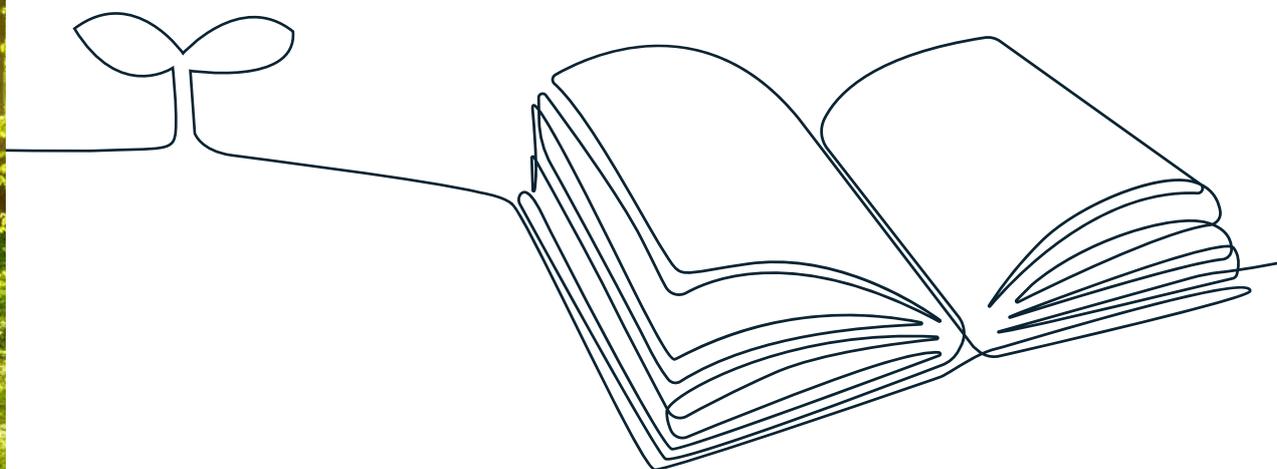


**MHR's Net Zero  
Framework**



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1.

## MHR's Net Zero statement

As part of MHR's Sustainability priorities, MHR is committed in working towards a target of being Net Zero by 2050. This is in line with the steps that national governments outlined they needed to take to limit global warming at the 26th UN Climate Change conference (COP26) in November 2021.





2.

## Introduction

Over the past few years, the issue of climate change has become increasingly compelling. The [IPCC report published in 2018](#) further confirmed the importance of this topic, whilst identifying climate-resilient development pathways to meet the needs of a sustainable future.

Many businesses across the globe have since taken action to limit the **global temperature increase to 1.5°C** by committing to become 'Net Zero'. As our awareness grows and we become more sophisticated on the topic, the challenge of achieving Net Zero heightens. We are now all faced with moving away from being reliant on offsetting, and as emissions rise, we must try to avoid using offsetting to match the volume of released emissions. Instead, targeting *why* emissions are growing, and continuously scrutinising processes will help reduce emissions with the goal of achieving Net Zero.

As a UK and Irish technology business, MHR have a fundamental part to play in combatting climate change and align with the nations goal to end its **contribution to global warming by 2050**. The industry itself can potentially contribute as much as **15% in a global reduction of carbon emissions by 2030** ([netzeroclimate](#)); MHR have therefore taken the step towards a Net Zero future with a framework which outlines an approach to achieving this. The framework itself is still a working document and will change as we gain more understanding of our carbon footprint and when certain milestones are met (see section 4).





3.

## How to use the document

The intended use of this document is for all MHR stakeholders, our partners, our customers and those interested in sustainability.

This document is designed to support individuals who are responsible for leading MHR's Net Zero efforts and the setting of standards. The information captured on this document outlines the business' expectations, standards, and developments to ensure we are making progress with our sustainability commitments. The nature of the information provided means that any interested parties can gain access, with hope this will provide further clarity.

This document will provide:

- Guidance on the Net Zero approach and which areas are open to development
- An outline of our business lifecycle. This highlights key sections of our business operations where our carbon footprint can be reduced
- The Net Zero framework which illustrates our strategy towards achieving Net Zero





4.

