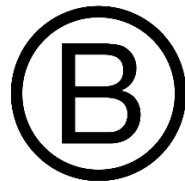




## 2022 Impact Report

Certified



Corporation



Governance



Workers

## Letter from Simon

What a year it's been at PayCaptain!

When we set out on our mission to supersede clunky, inefficient legacy payroll systems with a truly modern, AI-powered service that put people's experience first, we had faith that progressive, forward-thinking businesses would be quick to see the potential in switching.

So we're delighted that throughout 2022, PayCaptain has been growing fast (and picking up top industry awards along the way), welcoming more and more great companies to what we believe is the world's most helpful payroll platform.

We now have nearly 50 customers on board and expect to reach the important milestone of having processed £100m in payroll by year's end.



In October, PayCaptain was declared Software Product of The Year in the Chartered Institute of Payroll Professionals' Annual Excellence Awards 2022 – beating competition from the biggest names in the industry.

And what's even more gratifying is that across our user base, adoption of the app has now hit 93% – demonstrating both the quality of the user experience and its relevance to people's everyday needs.

As the service has grown – bringing in amazing businesses like Gusto Restaurants, Honest Burger, Vivobarefoot, Rotary Watches, DF Capital Bank and Farewill – we've learnt more and more about the ways people are interacting with PayCaptain.

One of the most important features we designed for PayCaptain is the ease with which businesses can encourage saving among employees. In just one company, Gusto Restaurants, where adoption of PayCaptain is 95%, the percentage of employees saving money directly from their pay packet grew from 1% to 12% in the first three months after a company-wide savings incentive was introduced. Indeed, and perhaps surprisingly given the cost-of-living squeeze, more PayCaptain users are saving regularly than making use of another important feature, the ability to access emergency cash.



What does 2023 hold? Well, we were hugely gratified to win a substantial investment from the Government's Innovate UK agency this autumn. It's enabled us to begin working alongside the Westminster-based Behavioural Insights team to develop new technologies designed to improve financial health for Britain's workers – bringing together AI technologies and 'nudge'-based algorithms.



Our all-new SmartPay feature under development will supplement the large number of money management tools already housed in the PayCaptain app. We've always wanted to help individuals gain the best possible understanding and control of their money, and saving painlessly for those inevitable rainy days is critically important. For employers, the benefit will be simple: financial worry among staff is one of the most significant drags on business productivity.

So PayCaptain's prospects for the year ahead are already looking good, with continued expansion, and an even better offer to customers and users in view.

**We are committed to being the best business we can possibly be from every angle. This is our first impact report ( not particularly well designed and done with zero budget) – but we are really pleased with what we have achieved.**



Simon Bocca  
CEO & Founder

## Certification

We became a Pending B Corporation in August 2020 which was the same month PayCaptain started trading but we were already on the pathway to getting fully certified and worked hard to setup the business with all the best practices in place from day one.

We certified as a fully-fledged B Corporation on the 6<sup>th</sup> January 2022 and we were over the moon.

We think we scored quite well too. 😊

### Overall B Impact Score

Based on the B Impact assessment, PayCaptain earned an overall score of 101.4. The median score for ordinary businesses who complete the assessment is currently 50.9.



- 101.4 Overall B Impact Score
- 80 Qualifies for B Corp Certification
- 50.9 Median Score for Ordinary Businesses

Later in the year we were delighted to have been awarded two Best for the World recognition badges – but this really highlighted to us that we must pay much more attention to the Customers Impact Area in 2023.



# Our Mission

PayCaptain is committed to improving the lives of the people whose pay we process. By having a positive impact on those people we seek to drive change across the UK population and inform policy making via the research we do alongside organisations such as Nest Insight.

PayCaptain has 7 impact pledges, here is how we are performing with them-

## 1. To improve the financial health of employed people

We conducted a survey of our users in December 2022, 80% of the 327 respondents said that using PayCaptain allows them to feel greater control over their income.

