



# **CARBON REDUCTION PLAN**

## **April 2023 – March 2024**

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### 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 of SBTi target setting.	ESG Committee & Schneider Electric	CRP updated post Schneider Electric GHG foundation programme assessment. This update includes a more comprehensive emissions assessment.
Updated	V1.02	Annual Update	P. Gallagher & D Knight	CRP updated for period April 2023-March 2024. Removed paragraph in Section 1 relating to legal entities and exclusion of OCC and Clevermed emissions data.

## 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.

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 2050 and target a 42% reduction in Scope 1 and 2 emissions, plus 25% of Scope 3 emissions by 2030.
2. To set realistic short- and long-term targets that are designed to achieve our Net Zero commitments.
3. To report the total Greenhouse Gas emissions of our business, at a minimum, on an annual basis.

	Year	Earlier Year if Possible
<b>Commitment to be Net Zero</b>	<b>2050</b>	<b>2045*/**</b>
<b>Reduce Scopes 1 and 2 by 42%</b> <b>Reduce Scope 3 by 25%</b>	<b>2030</b>	

\* 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 2045.

## 2. Company Overview

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

Year	April 2023 – March 2024
<b>Industry</b>	Health & Social Care Software
<b>No. of Staff</b>	737
<b>No. of Offices – Owned</b>	0
<b>No. of Offices/Sites – Leased</b>	10
<b>No. of Company Vehicles - Owned</b>	0
<b>No. of Company Vehicles - Leased</b>	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 Healthcare Ltd** and **Liquidlogic Ltd** are the main trading companies within the System C group.

### 3. Reporting Period

April 2023 – March 2024

### 4. Organisational Boundary

This report has been constructed using the

- Operational Control Approach

### 5. Operational Scopes

Emissions from Scope 1 and Scope 2 have been measured along with certain Scope 3 emissions. The Scope 3 emissions that have been included are those that have been practical to measure with available data, which are as follows:

- Business Travel – Cars
- Purchased Goods and Services
- Employee Commuting
- Water and wastewater
- Transmission and Distribution for grid-based electricity supply
- Waste

### 6. Benchmark Year

April 2021 to March 2022

It should be noted that the benchmark 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) 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



The total calculated emissions for the business for the period 2023-2024 are 1,590.0 tCO<sub>2</sub>e. This is the first time that the business has measured all material elements of Scope 3 and therefore is a new baseline measure. The business has changed in this period due to business growth, including the acquisition of Clevermed and OCC.

The Company will continue to measure an increasing amount of Scope 3 emissions and is committed to reducing their emissions across all scopes.

## 8. Analysis by Scope



Scope	Description	tCO <sub>2</sub> e	%
<b>Scope 1</b>	Scope 1 emissions include gas used in the office. The Company does not own or lease any vehicles.	25.4	1.6%
<b>Scope 2</b>	Emissions in scope 2 include electricity used at the company's office.	79.0	5.0%
<b>Scope 3</b>	Scope 3 emissions include: <ul style="list-style-type: none"> <li>• Employee Commuting</li> <li>• Transmission and Distribution of Electricity</li> <li>• Waste and Water</li> <li>• Purchased Goods and Services</li> <li>• Business Travel</li> </ul>	1,485.6	93.4%
<b>TOTAL</b>		<b>1,590.0</b>	<b>100%</b>