# What is Net Zero?

Simply put, Net Zero refers to the balance achieved between the amount of carbon emitted into the atmosphere, and the carbon removed from it. This will be achieved when the amount of carbon we release into the atmosphere is no more than the amount removed and reduced.

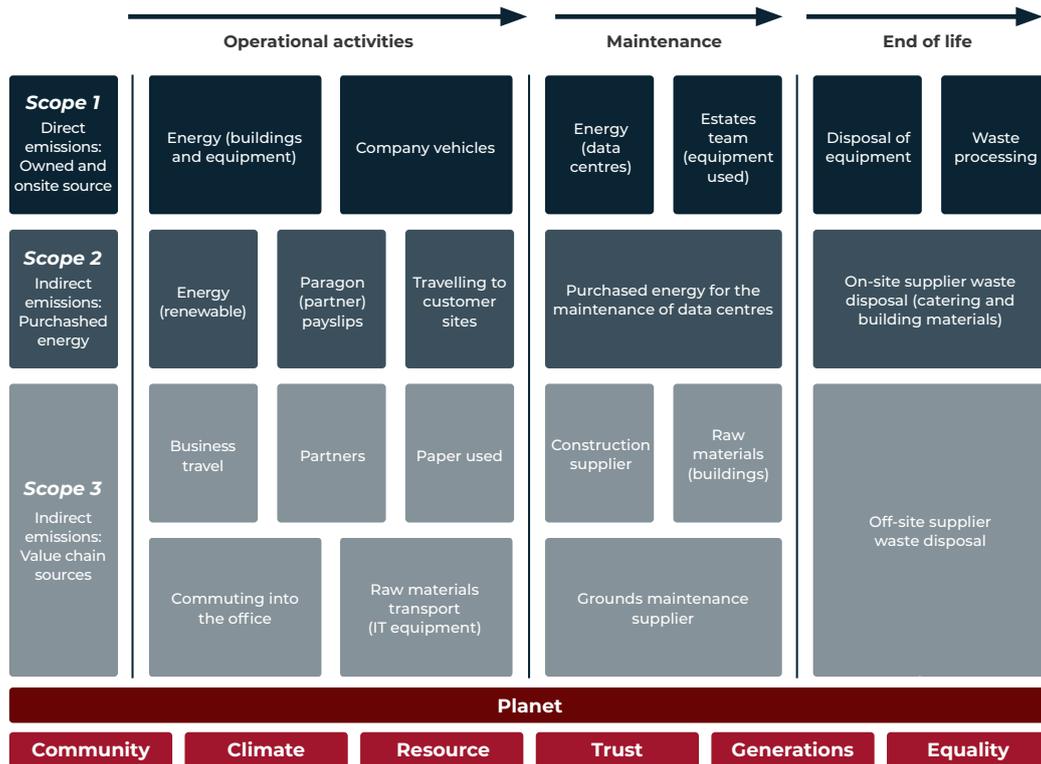


Figure 1: MHR's business lifecycle

After reviewing the business lifecycle, MHR's highest level of carbon emissions occur from *Scope 3* emissions (for an explanation of *Scope 1, 2* and *3* emissions, see appendix A). A more thorough breakdown of these emissions can be seen in appendix B. The variation of carbon emissions from *Scope 1* and *2* vs. *Scope 3*, allows MHR to focus on its indirect upstream and downstream emissions that are reported in *Scope 3*.

The journey to Net Zero is challenging and complex with many details still unknown. However, it is critical businesses acknowledge the important role that they must play and embrace the challenge. MHR exhibits our commitment to ending our contribution to global warming by cutting emissions throughout our business lifecycle (see Figure 1). The guiding principle to our Net Zero commitments is to understand the broad scale of carbon emissions associated with the business, and to progress with activities which will build a strong, coherent strategy which aligns with the United Kingdom's ambition to achieve Net Zero by 2050.



5.

