

CARBON REDUCTION PLAN & UNFCCC RACE TO ZERO – PLEDGE & PLAN

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Company Overview

The **System C & Graphnet Care Alliance** is an alliance between the following companies:

- System C Healthcare Limited, a company registered in England and Wales under company number 01754990 whose registered office is at The Maidstone Studios, Vinters Business Park, New Cut Road, Maidstone, Kent, ME14 5NZ ("**System C**"); and
- Graphnet Health Limited, a company registered in England and Wales under company number 029339050 whose registered office is at Marlborough Court, Sunrise Parkway, Linford Wood, Milton Keynes, Buckinghamshire, MK14 6DY ("**Graphnet**").

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).

Graphnet has the following subsidiaries:

- Shearwater Systems Limited (company number 08353777); and
- Docobo Ltd (company number 04283506).

It should be noted that:

- **System C** acquired Careflow Medicines Management on 23 July 2021 and further, **Graphnet** acquired Docobo on 4 November 2021. All emissions calculations have been measured from 1 April 2021 despite both acquisitions being completed part way through Financial Year 2021/2022.
- Shearwater Systems Limited ceased to trade on the 4 March 2022 and is now a dormant subsidiary company of Graphnet.

System C, Graphnet and their respective subsidiaries are collectively known as the "**System C & Graphnet Care Alliance**" or "**Alliance**" and this Carbon Reduction Plan is prepared on behalf of the entire **System C & Graphnet Care Alliance**.

Reporting Period

April 2021 – March 2022

Quantification & Reporting Methodology

This report has been constructed using the Environmental Reporting Guidelines: including Streamlined Energy & Carbon Reporting, guidance issued by the UK Government in January 2020

The report uses the **CBN Expert** Professional Carbon Accounting software as the basis of determining the carbon emissions of the organisation. Where they exist, **CBN Expert** uses the UK Government published carbon conversion factors relevant to the reporting period. Where emissions without published conversion factors have been used these have been calculated in consultation with relevant stakeholders and any industry norms or standard that exist. The details of these are included in the Data Declaration section of this report.

Organisational Boundary

This report has been constructed using the:

- Operational Control Approach

Operational Scopes

Emissions from Scope 1 & 2 have been measured along with certain Scope 3 emissions. The Scope 3 emissions that have been included are:

- Business Travel – Cars
- Water and wastewater
- Transmission and Distribution for grid-based electricity supply

Baseline Year

The baseline year is April 2021 – March 2022 (same as the Reporting Period) as this is the first reporting year for **the System C & Graphnet Care Alliance**.

It should be noted that whilst **System C** has, where required, complied with its SECR obligations, all prior SECRs have only assessed and reported calculated emissions for **System C** and its subsidiaries (save for Careflow Medicines Management) and not for **Graphnet** or **Graphnet's** subsidiaries.

RACE TO ZERO PLEDGE

Declaration of Participation – Community Member Company

The **System C & Graphnet Care Alliance** recognises the importance of making a full and lasting commitment to reducing the greenhouse gas (GHG) emissions from our activities, in support of the wider commitment of the world to limit global temperature increases and the impact on the planet.

As a signatory member of the Network Net Zero community we commit to the following:

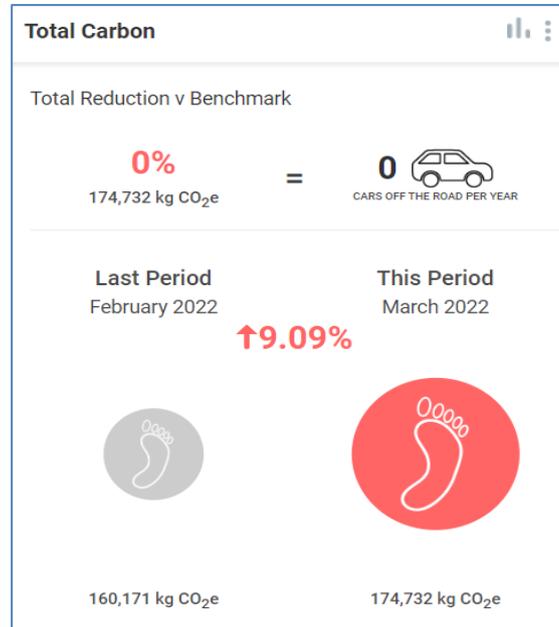
1. For **the System C & Graphnet Care Alliance** to achieve Net Zero in line with the Science Based targets set out by the UNFCCC i.e. to achieve Net Zero no later than 2050 and target a 50% reduction in emissions by 2030.
2. To set realistic short- and long-term targets that are designed to achieve our Net Zero commitments.
3. To report the total GHG emissions of our business regularly and for our performance to be part of the community's annual reporting back to the UNFCCC.