PayCaptain users are making the most of all of the existing tools to support them in gaining greater financial resilience. This is an area we are focussing heavily on and following the award of a government Innovate Smart Grant in 2022 have been working closely with the Behavioural Insight Team and Nest Insight to develop a set of features we are calling SmartPay which will be ready to launch in 2023. SmartPay will provide suggestions to employees of decisions they could take in regard to their income to make the most of it, these suggestions will be served at the most impactful points to ensure they have maximum relevance to users. The suggestions will be generated using a mix of AI, information we hold as Payroll Provider and some personalisation from each individual user. This combination will create the most relevant and impactful suggestions. SmartPay aims to increase the number of people with a savings buffer, help people maximise their income, ensure people understand their retirement incomes and support with additional resources where needed.

## 2. Enable good financial planning and awareness of monthly commitments

PayCaptain is aware that a static monthly budget is not appropriate for most people, particularly those on variable incomes, but even those on salaries can see jumps in outgoings such as their energy costs. By enabling users to see the income they are accruing as they work throughout the pay period users are able to anticipate their income and budget more effectively month to month.

Interactive, graphical payslips give PayCaptain users a clearer understanding of their take home pay, these along with a snapshot of income this payday vs income last payday also support users in making adjustments to their spending and budgets in real time.

In addition PayCaptain's budgeting tool support users to understand their financial commitments and plan accordingly.

## 3. Enable access to pay between monthly pay days for individuals that need it

PayCaptain gives users access to up to £200 of accrued earnings, once per pay period, at no cost to the employee to ensure PayCaptain isn't profiting from people in vulnerable situations. Access to this cash can be a vital life line for people who do not have savings or enough income to cover what is most likely a short term shock to their finances. The alternatives to accessing emergency cash are at best to borrow from friends and family (if pride allows you to even ask) or, at worst, to turn to high

cost credit. Accessing money you have already earned at no cost therefore presents a lifeline to many. We cap the amounts available to ensure that employees are not getting stuck in a cycle of relying on the money, which can in itself become a precursor to getting into higher cost debt.

£790k of emergency cash has been accessed 9941 times since this feature was launched. The average amount accessed is £80, well below the £200 limit.

We are working on gaining more real life examples of the impact access to emergency cash is having on our users. One employee told us that because they had access to the emergency cash they were able to get their boiler fixed rather than have to wait in the cold until payday.

#### **4. Increase the value of payments into Savings Accounts**

The current volumes of PayCaptain users who are making regular payments into their savings pots is 5%, this is in line with the UK average for payroll based savings.

The total value of savings is £68k, split across 98 PayCaptain savings pots.

Having a savings buffer is a vital area to build on given its strong correlation with financial resilience. Similarly to accessing emergency cash, having a savings buffer can prevent employees having to turn to higher cost credit and potentially entering a cycle of debt.

In 2022 PayCaptain and Gusto Restaurants launched a specific savings initiative for all Gusto employees. In doing this we were able to increase numbers of employees saving from 1% to 12%, with monthly savings contributions varying from £10 to £500.

SmartPay will focus on presenting additional opportunities for people to save at points when the feeling of loss of the cash to a savings point will be least likely to be felt. For example, if an employee has finished paying off their student loan they will be notified and asked if they would like to redirect the same amount to their savings pot moving forwards.

Savings is a key focus area and PayCaptain is exploring multiple upcoming initiatives to further drive savings.

*“Love the savings tool, always a nice surprise when I log in” - Kate, PayCaptain Employee Survey 2022*

#### **5. Increase the value of donations from Employees and Employers to Charities**

PayCaptain works in collaboration with PayCaptain.org and GoodPAYE to encourage people to use payroll giving as their preferred method of making charitable donations.

Making donations via payroll giving is the most tax efficient way to donate, saves charities time in having to reclaim GiftAid, gives charities a consistent income and is actually the easiest way for an employee to make donations.

PayCaptain is a founding member of Payroll Giving Month alongside Barnardo's, Cancer Research, the RSPCA and others. Payroll Giving Month is designed to increase awareness of the benefits of payroll giving and encourage people to begin making their donations in that way.

PayCaptain.org has transferred £4935 to charities, up until Dec 2022 and we are excited to be promoting Payroll Giving Month again in February 2023.