## Framework

Having identified relevant carbon emissions resulting from business operations, MHR have committed to following the Net Zero framework (Figure 2). According to this framework, the followed approach MHR will then enable MHR to devise a sound, measurable delivery strategy which will define clear targets to achieve Net Zero.

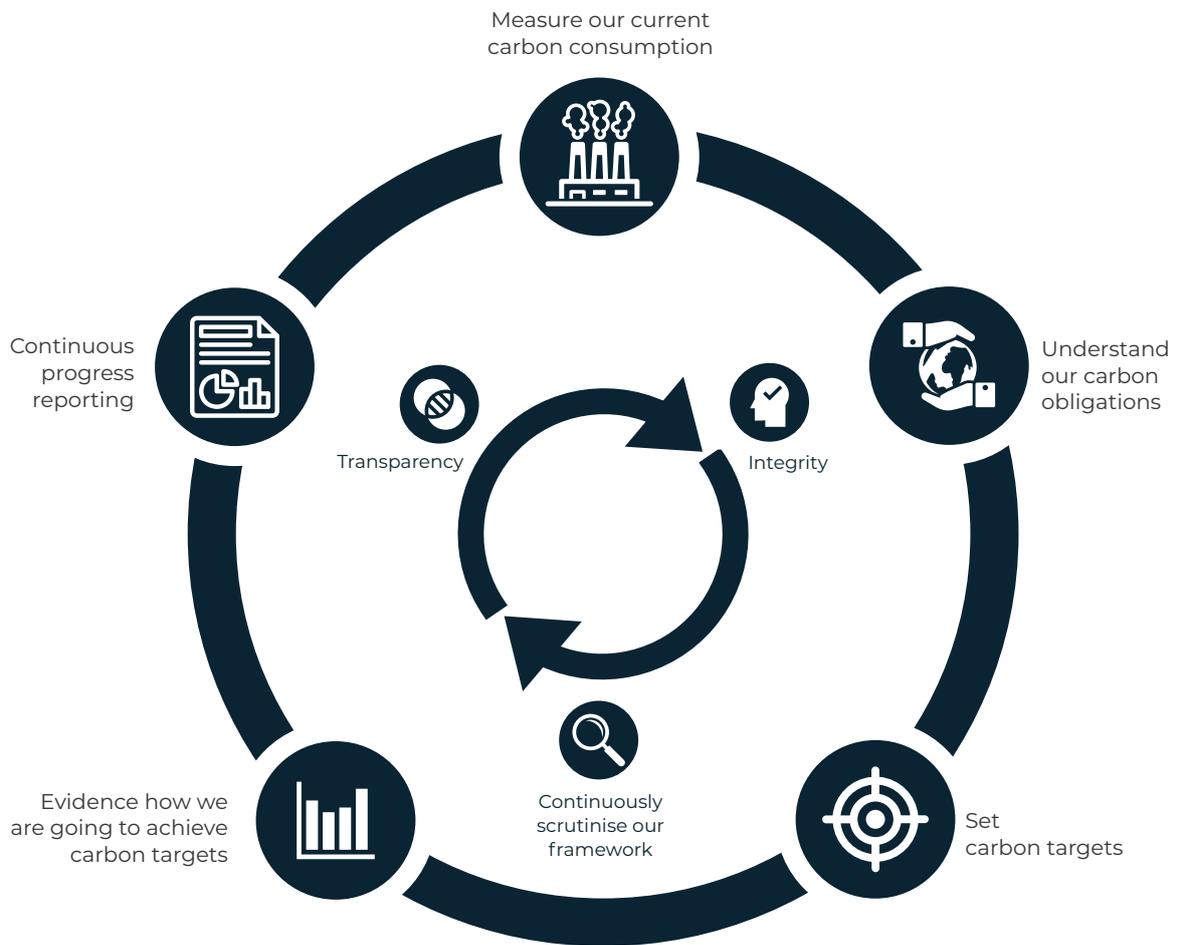


Figure 2: MHR's Net Zero framework



## Five phases have been identified throughout the framework:



### 1. Measure our current carbon consumption.

The first stage is to understand what the baseline is. We have successfully identified our *Scope 1, 2 and 3* emissions, and are now working on devising a strategy on how to measure the carbon footprint for each of the areas. This will consist of carefully understanding the nature of the carbon output and establishing the right calculation approach. As previously mentioned, measuring *Scope 3* emissions and working with suppliers will present the greatest challenge, though important to note, a strategy (see appendix C) has been created to ease this communication.