The **System C & Graphnet Care Alliance** acknowledge that our commitment will be reported on the Network Net Zero website.

The **System C & Graphnet Care Alliance** 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>

	Year	Potential Year (if ahead of target)
Pledge to be Net Zero	2050	2045
50% Emissions Reduction	2030	2030

Carbon Emissions Overview – April 2021 – March 2022



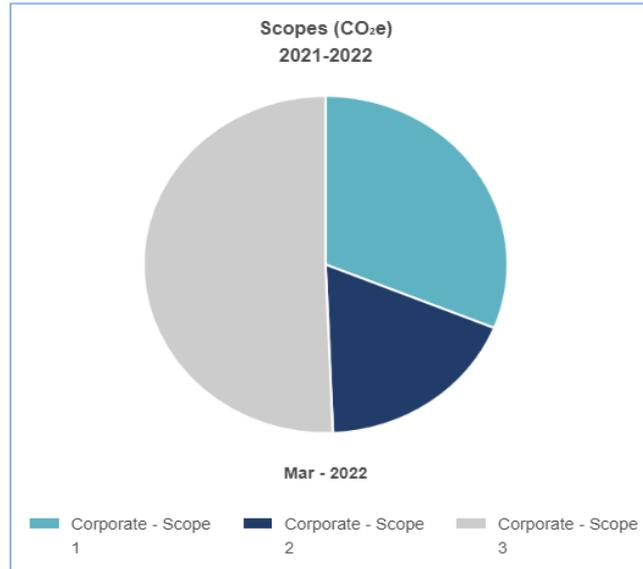
The emissions in the business have been calculated at 174,732kg CO₂e.

Two Scope 3 measures have been added for the first time in 2021-2022:

1. Water and wastewater of 304kg CO₂e
2. Transmission and distribution of electricity of 11,144kg CO₂e

Transmission and distribution, and water and wastewater, have been included as **the System C & Graphnet Care Alliance** looks to improve the accuracy and scope of measurement year on year.

Analysis by Scope – April 2021 – March 2022

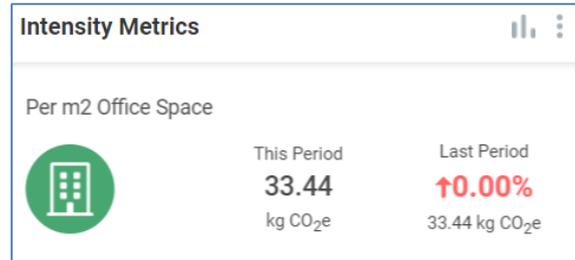


Scope 1 is 31.14% of total calculated emissions. This is 54,412kg CO₂e and is the calculated gas used at the various **the System C & Graphnet Care Alliance** premises.

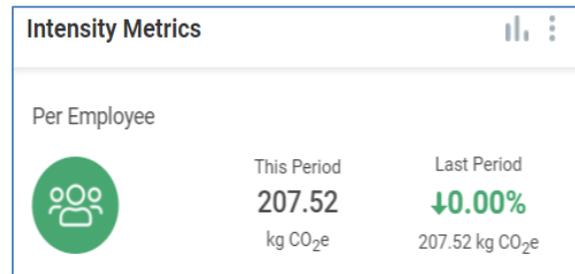
Scope 2 is 18.21% of total calculated emissions. This is 31,827kg CO₂e and is the calculated electricity used at the various **the System C & Graphnet Care Alliance** premises.

Scope 3 is 50.65% of total calculated emissions. This is 88,493kg CO₂e. This is the calculated total of business travel by car, transmission and distribution, water and wastewater emissions.

Intensity Metric Analysis April 2021 – March 2022



The intensity metric of office space shows 33.44kg CO₂e per square metre of office space occupied. The total office space occupied by **the System C & Graphnet Care Alliance** is 5225.7 square metres.