## 6. Support businesses to pay their employees properly and fairly

Paying people properly and fairly is fundamental to ensuring that businesses have a happy and engaged workforce, PayCaptain goes beyond this in terms of features and employee engagement but it is worth acknowledging the importance of ensuring that the basics are done, and PayCaptain's unique approach to making sure they are done in the best possible way.

**Payslips-** In 2022 PayCaptain's Head of Employee Experience became a Plain Numbers Practitioner with a mission to create the most engaging pdf payslip employees have ever had, sitting alongside the interactive payslip on the app. Using Plain Numbers methodology the payslip has been reworked to ensure that employees fully understand their income, what tax and NI are used for, the contributions (rather than deductions) they are making to building a retirement income along with what their employer contributing, and importantly delivering it in a way that makes the employee feel engaged and thanked for their work.

Ease of use is key, as is easy access to the data they need, in a format that is helpful when they need it, PayCaptain's automation of the Gender Pay Gap Reporting is a great example of this.

PayCaptain was recognised by the Chartered Institute of Payroll Providers (CIPP) as having 'Payroll Software Product of the Year- 2022'.

## 7. Enable businesses to have a happier and more productive workforce

The PayCaptain software development philosophy is that we focus our attention on the areas that can be automated and release time for payroll professionals to invest their expertise in more value add activities for their employees.

The ability to track earnings motivates employees to pick up more shifts as they can see their earnings increasing in real time.

PayCaptain users are feeling stressed about money but PayCaptain is helping them to take control of it. People who are feeling financially stressed are less productive and more likely to be impacted by other health challenges. PayCaptain offers a way to overcome this.

*"One of the things I love about PayCaptain is how they treat our employees as if they are their own"* - Anne-Marie Sarantis, HRD, Gusto Restaurants

## Our People

On 1<sup>st</sup> January 2022 we had 6 employees and on 31<sup>st</sup> January 2023 we had 11 employees. Throughout 2022 we invested in bringing in people that are committed to our values and goals and are passionate about doing good.



Our values are particularly important to share as they are the foundation of our business and help us achieve our plans.



### **Get Best Outcomes**

We aim high, we are innovative and creative to get the best outcomes and make positive impact.



### **To the Point**

We are straightforward, we aim straight, we are helpful, easy to understand and we deliver on time.



### **Be Good**

We are good people having a good time doing a good job for good customers. We are a good business from every angle.



### **Empathy**

We instinctively put ourselves in other people's shoes to help us live by the first three values.



## **Team mix**

Overall PayCaptain is 42% male and 58% female, we operate a very flat hierarchy and contributions from all our team are recognised and valued. The team are geographically spread across the UK and have a diverse set of backgrounds. We will continue to work hard to be a diverse group of people and we believe that diversity is critical for our long-term success.

## **Flexible working**

We believe in working when you can be most productive so our employees are contracted by the number of hours they want to work per week. We offer ultimate flexibility in when these hours are worked so each employee can ensure at the times they are working they can be fully focussed, then when they are not they can focus on whatever else they want to.

## **V2MOMs- (Vision, Values, Methods, Obstacles, Measures)**

We have a shared vision and values, which is cascaded throughout PayCaptain and forms the basis of our annual planning. Each year every member of PayCaptain will receive their manager's (and have access to all) V2MOM's in order to then create their own to focus on. This method ensures the ultimate alignment and confidence that the team are all contributing to PayCaptain achieving the goals we set out. We review these regularly throughout the year, if the need to pivot arises then we do, but always making sure that the new alignment is understood and shared.

## **Work from home culture**

PayCaptain is a remote first organisation, our team are spread across the UK and this enables us to recruit the very best without geographical barriers. We ensure each team member receives some financial support to get their office set up when they join and an ongoing tax-free payment towards the running of their home office.

## **Holiday**

Taking a break from work is important to keep our team feeling great, we empower our teams to take time when they need it without having to jump through hoops to get it authorised.