## 9. Emissions By Activity



Data Details		2023-2024		
Emission Type	Scope	t CO <sub>2</sub> e	Data Source	Data Confidence
<b>Energy</b>				
Gas	1	25.4	Gas Bills & factored data	Medium
Electricity	2	79.0	Electricity Bills & factored	Medium
Transmission & Distribution of electricity	3	6.9	Electricity Data	Medium
<b>Business Travel</b>				
Business Travel - Cars	3	233.3	Mileage Summary	Medium
Rail and Plane	3	251.6	Mileage Summary	Medium
<b>Employee Commuting</b>				
All Employee Commuting	3	667.3	Employee Survey	Medium
<b>Other Scope 3 Measures</b>				
Waste	3	1.7	Waste Data	Medium
Water Supply & Treatment	3	0.9	EEIO Spend Analysis	Medium
Renting of M&Eq and Other Business Activities	3	129.6	EEIO Spend Analysis	Medium
Hotel Stays	3	112.9	EEIO Spend Analysis	Medium
Post and Telecommunications	3	49.8	EEIO Spend Analysis	Medium
Health and Social Work	3	26.4	EEIO Spend Analysis	Medium
Pulp, Paper, Printing and Publishing	3	2.7	EEIO Spend Analysis	Medium
Electrical and Optical Equipment	3	2.0	EEIO Spend Analysis	Medium
Manufacturing (not elsewhere classified); Recy	3	0.5	EEIO Spend Analysis	Medium
<b>TOTAL</b>		<b>1,590.0</b>		

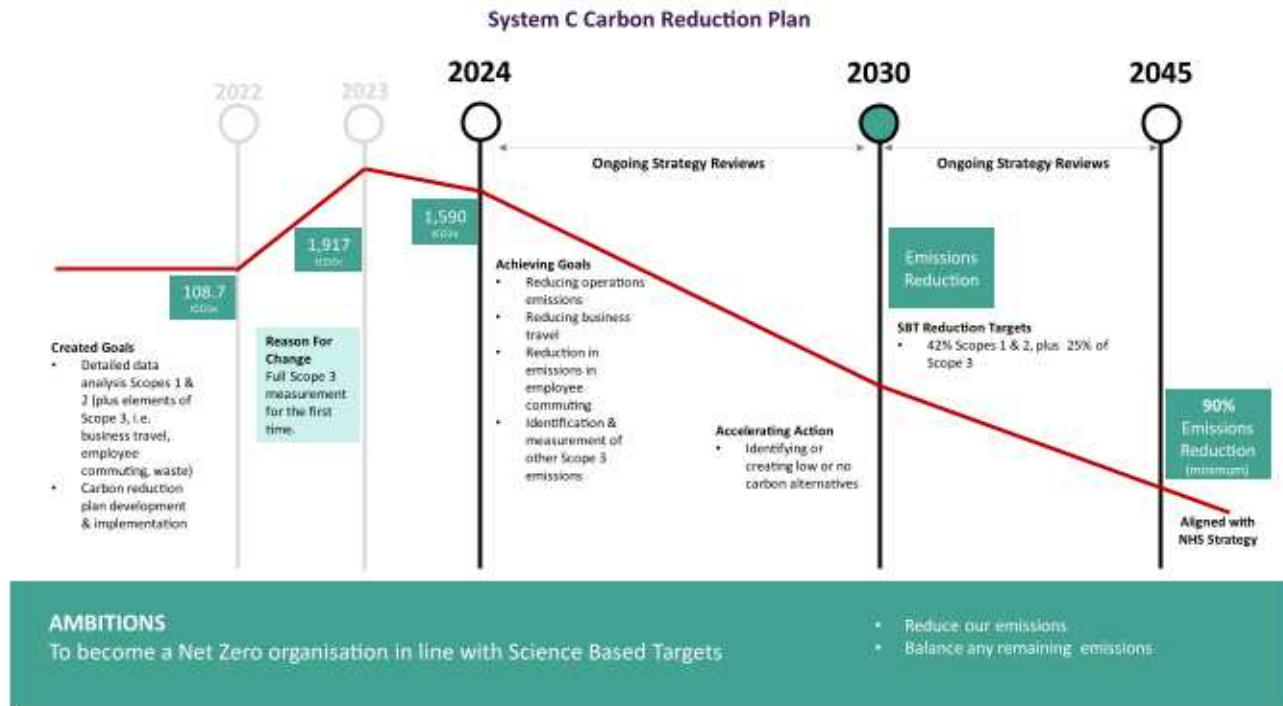
### 10. Intensity Metric Analysis



The chosen intensity metrics show carbon emissions value of 2.2 tCO<sub>2</sub>e per employee for all scopes and 0.1 tCO<sub>2</sub>e for Scopes 1 and 2. The business headcount averaged 737 people during the current period.