The intensity metric of per employee shows 207.52kg CO₂e per employee. The total employees working for **the System C & Graphnet Care Alliance** in this period was 842.

Methodology Statement

Energy Use

The **System C & Graphnet Care Alliance** operates across 16 different sites in the UK – Maidstone (2), Stratford-upon-Avon, Sheffield, Warrington (2), Bristol, Nottingham, Canterbury, Leeds, Milton Keynes, Basildon, Liverpool (2) and Great Bookham (2).

Energy bills are included in the rent at both Maidstone sites, Sheffield, Bristol, Milton Keynes and Basildon. Therefore, the energy usage is not explicit. In order to provide an acceptable approach for estimating the company -wide emissions, **Net Zero International** has used the following methodology

1. Calculate the known energy use for the offices where the data is available
2. Calculate the square meterage of the offices where data is known.
3. Use that calculated average of known energy usage per square metre and multiply it by the square metreage of the sites that have their energy included in the rent.

The known readings were 359,825 kWh for electricity and 334,242 kWh for gas, based on an office area of 3,382.9 square metres.

This equates to 106.36 kWh of electricity and 98.8 kWh of gas per square metre of property.

The whole property portfolio is 5,225.7 square metres. This makes an estimated electricity usage of 555,805 kWh and 516,317 kWh of gas across the whole portfolio.

A further assumption has been made that all tariffs are on a 75% renewable tariff, based on the known data where 75% of the electricity and gas is from renewable sources. As discussions continue with landlords, this data will become more accurate in the future.

Business Mileage

The business mileage has been calculated by using the mileage claimed through the business expenses and fuel card systems. For the Alliance, the total mileage driven on business for 2021-2022 was 282,633 miles.

Fuel type and engine size were not available and therefore the Department of Transport and DVLA Licensed Vehicle document VEH1103 has been used to establish the split of vehicle by fuel type on UK roads at the end of 2021. This shows that of all vehicles 58.6% were petrol vehicles, 36.3% were diesel vehicles and 5.1% were electric/hybrid vehicles.

This methodology equates to 165,623 miles in average petrol vehicles, 102,595 miles in average diesel vehicles and 14,415 in average electric/hybrid vehicles.

Water and Wastewater

Water and wastewater are calculated using the same methodology as energy. The known water and wastewater readings were used to calculate the average water and wastewater use

per square metre of the premises where this data was available. This was an average of 0.138 metres cubed of water and 0.137 metres cubed of wastewater per square metre of premises.

The whole property portfolio is 5,225.7 square metres. This makes an assumed water usage of 721.14 metres cubed and 715.9 metres of wastewater across the whole portfolio.

Business Carbon Reduction Plan

In order to achieve a 50% reduction in calculated emissions by 2030 and Net Zero by 2050 in accordance with our Race to Zero Pledge, **the System C & Graphnet Care Alliance** has already successfully implemented and further, has adopted future **Alliance-wide** carbon reduction initiatives as detailed below.

Completed Carbon Reduction Initiatives:

1. Introduction of various recycling points across 13 of our 16 sites.
2. Installation of LED lighting in 7 of our sites.
3. Introduction of an Electric Vehicle ('EV') scheme in FY21/22 for staff members to purchase EVs via salary sacrifice.
4. Participation in the Government's cycle to work scheme since FY14/15. We will measure employee commuting in 2022/23 and understand the full benefit of this scheme.
5. Two of our offices are on 100% renewable energy tariffs (Maidstone and Sheffield).
6. Embraced alternative and hybrid working models following the global COVID 19 pandemic.

Future Carbon Reduction Initiatives:

1. To introduce a sustainable travel policy (via an amendment to our existing Travel & Expenses Policy) so that the focus is centred around choosing the right mode of transport for all business related travel and placing a reduction in carbon emissions at the centre of this.
2. To collect full and accurate data on the amount of actual waste produced per office. We are in the process of discussing with our waste collection partners the best way to capture and collate accurate information.
3. To measure further Scope 3 emissions including employee commuting and any Transport & Distribution (upstream & downstream).
4. Where practicable, to introduce LED lighting in all of our offices that do not currently have this by 2026.



