

CARBON REDUCTION PLAN

January 2022 - December 2022

Author: Legal Department
Version: Final
Created: 31/07/2023
Updated: 20/05/2024
Classification: COMMERCIAL IN CONFIDENCE

Confidentiality / Document control

This document contains information that is confidential to System C Healthcare Ltd (System C) and is submitted by System C in order for the potential customer to use it solely for the purposes of evaluating System C's proposal and it must not be used for any other purpose nor disclosed to any other party, either whole or in part, without the prior written consent of System C except as follows. The potential customer may permit those of its employees, advisors and agents having a need to know the contents of this proposal, to have access to such of the contents as are strictly necessary, but the potential customer shall ensure that such employees, advisors and agents are bound to it by an obligation, in similar term, to keep it confidential. The potential customer's acceptance of these obligations shall be indicated by the customer's use of any of the information contained in this document.

System C acknowledges that the potential customer may be bound by the Freedom of Information Act 2000 (FOIA). In such a case System C considers that the contents of this document are confidential and exempt from disclosure pursuant to section 41 of the FOIA. The potential customer should consult System C before making any disclosure of information relating to System C under the FOIA. System C's pricing information, methodologies, solutions, as well as reference to System C clients and their projects are always considered by System C to be exempt from disclosure by virtue of section 41 and 43 of the FOIA, whether indicated or not.

Product Information: Any descriptions of future functionality reflect current product direction, are for informational purposes only and do not constitute a commitment to provide specific functionality. Timing and availability remain at System C's discretion and are subject to change and applicable regulatory approvals.

© Copyright 2024, System C Healthcare Ltd

Document control

Name	Role	Date	Comment
Legal Department	Author	31 July 2023	New CRP
Dee Adams, Pardeep Mattu, Net Zero International	Contributor	31 July 2023	
ESG Committee	Reviewer	31 July 2023	

Amendment record

Issue status	Version	Date	Actioned by	Description
Draft	V0.1			Internal copies for review & authorisation
Final	V1.0			Published on website
Updated	V1.01	20 May 2024 – Interim update only. Full CRP update scheduled for Autumn 2024 on completion	ESG Committee & Schneider Electric	CRP updated post Schneider Electric GHG foundation programme assessment. This update includes a more comprehensive emissions assessment.

		of SBTi target setting.		
--	--	-------------------------	--	--

1 Net Zero Commitment

System C Healthcare Limited (System C) recognises the importance of making a full and lasting commitment to reducing the greenhouse gas emissions from our activities, in support of the wider commitment of the world to limit global temperature increases and the impact on the planet. **System C** is a signatory member of the Network Net Zero community. **System C** made its pledge to the Race to Zero via the Network Net Zero Community on 6th June 2022. The record of the pledge can be found at <https://www.futurenetzero.com/un-race-to-zero>

We commit to the following:

1. For our company to achieve Net Zero in line with the Science Based targets set out by the UNFCCC i.e. to achieve Net Zero no later than 2040 and target a 50% reduction in emissions by 2030.
2. To set realistic short and long-term targets that are designed to achieve our Net Zero commitments. We are currently completing the Schneider Electric GHG Accelerator programme in which we will be setting SBTi's with a view to achieving our ambitious roadmap of Net Zero by 2035.
3. To report the total Greenhouse Gas emissions of our business, at a minimum, on an annual basis.

	Year	Earlier Year if Possible
Commitment to be Net Zero	2040	2035[*]/^{**}
50% Emissions Reduction	2030	

*in line with NHS guidelines

** Over the next 12 months, **System C** is looking to create a plan to accelerate decarbonisation with the ambition to achieve Net Zero by no later than 2040.

2 Company Overview

System C is a Limited Company registered in England and Wales, company number 01754990, with a head office address of Arden Court, Arden Street, Stratford-Upon-Avon, England, CV37 6NT.

Year	January 2022 – December 2022
Industry	Health and Social Care Software
No. of Staff	624
No. of Offices – Owned	0
No. of Offices/Sites – Leased	10
No. of Company Vehicles - Owned	0
No. of Company Vehicles - Leased	0

System C is the UK's leading Health and Social Care software and services company specialising in providing the Health and Social Care sectors with robust, modern IT solutions; exceptional systems implementation expertise; and practicable, innovative consultancy services.