Whilst we acknowledge and begin to understand our carbon emissions, our approach to reporting and the consistency of this in the industry will continue to evolve for the purpose of achieving Net Zero across the industry with all scopes being accounted for.



### 2. Understand our carbon obligations.

The previous step will allow us to gain an understanding of our carbon footprint. We all have a responsibility to take accountability for our carbon emissions. Understanding how they're transmitted, the direct and indirect repercussions it has on our planet, and furthermore, being advocates for promoting best practices for sustainability.



### 3. Set carbon targets.

After identifying the baseline, setting reasonable targets will be the next step. Targets will be set using **SMART** (Specific, Measurable, Attainable, Relevant and Time-based). These will be provided and reported on within this document to show continuous progress towards each target. A priority will be established to ensure that any significant carbon emissions are distinct.



### 4. Evidence how we are going to achieve carbon targets.

A standardised, annual approach to measure how our carbon footprint will be established moving forward to measure our carbon impact, including the screening of suppliers to ensure accountability and reliability of data. This will also be provided in this document to measure progress. Continual review of targets will ensure that **MHR's commitments are evolving**, and momentum is maintained with reaching Net Zero.



### 5. Continuous progress reporting

The standardisation applied within the previous stages will allow for continuous reporting, including highlighting areas of both little and good progress to establish best practice across MHR's business lifecycle. Relevant stakeholders have been identified across the business to help manage reporting, depending on their areas of interest. These stakeholders will also engage and maintain relationships with suppliers to ensure that we update any information provided by them within this document.



6.

# Appendices

## 6.1 Appendix A: Differences between Scope 1, 2 and 3 emissions

Scope 1	Scope 2	Scope 3
<ul style="list-style-type: none"><li>▪ Direct emissions from owned and controlled sources</li></ul>	<ul style="list-style-type: none"><li>▪ Indirect emissions from generated or purchased energy</li></ul>	<ul style="list-style-type: none"><li>▪ Indirect emissions resulting from an organisations value chain and operation</li><li>▪ Upstream and downstream emissions</li></ul>