## **Collaboration**

Collaboration takes lots of different forms across PayCaptain to ensure we are as inclusive as possible. Every morning we have a morning virtual team huddle where we fill each other in on what we're focussed on and seek support where required. Every month we meet as a full team virtually where we update on our business areas with extreme transparency on all the highs and lows we're experiencing. Every 6 months we meet as a full team in person, we review what we've achieved so far with PayCaptain, and then use the time to celebrate those achievements together. In 2022 we have held a mini golf tournament, team cooking, cocktail making and lots of lovely dinners.

We use Slack, Teams, email and the good old fashioned phone call to communicate remotely. We don't force people to have camera's on, we want people to work in a way that enables them to be comfortable and productive, and to ensure that they know they are trusted.

## Recruitment

We recruit people we trust, that believe in the PayCaptain mission and that will operate with integrity. We offer full details of vacancies upfront, including salary, so that possible team members can make a well informed choice to join PayCaptain. We recruit based on our values, we are open to starting conversations with people that do not 100% fit the job description and we seek to ensure that all recruitment is done in a fair way, protecting the diversity of the PayCaptain team

## Mental Health First Aiders

2 members of the team became qualified mental health first aiders enabling them to use their skills internally and also to coach team members who are dealing directly with our customer's employee's to ensure they recognise and respond appropriately to signs of distress. This is particularly important at PayCaptain as we are dealing with individual's queries around pay and access to emergency cash which is likely to be needed by people in more financially stressful situations.

## Includability



We are already very proud to support our fellow B Corp Ellis Knight and the Includability Job Board. Includability is for organisations committed to creating an inclusive, sustainable and mentally healthy workplace culture for everyone.

They have developed a standard to help committed employers to take accountability for their progression for creating an inclusive, sustainable and mentally healthy workplace culture – we will start the process in Q2 2023 to become an Includability Committed Employer

## Plans for 2023

We want to be the best company we can be for our people. Our People Goals for 2023 include:

- Improving processes for getting regular feedback.
- Improvements to understanding employee job satisfaction and happiness.
- Improving our understanding of being an inclusive employer and adopting new ways of working to do so.
- More opportunities to socialise and have fun remotely and in person

*“I love working at PayCaptain- knowing the work I’m doing every day is going to contribute to employed people becoming more financially resilient is a great feeling, but PayCaptain is more than that. I feel valued and I genuinely enjoy working with an exceptional bunch of people.”*

*- Anna, PayCaptain employee*

## Customers

At PayCaptain we have two sets of customers – our corporate customers (that purchase payroll software and services) but we also consider the individuals that work for these companies to be our customer too. Anne-Marie Sarantis, Head of People at Gusto Restaurants told us that one of the reasons she loves working with PayCaptain is that we care about her employees just as much as she does – and it is true – we do!

### Promoting sustainable pensions



**Collegia**

During 2022 we helped over 10 customers move their pension to a sustainable pensions provider. We identified that it is the perfect time for companies to make the switch and we are pleased to be able to introduce Collegia to our customers and make no additional charges for managing the transition.

We have also been supporting the Make My Money Matter organisation – <https://makemymoneymatter.co.uk/>. Their campaign message explains that switching pension to a green pension is the most powerful thing individuals and companies can do to protect the planet.



**Make My Money Matter**

### Plain Numbers partnership



**Plain Numbers**

*Working together*

We are the only payroll business to have a Plain Numbers partnership and a member of our team became a certified Plain Numbers Practitioner, enabling them to transform numerical documents to be easily understood by those that have low numerical literacy. Our next steps for this will be in transforming the pdf payslip in the app into a Plain Numbers accredited document, easy for all to understand and have confidence in their income.