System C has the following subsidiaries:

- Liquidlogic Limited (company number 04006349);
- The Learning Clinic Limited (company number 04866542);
- Careflow Connect Ltd (company number 06314173); and
- Careflow Medicines Management Limited (company number 01473482).

It should be noted that **System C** acquired Clevermed Limited ("**Clevermed**") on 1 February 2023. Oxford Computer Consultants Limited ("**OCC**") was acquired by Liquidlogic Limited on 6 April 2023. Emissions calculations for Clevermed and OCC have not been included in this Carbon Reduction Plan due to the timing of the acquisitions, however they will be included in the Carbon Reduction Plan for Financial Year 2023/2024.

This Carbon Reduction Plan is prepared for **System C** and its subsidiaries (excluding Clevermed and OCC).

3 Reporting Period

January 2022 – December 2022

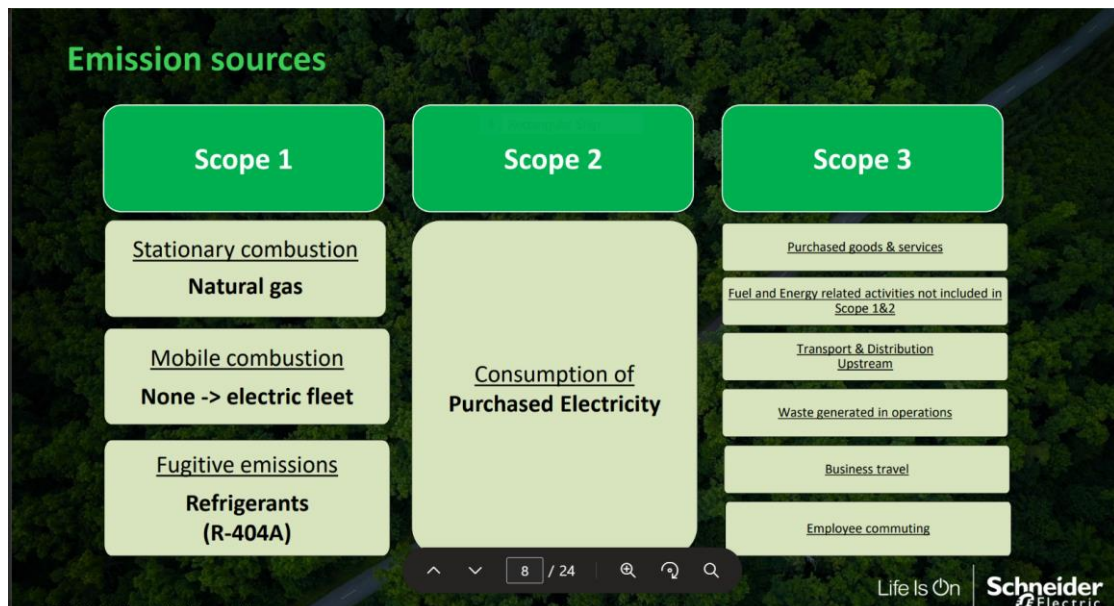
4 Organisational Boundary

This report has been constructed using the

- Operational Control Approach

5 Operational Scopes

Emissions from Scope 1 and 2 have been measured along with relevant Scope 3 emissions as below:



6 Benchmark Year

January 2022 to December 2022

It should be noted that the prior Carbon Reduction Plan from April 2021 to March 2022 included emissions for the “System C & Graphnet Care Alliance”. This Alliance included System C (and its Subsidiaries) and Graphnet Health Limited (and its Subsidiaries). This Carbon Reduction Plan, as noted above, is prepared for System C (and its subsidiaries (excluding Clevermed and OCC)) only. System C has used the emission figures for April 2021 to March 2022 (as contained in its SECR for the same period) as the “Benchmark Year/Previous Reporting Year” figures in this current Carbon Reduction Plan to ensure a more accurate like for like comparison with this current year’s reporting.