5. Where practicable, to switch all remaining offices to 100% renewable energy tariffs by 2026.

The System C & Graphnet Care Alliance appreciates that it is imperative that all employees understand our commitment and pledge to Net Zero and the strategies that we will seek to implement going forward to achieve this. **The System C & Graphnet Care Alliance** will make use of its internal Communications Team to communicate and publish this first Plan following sign off and at a minimum annually thereafter. All Plans will be uploaded to a central HR system for employees, so they can be easily accessed employees at any time. **The System C & Graphnet Care Alliance** is currently considering new and other methods to engage with employees on its pledge to Net Zero and will provide further information of such identified methods in the Plan for FY22/23.

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.

	Status	Baseline Year Apr 2021 – Mar 2022	Current Reporting Year Apr 2021 – Mar 2022
Energy consumption used to calculate emissions / kWh Electricity Scope 2 (UK & Offshore)	Mandatory	555,805	555,805
Energy consumption used to calculate emissions / kWh (Global: excluding UK & Offshore)	Mandatory	0	0
Basis of Energy reporting (Location or Market)		Market	Market
% of Energy sourced from certified renewable sources		75%	75%
Emissions associated with Energy Consumption (UK, Offshore & Global)		31,827kg	31,827kg
Emissions from activities for which the company is responsible including combustion of fuel & operation of facilities (Scope 1) / tCO ₂ e	Mandatory	54,412kg	54,412kg
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) / tCO ₂ e	Mandatory	31,827kg	31,827kg
Total gross Scope 1 & Scope 2 emissions / tCO₂e	Mandatory	86,239kg	86,239kg
Intensity ratio: CO₂e per m² Office Space	Mandatory	16.5kg	16.5kg
Emissions from upstream activities out of operational control (Scope 3) / tCO ₂ e	Optional	88,493kg	88,493g
Emissions from use of sold products and services out of operational control (Scope 3) / tCO ₂ e	Optional	0	0
Total Gross Scope 3 emissions / tCO₂e	Optional	88,493kg	88,493kg
Total Gross Scope 1,2 (location, market) & 3 emissions / tCO₂e	Optional	174,732kg	174,732kg
Intensity ratio tCO ₂ e (gross Scope 1,2 &3) / m ² Office space	Optional	33.44kg	33.44kg
Intensity ratio tCO ₂ e (gross Scope 1,2&3) / per staff member	Optional	207.52	207.52kg
Carbon offsets tCO ₂ e	Optional	0	0
Total annual net emissions / tCO₂e	Optional	174,732kg	174,732

Standard and Methodology Used

The **System C & Graphnet Care Alliance** 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 BEIS 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).

Data Quality / Confidence

The data used to generate this report has been collected from various sources from within the Company. Where data has not been available **Net Zero International** have provided the methodology. These emissions have been converted to CO₂e using the **CBN Expert** Dashboard. In all cases (except for Computer Servers) **CBN Expert** has used the Conversion Factors published by BEIS/Defra for the relevant period.

Scope 3 Emissions

The **System C & Graphnet Care Alliance** is committed to measure and act to reduce its emissions in all 3 Scopes. This report reflects the amount of Scope 3 emissions that it has been technically feasible and cost effective to measure and act against. **The System C & Graphnet Care Alliance** remains committed to work with its entire supply chain to ensure as much of its Scope 3 emissions can be accurately measured and to develop actions that target long term reductions in this emissions category.

Offsets

As part of the commitment of **the System C & Graphnet Care Alliance** 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.

Third Party Verification

This report was compiled on behalf of **the System C & Graphnet Care Alliance** by **Net Zero International Limited** using the **CBN Expert** Carbon Accounting Platform.

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

DocuSigned by:

Nick Wilson

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Name: Nick Wilson

Position: Ceo

Date: 23/7/2022

**Signed on behalf of Graphnet Health Limited and its above
stated subsidiaries**

DocuSigned by:

Brian Waters

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Name: Brian waters

Position: CEO

Date: 15/7/2022

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.
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 gasses)
Scope 2	The energy that is bought (electricity from the grid, purchased heat)
Scope 3	Emissions embedded in everything a company buys and emitted as a consequence of everything a company sells.
SECR	Streamlined Energy & Carbon Reporting
tCO₂e	Metric tonnes of CO ₂ equivalent emitted.
UNFCCC	United Nations Framework Convention on Climate Change
UN Race To Zero	United Nations campaign mobilising organisations to commit to reaching Net Zero no later than 2050.
WBCSD	World Business Council for Sustainable Development https://www.wbcsd.org/
WRI	World Resource Institute https://www.wri.org/