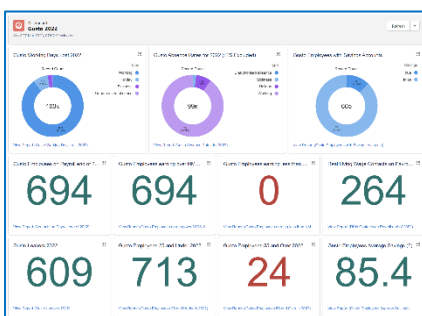
### SmartPay initiative

We won a Government Innovate Smart Grant in the Summer 2022 to build a set of financial wellbeing features that support employees with suggestions on positive decisions they could take around their income and the points in time when they will be most impactful. Success with SmartPay could make a tangible difference to the everyday lives of employees people- reducing finance related stress and enabling them to save for later life in a way that will deliver them the retirement they are hoping to have. At a broader level we anticipate this set of features will contribute to narrowing the gender pension gap by giving visibility of pension pots and forecasts easily for all.

## Helping customers to build their team's financial resilience

In 2022 we worked with Gusto Restaurants to increase the number of people regularly saving, ensuring they have a savings buffer to support them in the case of a financial shock. This was a great success and the numbers of people saving increased from 1% to 12%.

**GUSTO**  
ITALIAN



We also supported the Gusto Team by building ESG reporting for their board and investors. Understanding the workforce is critically important for designing the best people and pay policies and to understand and support the financial wellbeing of the workforce.

Anna Buckle, Head of Employee Experience at PayCaptain said “We are pleased to be able to unlock the power of the data in the PayCaptain solution to help Gusto be a great employer”.

## Commitment to understanding the impact of PayCaptain

We don't think it's enough to introduce untried financial wellbeing tools into a market where vulnerable people will be using them. We work closely with the Behavioural Insights Team (BIT) to ensure that we understand the impact of what we're doing. We utilise the BIT's expertise in behavioural responses, these are then tested in experimental conditions that mimic real life. We are currently working with the BIT to review PayCaptain's new financial wellbeing features 'SmartPay' using qualitative interviews and quantitative surveys. We take feedback at every round and iterate the features. We will continue to do this until it is proven the tools will be a force for good for employees.



## Helping our customers to realise their, and their employees, desire for charitable giving via PayCaptain.org

Customer's can set up payroll based giving enabling their employees to easily make philanthropic contributions in a way that is most tax efficient for them and gives charities and income that is consistent and frees them from needing to reclaim Gift Aid. Customer's can also fulfil their charitable missions should they have a charity they are partnering with PayCaptain enables them to offer their employees the option to 'round the pennies down'. This means an employee is paid their income rounded down to the nearest pound and the difference is then donated to the charity the organisation is partnering with.

## Supporting our fellow B Corps

PayCaptain is keen to support organisations committed to doing good in the world and as such we offer discounted pricing for anyone who is registered B Corp. We currently have 8 fellow B Corps in our customer base.

## Plans for 2023

We are very excited to announce the launch of the PayCaptain Impact Board in 2023, this will be a team of senior individuals from the PayCaptain customer base picked to ensure an inclusive and representative view of all the employees using PayCaptain. The Board will work alongside PayCaptain to review the roadmap, advise on features and ensure PayCaptain has an additional view into the world employee's being paid by PayCaptain are in.



We also plan to work closer with the Living Wage Foundation to support their campaign for fair pay across the UK – including fair hours and fair pensions. We believe it is really important to start the pay process with fair policies that give employees the best opportunity for their financial lives.





## Some quotes from our fellow B Corporation Customers

“We really feel like it is smooth sailing with PayCaptain now. Fran declared her love for it just the other day! Great to see all the progress PayCaptain is making.” – Jayne Phan, Finance Director @ Sawdays – Special Places to Stay

We were looking for businesses that align with who we are and what we stand for. We chose PayCaptain as our payroll provider, as being a B-Corp company they know the impact that positive change can have on the world! It's great to work with a company that acts as a force for good for the people and the planet. – Linda Playfoot, HR Manager @ Revolt

We're super proud to be working in partnership with PayCaptain and our team have loved the tools and information provided to enable them to manage their money in the best possible ways. Their wellbeing is everything to us and certainly from a financial wellbeing perspective, we feel there is no better payroll system on the planet.

As a fellow B Corp, PayCaptain's values are truly aligned with our own as a caring and purpose driven business. As we celebrate B Corp Month and the outstanding collaborative partnerships that are creating a brighter legacy for our children, what better time than for us to declare our love for their amazing team.