## 6.2 Appendix B: Scope 3 carbon emissions by category

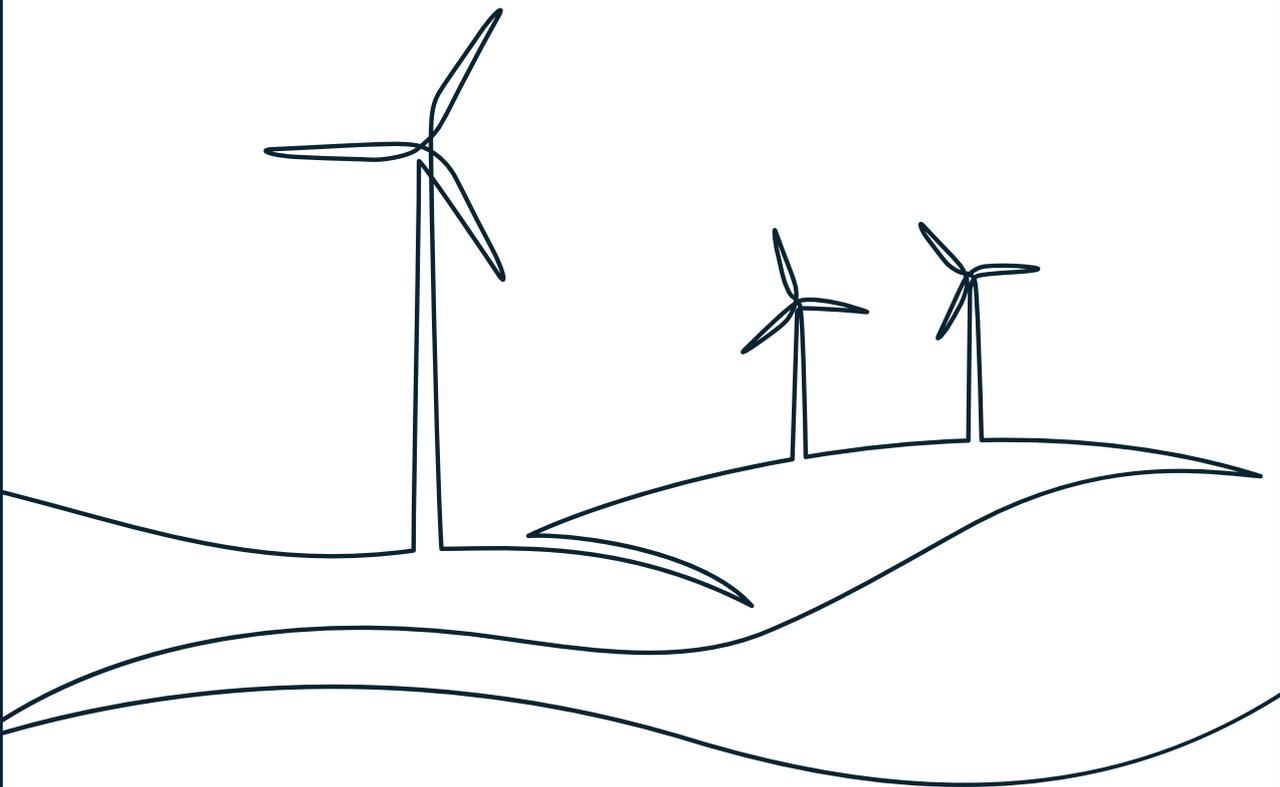
No.	Scope 3 category	Importance	Type
1.	Purchased goods and services	Med	<ul style="list-style-type: none"> <li>■ Building materials and labour</li> <li>■ Phones and support</li> <li>■ Office furniture and materials</li> <li>■ Grounds maintenance equipment</li> <li>■ Food and drinks purchased</li> </ul>
2.	Capital goods	High	<ul style="list-style-type: none"> <li>■ IT hardware and delivery</li> <li>■ Software</li> <li>■ Production and transport of company vans</li> </ul>
3.	Fuel and energy related activities	Low - N/A	
4.	Upstream transportation and distribution	Low - N/A	
5.	Waste generated in operations		<ul style="list-style-type: none"> <li>■ Treatment and transport of waste – recycling</li> </ul>
6.	Business travel	Med	<ul style="list-style-type: none"> <li>■ Travelling to customer sites</li> </ul>
7.	Employee commuting	High	<ul style="list-style-type: none"> <li>■ Transport of employees to and from work</li> </ul>
8.	Upstream leased assets	Low - N/A	
9.	Downstream transportation and distribution	Low - N/A	
10.	Processing of sold products	Low - N/A	
11.	Use of sold products (services for MHR)	Low - N/A	<ul style="list-style-type: none"> <li>■ Use of devices (using electricity) to access software</li> <li>■ Data centres – generates energy to maintain data and host services offered to our customers</li> </ul>
12.	End-of-life treatment of sold products	Med	<ul style="list-style-type: none"> <li>■ End-of-life treatment of IT equipment</li> </ul>
13.	Downstream leased assets	Low - N/A	
14.	Franchises	Low - N/A	
15.	Investments	Low - N/A	



### 6.3 Appendix C: Approach to suppliers – supplier screening questions

The following questions have been identified to screen suppliers:

1. Please disclose if your company has a sustainability/environmental/ green policy statement
2. Please disclose if your company publishes a Corporate Social Responsibility (CSR)/Sustainability report
3. Please disclose if your company reports greenhouse gas emissions or energy to another entity
4. Please disclose if your company has public goals or targets to reduce greenhouse gas emissions and/or energy
5. Please disclose if your company calculates its Scope 1 and 2 greenhouse gas emissions



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