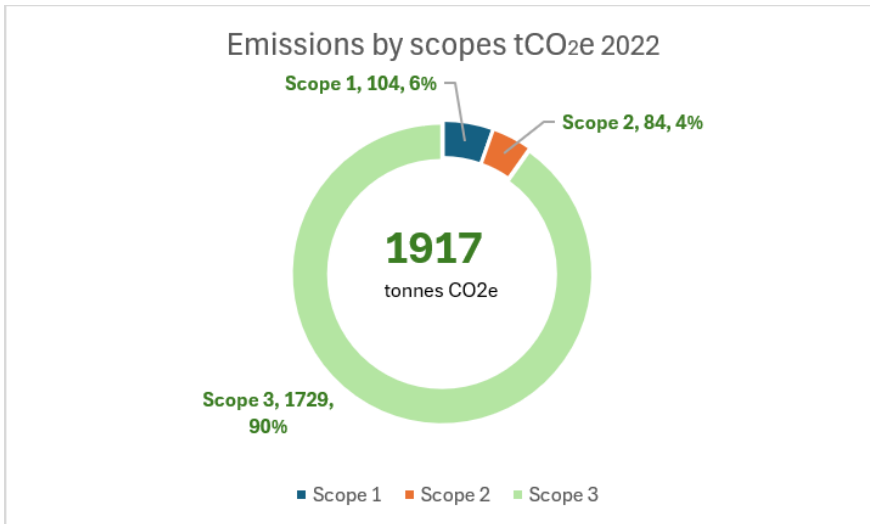
7 Carbon Emissions Overview

Out of Scope Emissions	
CO ₂ -related Biogenic emissions	0 tCO ₂ e ¹

In Scope Emissions	Location-Based	Market-Based
Scope 1	104 tCO ₂ e	104 tCO ₂ e
Scope 2	84 tCO ₂ e	51 tCO ₂ e
Scope 3	1,729 tCO ₂ e	1,729 tCO ₂ e
Total (in-scope) emissions	1,917 tCO₂e	1,884 tCO₂e

The total calculated emissions for the business for the period 2022 calendar year are 1,917 tCO₂e, an increase of 1,808.4 tCO₂e from the previous year. This increase is due to a more normal return to working practices following COVID-19 and increased business travel.