So thank you PayCaptain for all the support you have provided for our brilliant crew – we love being on this journey with you x – David Holby-Wolinski, Director @ Ellis Knight

I first came across PayCaptain in a previous role, and was immediately impressed with how they had turned what I've always experienced as just a process to transfer cash, to an experience that actually adds value to the employee experience.

A month into joining LloydsDirect we were given the opportunity to bring the running of our payroll out of the central group and into LloydsDirect and my first thought went to PayCaptain. I wanted to say goodbye to running payroll across different systems which don't talk to each other, a ton of manual admin, and reports which never go back long enough, but I also wanted to change the payroll experience for our team members.

As a recently certified B Corp, and in light of the financial crisis, our employees' wellbeing is really important to us, so having a payroll solution that enhances our employee experience and provides those financial wellbeing tools is key. We did of course carry out a thorough market review of payroll providers, and I'm happy to say that Lloyds Pharmacy have chosen to partner with the world's first B Corp Payroll company. – Phillippa Starmer, Interim People Director @ LloydsDirect

# Environment





We acknowledge there is a climate emergency and we operate our business accordingly.

PayCaptain is still very small, but that does not mean we should take the climate emergency any less seriously. We've built a business with a comparatively low environmental footprint, but we are growing fast and we know that as we grow, our environmental impact will grow too.

**We are pleased to say that we are a carbon neutral – but we are not yet a net zero company.**

This means we have net zero residual emissions across our full value chain. We worked to reduce our Scope 2 and 3 emissions and then compensated for emissions we can't reduce by purchasing Renewable Energy Guarantees of Origin (REGO) certificates and funded high-quality carbon avoidance and removal projects to cover all remaining emissions.

We are pleased to be part of these initiatives to help support and promote the climate emergency:

 <b>NET ZERO</b>   2030	We actively participate in the B Corp Climate Collective and we publicly committed to Net Zero by 2030 (we have achieved carbon neutrality already and will keep pushing to be net zero over the next few years and support the wider community and participate in the discussion).
	PayCaptain is a signatory to the UN-recognized "SME Climate Commitment". The pledge is to halve our carbon emissions by 2030, achieve net-zero emissions by 2050 and to regularly report on progress towards these aims. Our participation in this forum is to embrace the power of collaboration and inspire other businesses to join this climate journey.
	PayCaptain is a climate positive workforce and through our partner Ecologi we offset 9 tonnes of CO2 per year for every employee regardless of their personal efforts to reduce their own carbon footprint. Our Carbon Offsetting and tree planting can be seen here: <a href="https://ecologi.com/paycaptain">https://ecologi.com/paycaptain</a> <div data-bbox="791 1727 975 1928">              10,000 trees planted         </div> <div data-bbox="1035 1727 1243 1928">              Offset 100 tonnes of CO2         </div>

