from 0.38TCO<sub>2</sub>-e to 0.6T CO<sub>2</sub>-e





### **Emission reduction plans:**

- Gains made through grouping client visits and replacing visits with video meetings apply to all scopes depending on the financial year.

Company growth and swapping ICE vehicles for EVs contributes to increasing emissions from electricity usage.

- These increases will be partially offset through the new policy of allowing people to work from home; and
- Through a planned energy savings opportunity identification and implementation.