### 11. Emissions Reductions Targets

The following graph summarises the carbon emissions reduction targets.



## 12. Carbon Reduction Action Plans

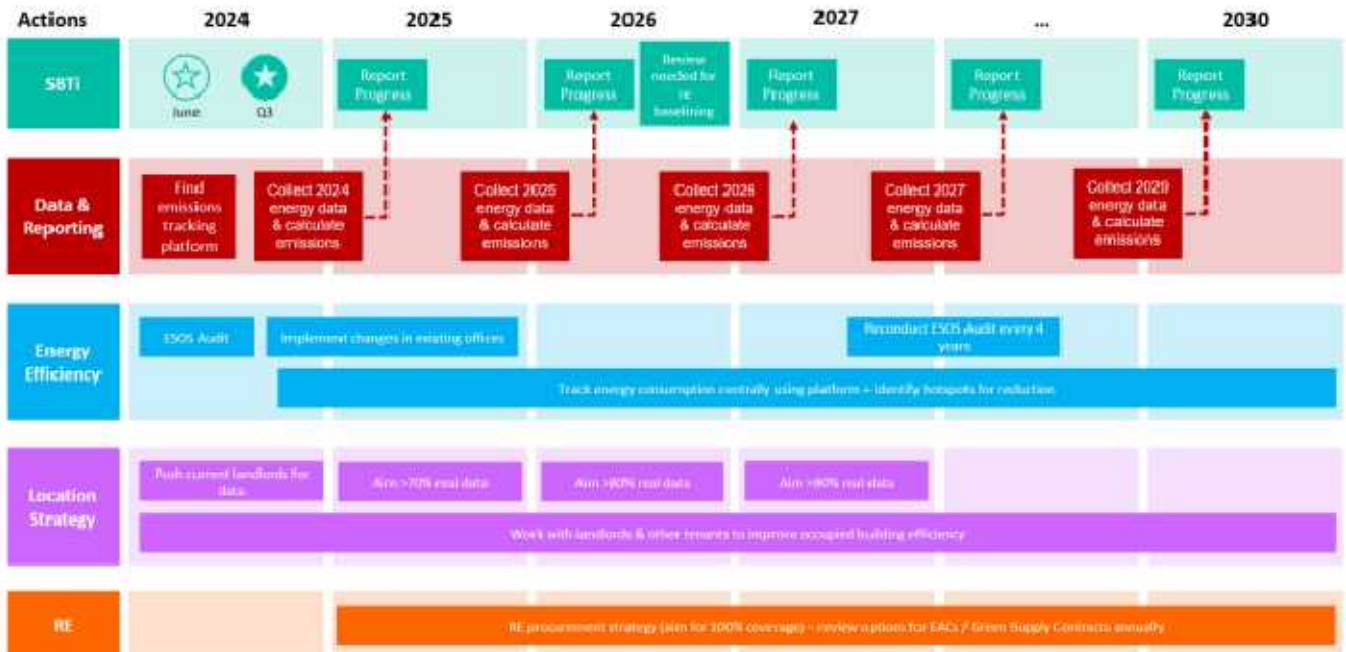
The following initiatives that will support **System C's** strategies to meet Science Based Targets:

Initiative	Action	Progress
<b>Sustainable travel policy</b>	<ul style="list-style-type: none"> <li>○ Ensuring the team uses public and low carbon transport options when practical to do so.</li> <li>○ Car share for business trips.</li> <li>○ Switch to Online Meetings and Online Events where possible and continue to embrace hybrid working.</li> <li>○ The electric car salary sacrifice scheme was introduced in 2021-22 with continual promotion of the scheme to employees.</li> <li>○ Cycle to work scheme ongoing since FY14/15 with a continual promotion of the scheme to employees.</li> </ul>	<ul style="list-style-type: none"> <li>○ All actions implemented.</li> </ul>
<b>Employee engagement</b>	<ul style="list-style-type: none"> <li>○ We have uploaded the prior Carbon Reduction Plan to our Central HR System so it can be easily accessed by employees.</li> <li>○ We will continue to share our plan with all employees to ensure understanding of our current emissions and involving employees in some of the solutions.</li> <li>○ Review and implement new methods to engage with employees.</li> <li>○ We have created an ESG strategy program along with an ESG committee group to oversee delivery and progress against actions.</li> <li>○ To get involved in local initiatives (i.e. litter picking, educational sessions).</li> </ul>	<ul style="list-style-type: none"> <li>○ The ESG committee has been formed and all ESG related content has been reviewed and updated on a dedicated ESG section on the company Intranet</li> <li>○ Appointed a new Sustainability Manager to oversee and implement the ESG strategy.</li> </ul>
<b>Sustainable Supplier policy</b>	<ul style="list-style-type: none"> <li>○ To create a framework to launch our Sustainable Procurement policy in 2024.</li> <li>○ Commit to using Sustainable and local suppliers where practical</li> </ul>	<ul style="list-style-type: none"> <li>○ Sustainable Procurement Policy is in draft and awaiting sign off.</li> <li>○ Supplier Code of Conduct implemented in 2024 to support our Environmental Policy.</li> </ul>
<b>Acceleration Plan to Net Zero</b>	<ul style="list-style-type: none"> <li>○ To create a plan to accelerate Decarbonisation with the ambition to achieve Net Zero by 2045.</li> </ul>	<ul style="list-style-type: none"> <li>○ Prioritised for ESG committee review to align to industry Net Zero targets.</li> </ul>
<b>Data Quality</b>	<ul style="list-style-type: none"> <li>○ To improve the quality and accuracy of data to ensure more accurate measurement of our emissions</li> </ul>	<ul style="list-style-type: none"> <li>○ We have included an increased amount of Scope 3 emissions in this report based on financial spend. We are developing a plan</li> </ul>



	<p>including actual waste produced per office/site.</p> <ul style="list-style-type: none"> <li>To measure employee commuting in 2023 and include in next year's report.</li> </ul>	<p>to engage with key suppliers with the aim of collecting primary data where possible, and to identify Decarbonisation actions. We have included employee commuting based on headcount and will improve this with a survey in 2025.</p>
<b>Other</b>	<ul style="list-style-type: none"> <li>Where practicable, to introduce LED lighting in all of our offices that do not currently have this by 2026.</li> <li>Where practicable, to switch all remaining offices to 100% renewable energy tariffs by 2026.</li> <li>Ensure all offices/site have recycling points.</li> </ul>	<ul style="list-style-type: none"> <li>All offices have recycling points and discussions with our landlords continue to enable LED lighting and renewable tariffs at our offices.</li> <li>ESOS report completed in July 2024 and actions from this audit will be considered and actioned in the 2024-2025 report.</li> </ul>
<b>Further Actions</b>	<ul style="list-style-type: none"> <li>System C are working on a full Decarbonisation strategy along with external consultants.</li> </ul>	<ul style="list-style-type: none"> <li>Plan is being finalised and will be included in the 2024-2025 report.</li> </ul>

### 13. High-level Scope 1 & 2 Decarbonisation Roadmap



### 14. High-level Scope 3 Decarbonisation Roadmap

Actions	2024	2025	2026	2028	2029	2030
<b>Scope 3 Data</b>	Initiate Data Collection	Collect data across scope 3 value chain	Measure & track emissions reductions and continual improve data collection and calculation methodology			
<b>PG&amp;S</b>	<b>Calculation Methodology</b>					
	Develop improved calculation methodology			Review calculation method		Continual to review calculation method every few years
<b>Supplier Engagement</b>	<b>Supplier Engagement</b>					
		Create focus groups with most engaged & impactful suppliers	Identify data collection and procurement requirements	Identify key de-carbonization opportunities	Work with suppliers to implement levers	Measure & track emissions reduction for levers
<b>Employee Commuting</b>	Refine employee commuting and home working policy	Engage / campaign with employees on low carbon travel	Measure & track emissions reductions and ask for employee feedback			
<b>Business Travel</b>	Refine business travel policy	Engage / campaign with wider business on low carbon travel	Measure & track emissions reductions and ask for employee feedback			

## 15. Emissions Data

The data contained in the table below represents total emissions calculated and is consistent with SECR requirements. All sources of emissions that have been measured are included in the totals below. Emissions from key activities are summarised in the previous sections.