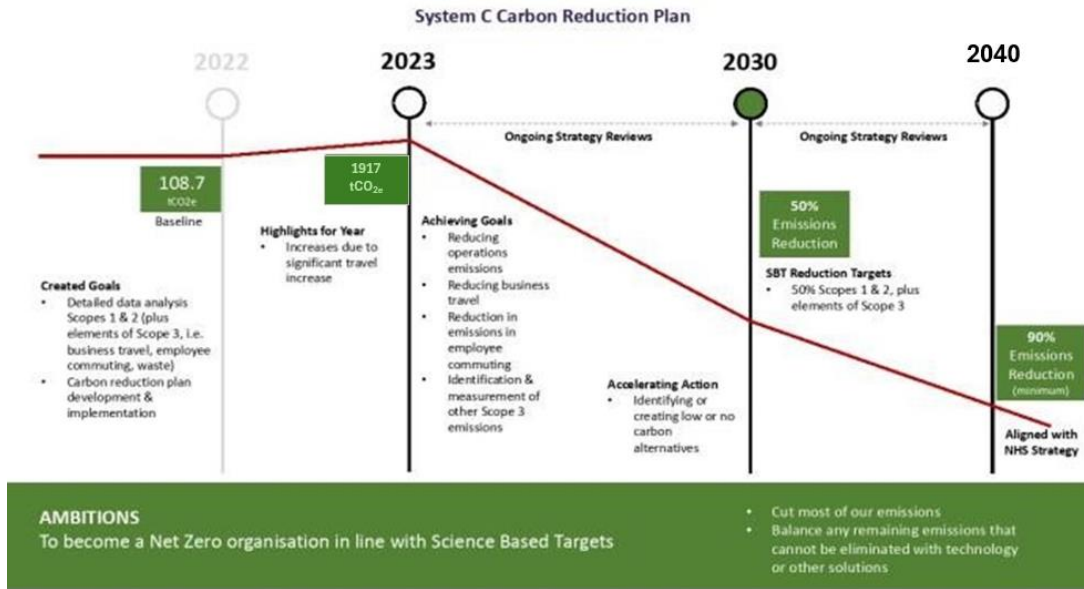
8 Analysis by Scope



- Scope 1 emissions amount to 104 tCO₂e, representing 6% of the company's emissions. Scope 1 emissions include gas used in the office.
- Scope 2 emissions amount to 84 tCO₂e, representing 4% of calculated emissions. This is the electricity used at the company's offices.
- Scope 3 emissions amount to 1,729 tCO₂e, representing 90% of the company's emissions.

9 Emissions Reductions Targets

The following graph summarises the carbon emissions reduction targets.



10 Carbon Reduction Plan

The following initiatives that will support **System C's** strategies to meet Science Based Targets:

Initiative	Action
Sustainable travel policy	<ul style="list-style-type: none"> ○ Ensuring the team use public and low carbon transport options when practical to do so. ○ Car share for business trips. ○ Switch to Online Meetings and Online Events where possible and continue to embrace hybrid working. ○ Electric car salary sacrifice scheme was introduced in 2021-22 with continual promotion of the scheme to employees. ○ Cycle to work scheme ongoing since FY14/15 with a continual promotion of the scheme to employees.
Employee engagement	<ul style="list-style-type: none"> ○ We have uploaded the prior Carbon Reduction Plan to our Central HR System so it can be easily accessed by employees. We will continue to share our plan with all employees to ensure understanding of our current emissions and involving employees in some of the carbon reduction initiatives. ○ We will review and implement new methods of engaging with employees. ○ We have created an ESG strategy program along with an ESG committee group to oversee delivery and progress against actions. ○ To get involved in local initiatives (i.e. litter picking, educational sessions).
Sustainable Supplier policy	<ul style="list-style-type: none"> ○ To create a framework to launch our Sustainable Procurement policy in 2024. ○ Commit to using Sustainable and local suppliers where practical.
Acceleration Plan to Net Zero	<ul style="list-style-type: none"> ○ To create a plan to accelerate decarbonisation with the ambition to achieve Net Zero by 2040 or before.
Data Quality	<ul style="list-style-type: none"> ○ To improve the quality and accuracy of data to ensure more accurate measurement of our emissions including actual waste produced per office/site. ○ To measure employee commuting in 2023 and include in next year's report.
Other	<ul style="list-style-type: none"> ○ Where practicable, to introduce LED lighting in all of our offices that do not currently have this by 2026. ○ Where practicable, to switch all remaining offices to 100% renewable energy tariffs by 2026. Currently reviewing all energy contracts for suitability. ○ Ensure all offices/site have recycling points.

11 Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2022 baseline:

- Schneider Electric GHG Foundation programme to establish our emissions baseline
- We have obtained ESOS phase 1 and 2 compliance
- In Dec 2023 we obtained a Silver Medal award EcoVadis business sustainability rating
- We have signed up and pledged our commitment to the Race to Zero initiative
- We have completed the Evergreen Supplier Sustainability Assessment
- CDP disclosure with a rating of D

We are currently completing the following initiatives:

- Schneider Electric GHG Accelerator programme which will inform our decarbonisation plan
- This year we are setting our SBTi Targets and have already submitted our SBTi commitment letter
- Completing ESOS Phase 3 compliance by summer 2024

Signed on behalf of System C Healthcare Limited and its above-stated subsidiaries.

DocuSigned by:
Nick Wilson
77A7EF0F941242A...

Name:

Nick
Wilson

Position: Ceo **Date:** 1/8/2023 **13**



20/5/2024

12 Standard and Methodology Used

System C categorises its Greenhouse Gas (GHG) Emissions as Scope 1, 2 or 3 as referred to in the WBCSD – WRI Greenhouse Gas Protocol (revised edition, dated March 2014). Emissions in Carbon Dioxide equivalent (CO₂e) for all scopes are calculated using the conversion factors listed in DESNZ Greenhouse Gas Conversion Factors for the relevant 12-month period over which the Carbon Footprint is calculated. Procured renewable electricity and gas is calculated in accordance with the WBCSD – WSI Scope 2 Guidance on procured renewable energy (2015).