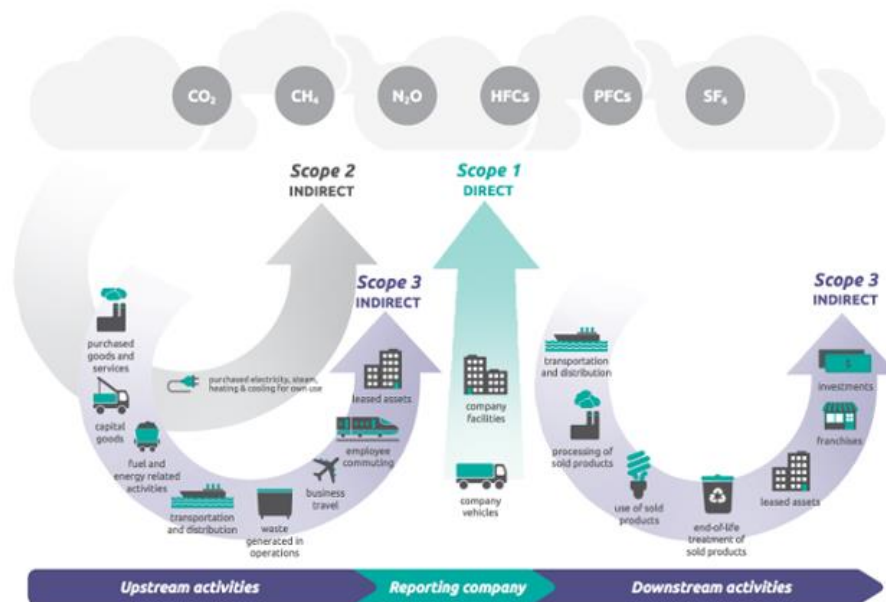
## Measurement

We have used various methods, tools and calculators to understand our carbon footprint. In particular we rely on the [Scope 3 Evaluator](#) from Greenhouse Gas Protocol and the [Ecologi Zero](#) solution which integrates with our accounting system to analyse all corporate spending.

We produce no scope 1 emissions.

We produce scope 2 emissions related to the gas and electricity our employees use when they work at home and we encourage and incentivise them to use sustainable energy in their homes.

It is our scope 3 emissions which are the most important for us to understand, control and mitigate.



We have calculated our emissions as follows:

Scope 1	nil
Scope 2	7 tonnes of CO <sub>2</sub> (employees' carbon footprint) *
Scope 3	78 tonnes of CO <sub>2</sub> (purchased goods and services) + 36 tonnes of CO <sub>2</sub> (downstream customers)

\* Our Scope 2 emissions as per UK Government guidelines for homeworking calculate 6.4 tonnes of CO<sub>2</sub> to cover office equipment and heating ( $0.34075331486473 \times 8 \text{ hours} \times 260 \text{ days} \times 9 \text{ people}$ )




## Scope 2 emissions

To cater for our scope 2 emissions where employees are using electricity and gas at their homes whilst they are working for PayCaptain we fund projects to balance their entire carbon footprint (based on UK average monthly carbon footprint of 0.75 tonnes of CO<sub>2</sub> emissions) and we also plant 10 trees for each employee every month to help absorb carbon pollution in the future.

For our employees, in 2022 a total of **81 tonnes of CO<sub>2</sub> avoided or removed** by funding ecology projects, plus 1,080 trees planted to help absorb carbon pollution in the future.

## Scope 3 emissions

Our primary suppliers and service providers (directly associated with our Scope 3 emissions). The following table represents our top 3 technology suppliers and the percentage utilisation.

72%		<p>Salesforce's multi-tenant cloud computing model has a much smaller environmental footprint than traditional IT hardware and software.</p> <p>Salesforce delivers a carbon neutral cloud and uses 100% renewable energy sources for their operations.</p>
12%		<p>By 2030, Microsoft will be carbon negative, and by 2050, they have committed to have removed all their historical emissions since their founding in 1975.</p>
5%		<p>Amazon are the world's largest corporate purchaser of renewable energy and are on a path to powering their operations with 100% renewable energy by 2025.</p> <p><a href="https://sustainability.aboutamazon.com">https://sustainability.aboutamazon.com</a></p>

In consideration of the software we purchase from third parties (excluding our existing net-zero suppliers like salesforce and Microsoft) we purchase Renewable Energy Guarantees of Origin (REGOs) certificates. It is incredibly difficult to calculate the precise emissions related to our usage of third party services but we have taken the view that we must do something and do more than what would be reasonably calculated.

For 2022 we have purchased 48 Megawatt hours of Renewable Energy Guarantees of Origin (REGOs) certificates. This covers 11 servers in datacentres running 24 hours a day (@ 500w per hour).

By putting 48 Megawatt hours of sustainable energy into the supply it means the equivalent unsustainable energy does not enter the supply – which then means approximately 52,800 pounds of Coal or 364,800 cubic feet of Natural Gas are preserved. Using the GHG Conversion Factors for

Company Reporting workbook by replacing 48 Megawatt hours into the supply it will avoid **10 tonnes of CO<sub>2</sub>**. ( $0.21016 \text{ kg of CO}_2 \text{ per kWh} \times 48,000 \text{ kW} = 10 \text{ tonnes}$ )

In consideration of the scope 3 emissions related to how our PayCaptain is used by our customers we fund projects to avoid or remove 10kg of CO<sub>2</sub> emissions and plant a tree in the [PayCaptain Ecologi forest](#) for every 10 payslips we produce.