	Previous Reporting Year Jan 22 - Dec 22*	Current Reporting Year Apr 23 - Mar 24
Energy consumption used to calculate emissions Electricity Scope 2 - UK and Offshore (kWh)	712,873	381,289
Energy consumption used to calculate emissions – Global, excluding UK and Offshore (kWh)	N/A	N/A
Basis of Energy reporting (Location or Market)	Location	Location
% of total energy sourced from certified renewable sources	0%	0%
Emissions associated with energy consumption - UK, Offshore and Global (tCO <sub>2</sub> e)	84.2	79.0
Emissions from activities for which the company is responsible including combustion of fuel and operation of facilities - <b>Scope 1</b> (tCO <sub>2</sub> e)	103.8	25.4
Emissions from purchase of electricity, heat, steam and cooling purchased for own use - <b>Scope 2</b> (tCO <sub>2</sub> e)	84.2	79.0
<b>Total Scope 1 and 2 Emissions (tCO<sub>2</sub>e)</b>	<b>188.0</b>	<b>104.4</b>
Emissions from upstream activities out of operational control - <b>Scope 3</b> (tCO <sub>2</sub> e)	1,728.9	1,485.9
Emissions from use of sold products and services out of operational control - <b>Scope 3</b> (tCO <sub>2</sub> e)	None included	None included
<b>Total Gross Scope 3 Emissions (tCO<sub>2</sub>e)</b>	<b>1,729.0</b>	<b>1,485.6</b>
<b>Total Scope 1, 2 &amp; 3 Emissions (tCO<sub>2</sub>e)</b>	<b>1,917.0</b>	<b>1,590.0</b>
Intensity ratio tCO <sub>2</sub> e (gross Scope 1, 2 and 3) per employee	3.1	2.2
Carbon offsets (tCO <sub>2</sub> e)	0.0	0.0
<b>Total Annual Net Emissions (tCO<sub>2</sub>e)</b>	<b>1,917.0</b>	<b>1,590.0</b>

\* Emissions calculations available are for slightly different periods, namely calendar year and UK tax year. As such, the comparisons above are based on available data.

## 16. Emissions in kWh Analysis

Data Details		2022-2023	2023-2024
Emission Type	Scope	t CO <sub>2</sub> e	t CO <sub>2</sub> e
Gas	1	13.1	25.5
Electricity	2	24.9	78.9
Business Miles in Personal vehicles	3	108.0	88.2
<b>TOTAL</b>		<b>146</b>	<b>192.6</b>
		<b>Miles</b>	<b>Miles</b>
Gas	1	-	-
Electricity	1	-	-
Business Miles in Personal vehicles	3	395,439	328,731
		<b>kWh</b>	<b>kWh</b>
Gas	1	287,972	138,249
Electricity	2	506,348	381,289
Business Miles in Personal vehicles	3	423,119	351,742
<b>Total</b>		<b>1,217,439</b>	<b>871,280</b>
		<b>Staff</b>	<b>Staff</b>
Headcount		624	737
t CO <sub>2</sub> e per employee		0.23	0.26

## 17. PPN 06/21 Compliant Data

The following table is a subset of mandatory reporting data for PPN 06/21 and excludes the categories of water supply, transmission and distribution of electricity and purchased goods and services from the full report. Therefore there is a reduction of 331.4 tCO<sub>2</sub>e in this section of the report compared to the full emissions reporting.

PPN 06/21	Emissions Data	tCO <sub>2</sub> e	
<b>Scope 1</b>	Gas	25.4	
<b>Scope 2</b>	Electricity	79.0	
<b>Scope 3</b>	4. Upstream transportation and distribution	0.0	Not applicable
<b>Scope 3</b>	5. Waste generated in operations	2.0	
<b>Scope 3</b>	6. Business travel	484.9	
<b>Scope 3</b>	7. Employee commuting	667.3	To be measured in 2024/2025
<b>Scope 3</b>	9. Downstream transportation and distribution	0.0	Not applicable
	<b>TOTAL</b>	<b>1,258.6</b>	

## 18. 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 (CO<sub>2</sub>e) 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 – WRI Scope 2 Guidance on procured renewable energy (2015).