13 Data Quality / Confidence

The data used to generate this report has been collected from various sources from both within the company and using assumptions gathered by Net Zero International. These emissions have been converted to CO₂e using GHG Protocol and DESNZ frameworks and conversion factors for the relevant period.

14 Offsets

As part of the commitment of **System C** to target reductions in its GHG emissions and, ultimately, attain Net Zero the company will review and report all offsetting that it enters. All offsetting options will be considered and reported included, formally certificated schemes (e.g., Gold Standard) as well as more informal schemes. Where offsetting is done against informal schemes, details of the calculation logic will be reported.

15 Declaration & Sign Off

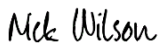
This Carbon Reduction Plan has been completed in accordance with SECR, PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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

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) Standard.

This Carbon Reduction Plan has been reviewed and agreed by System C's Chief Executive Officer, Nick Wilson.

Signed on behalf of System C Healthcare Limited and its above stated subsidiaries.

DocuSigned by:

 77A7EF0F941242A...

Name:

Nick
Wilson

Position: Ceo

Date: 1/8/2023



20/5/2024

16 Third Party Verification

This report was compiled by System C Healthcare Limited using the emissions data verified and validated by third party Schneider Electric as part of the GHG Foundation Programme.

17 Glossary

Benchmark Data	The chosen 12-month period that sets the calculated emissions that need to be mitigated and/or offset.
Carbon Reduction	Reduction in measured CO ₂ e emissions
Carbon Reduction Plan	Plan to reduce CO ₂ e emissions over a period of time, updated annually
Carbon Emissions (Gross)	CO ₂ e emissions from Company activities
Carbon Emissions (Net)	CO ₂ e emissions from Company activities minus verified carbon offsets the Company purchases
Carbon Neutral	When emissions are fully offset including those emissions that could be mitigated.
Carbon Offsets	A removal or reduction of carbon emissions through a verified scheme.
CO₂e	All greenhouse gases expressed in terms of Carbon Dioxide equivalent (CO ₂ e) for consistency of reporting.
DESNZ	Department of Energy Security and Net Zero (https://www.gov.uk/government/collections/governmentconversion-factors-for-company-reporting)
EEIO	Environmentally Extended Input Output – Emissions estimated on spend https://ghgprotocol.org/
GHG Protocol	Greenhouse Gas Protocol https://ghgprotocol.org/
Greenhouse Gases	Carbon Dioxide (CO ₂), Methane (CH ₄), Nitrous Oxide (N ₂ O), Chlorofluorocarbons (CFCs and HCFCs), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF ₆)
Greenhouse Gas Conversion Factors	Annually published conversion factors normally published by relevant government departments. Converts activity into CO ₂ e emissions.
Greenhouse Gas Emissions (GHG)	Gases in the atmosphere that absorb and radiate heat
Intensity Metric/Ratio	A metric that measures carbon emissions per relevant unit of activity in a business.
Market Reporting v Location Reporting	Market is based on specific tariffs. Location is based on the country from which you are reporting.

Net Zero	GHG emissions are mitigated and those that cannot are offset
Renewable Tariff	An energy tariff that is 100% powered by renewable energy and is certified.
SBT	Science Based Targets – reducing emissions by 50% by 2030 and by 90% by 2050 and offsetting the remaining amount.
Scope 1	The fuels that are burnt (gas, transport the company owns, refrigerant gases)
Scope 2	The energy that is bought (electricity from the grid, purchased

System C Carbon Reduction Plan FY22/23

	heat)
Scope 3	Emissions embedded in everything a company buys and emitted as a consequence of everything a company sells.
SECR	Streamlined Energy s Carbon Reporting
tCO₂e	Metric tonnes of CO ₂ equivalent emitted.
WBCSD	World Business Council for Sustainable Development https://www.wbcsd.org/
WRI	World Resource Institute https://www.wri.org/