We produced 36,153 payslips in 2022 and **avoided 37 tonnes of CO<sub>2</sub>** by funding projects. By using the UK Government GHG Conversion Factors for Company Reporting related to homeworking (office equipment and heating) this compensates for the following:

$37,000 / 0.34075331486473 = 108,583 \text{ hours}$   
 $108,583 \text{ hours} / 36,153 \text{ payslips} = 3 \text{ hours per payslip}$

- Employees looking at each payslip they receive on their mobile phone for 1 hour
- Managers and HR/Payroll administrators using computers for 1 hour to administer the pay for each payslip produced.
- 1 hour per payslip allocated to all other third parties (including HMRC, Pension Providers, Benefits Providers and the carbon emissions associated people using paycaptain.com websites)

We are significantly overcompensating for the emissions produced by our customers when using the PayCaptain software.



PayCaptain has selected Collegia Partners as the company's workplace pension scheme. Being 100% ESG compliant it excludes investments in Coal and other Fossil Fuels. The Collegia investment thesis is also to invest in companies aligned with the United Nations 2030 Sustainable Development Goals.

## Totals

Carbon emissions produced: 7 (scope 2) + 78 (suppliers) + 36 (customers) = **121 tonnes**

Carbon emissions avoided/removed: 81 (employees) + 10 (REGOs) + 37 (customers) = **128 tonnes**

**Net carbon emissions: -7 tonnes** + 4,695 trees planted

Next year we will start switching all carbon avoidance initiatives to carbon removal initiatives to fulfil our commitment to be truly net zero. This will also require us to be more precise in the calculations of our carbon emissions.



## Community

We were very pleased to be able to support B Corporation's big milestone in the UK when they hit 1,000 certified B Corporations. We were a sponsor of the event alongside some other wonderful companies:

**1000 x  
BETTER**



**PayCaptain**.org

In 2022 we ramped up our capabilities with our sister organisation PayCaptain.Org – which is a registered UK charity and authorised by HMRC as a 'Payroll Giving Agency' – this allows us to provide payroll giving schemes to our customers and we give our time and energy to the charity for free – in particular Sarah Rayment (Operations Manager), Anna Buckle (Head of Employee Experience) and Simon Bocca (Founder).

Payroll Giving Agencies usually deduct a percentage of all donations they process before sending the funds to the charities. PayCaptain.Org does not. 😊

We have also partnered with GoodPAYE and PayCaptain.Org is the Payroll Giving Agency (PGA) for all the companies using their service.



## Payroll Giving Month February 2023

We also built and maintained a site to promote the importance of payroll giving: [www.payrollgivingmonth.com](http://www.payrollgivingmonth.com).

In 2023 we hope to do much more for the community and supporting organisations who can have a real impact to the lives of people in UK.



# Governance

Trust is our number one priority – for our customers and our employees.

Good governance and extreme transparency are essential. We have a formal monthly meeting (our board meeting) with all employees and we review all aspects of the company's performance – including P&L, bank balance, sales pipeline, customer satisfaction and tech roadmap.

The B Corporation standards of governance have been our inspiration and our guide rails for setting up the processes at PayCaptain.



We are pleased to be a Good Business Charter Accredited company. The Good Business Charter is a simple accreditation which organisations in the UK can sign up to in recognition of responsible business practices.

It measures behaviour over 10 components: real living wage, fairer hours and contracts, employee well-being, employee representation, diversity and inclusion, environmental responsibility, paying fair tax, commitment to customers, ethical sourcing, and prompt payment.

These principles are embedded in various policies and procedures at PayCaptain and we are actively engaged with the GBC community.



We have adopted the required Information Security Systems and we are required to demonstrate compliance over a period. We received our certification this year and we have also built our own Information Security Management System (ISMS) integrated with the PayCaptain software.