## 19. 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 CO<sub>2</sub>e using GHG Protocol and DESNZ frameworks and conversion factors for the relevant period.

## 20. 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.

## 21. 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-mentioned subsidiaries.**

Name: **Nick Wilson**



Position: **Chief Executive Officer**

Date: 13/12/24

## 22. Third Party Verification

This report was compiled on behalf of System C Healthcare Limited by Net Zero International using the notch Carbon Accounting Platform.

### **Validated on behalf of Net Zero International**

Name: **David Hawes**



Position: **Chief Executive Officer**

Date: 13th December 2024

## 23. Glossary

<b>Benchmark Data</b>	The chosen 12-month period that sets the calculated emissions that need to be mitigated and/or offset.
<b>Carbon Reduction</b>	Reduction in measured CO <sub>2</sub> e emissions
<b>Carbon Reduction Plan</b>	Plan to reduce CO <sub>2</sub> e emissions over a period of time, updated annually
<b>Carbon Emissions (Gross)</b>	CO <sub>2</sub> e emissions from Company activities
<b>Carbon Emissions (Net)</b>	CO <sub>2</sub> e emissions from Company activities minus verified carbon offsets the Company purchases
<b>Carbon Neutral</b>	When emissions are fully offset including those emissions that could be mitigated.
<b>Carbon Offsets</b>	A removal or reduction of carbon emissions through a verified scheme.
<b>CO<sub>2</sub>e</b>	All greenhouse gases expressed in terms of Carbon Dioxide equivalent (CO <sub>2</sub> e) for consistency of reporting.
<b>DESNZ</b>	Department of Energy Security and Net Zero ( <a href="https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting">https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting</a> )
<b>EEIO</b>	Environmentally Extended Input Output – Emissions estimated on spend <a href="https://ghgprotocol.org/">https://ghgprotocol.org/</a>
<b>GHG Protocol</b>	Greenhouse Gas Protocol <a href="https://ghgprotocol.org/">https://ghgprotocol.org/</a>
<b>Greenhouse Gases</b>	Carbon Dioxide (CO <sub>2</sub> ), Methane (CH <sub>4</sub> ), Nitrous Oxide (N <sub>2</sub> O), Chlorofluorocarbons (CFCs and HCFCs), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulphur Hexafluoride (SF <sub>6</sub> )
<b>Greenhouse Gas Conversion Factors</b>	Annually published conversion factors normally published by relevant government departments. Converts activity into CO <sub>2</sub> e emissions.
<b>Greenhouse Gas Emissions (GHG)</b>	Gases in the atmosphere that absorb and radiate heat
<b>Intensity Metric/Ratio</b>	A metric that measures carbon emissions per relevant unit of activity in a business.
<b>Market Reporting v Location Reporting</b>	Market is based on specific tariffs. Location is based on the country from which you are reporting.
<b>Net Zero</b>	GHG emissions are mitigated and those that cannot are offset
<b>Renewable Tariff</b>	An energy tariff that is 100% powered by renewable energy and is certified.
<b>SBT</b>	Science Based Targets – reducing emissions by 50% by 2030 and by 90% by 2050 and offsetting the remaining amount.
<b>Scope 1</b>	The fuels that are burnt (gas, transport the company owns, refrigerant gases)
<b>Scope 2</b>	The energy that is bought (electricity from the grid, purchased heat)
<b>Scope 3</b>	Emissions embedded in everything a company buys and emitted as a consequence of everything a company sells.
<b>SECR</b>	Streamlined Energy & Carbon Reporting
<b>tCO<sub>2</sub>e</b>	Metric tonnes of CO <sub>2</sub> equivalent emitted.
<b>WBCSD</b>	World Business Council for Sustainable Development <a href="https://www.wbcsd.org/">https://www.wbcsd.org/</a>
<b>WRI</b>	World Resource Institute <a href="https://www.wri.org/">https://www.wri.org/</a>