

CARBON REDUCTION PLAN

April 2022 – March 2023

Author: Legal Department

Version: FINAL

Created: 31/07/2023

Updated: N/A

Classification: COMMERCIAL IN CONFIDENCE

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 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 Greenhouse Gas emissions of our business, at a minimum, on an annual basis.

	Year	Earlier Year if Possible
Commitment to be Net Zero	2050	2045*/**
50% Emissions Reduction	2030	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 2040.

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 2022 – March 2023
Industry	Health & 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

April 2022 – March 2023

4 Organisational Boundary

This report has been constructed using the

- Operational Control Approach

5 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 those that have been practical to measure with available data, which are as follows:

- Business Travel – Cars
- 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 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.

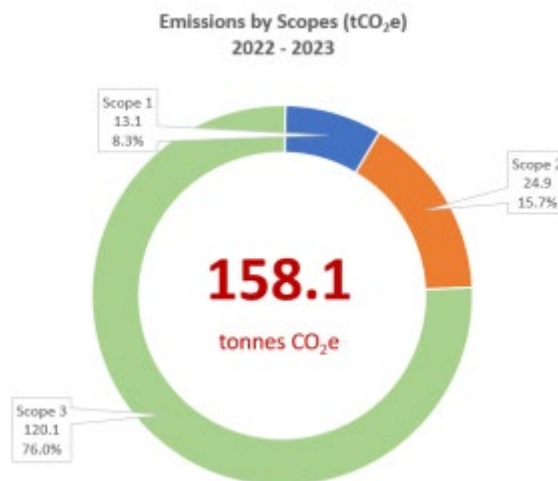
7 Carbon Emissions Overview



The total calculated emissions for the business for the period 2022-2023 are 158.1 tCO₂e, an increase of 49.4 tCO₂e from the previous year. This increase is due to a more normal return to working practices following COVID 19 and increased business travel.

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

8 Analysis by Scope



Scope 1 emissions amount to 13.1 tCO₂e, representing 8.3% of the company’s emissions. Scope 1 emissions include gas used in the office. The company does not own any vehicles.

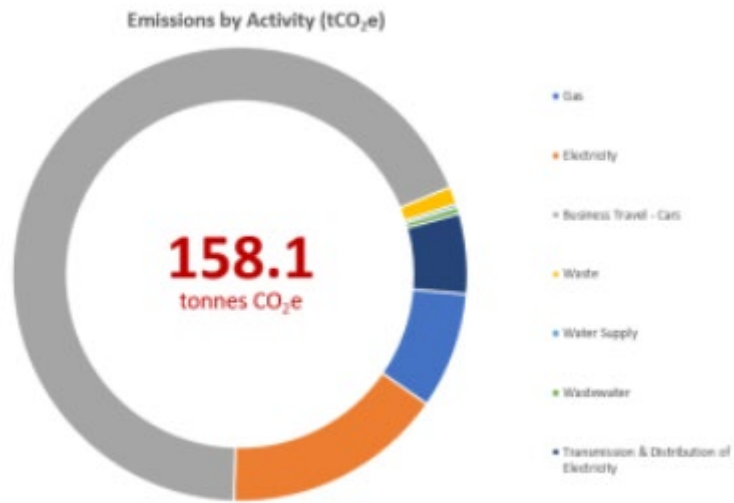
Scope 2 emissions accounts for 15.7% of calculated emissions. This is the electricity used at the company’s offices. Scope 2 emissions were 24.9 tCO₂e in this period. Some offices are on a renewable tariff and has been confirmed by the appropriate Landlords.

Scope 3 emissions accounts for 76.0% of calculated emissions and includes:

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

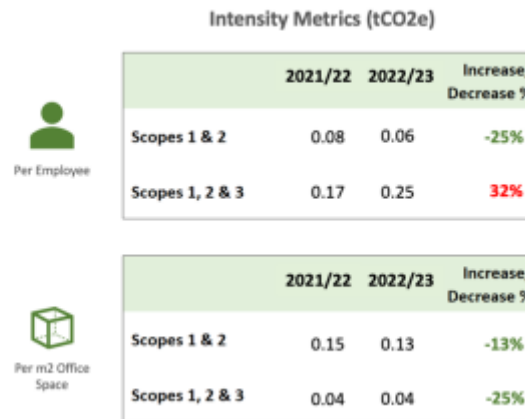
Scope 3 emissions were 120.1 tCO₂e in this period.

9 Emissions By Activity



Data Details		2022-2023		
Emission Type	Scope	t CO ₂ e	Data Source	Data Confidence
Energy				
Gas	1	13.1	Gas Bills & factored data	Medium
Electricity	2	24.9	Electricity Bills & factored data	Medium
Business Travel				
Business Travel - Cars	3	108.0	Mileage Summary	Medium
Other Scope 3 Measures				
Transmission & Distribution of electricity	3	9.0	Electricity Data	Medium
Waste	3	2.0	Waste Data	Medium
Wastewater	3	0.7	EEIO Spend Analysis	Medium
Water Supply	3	0.4	EEIO Spend Analysis	Medium
TOTAL		158.1		

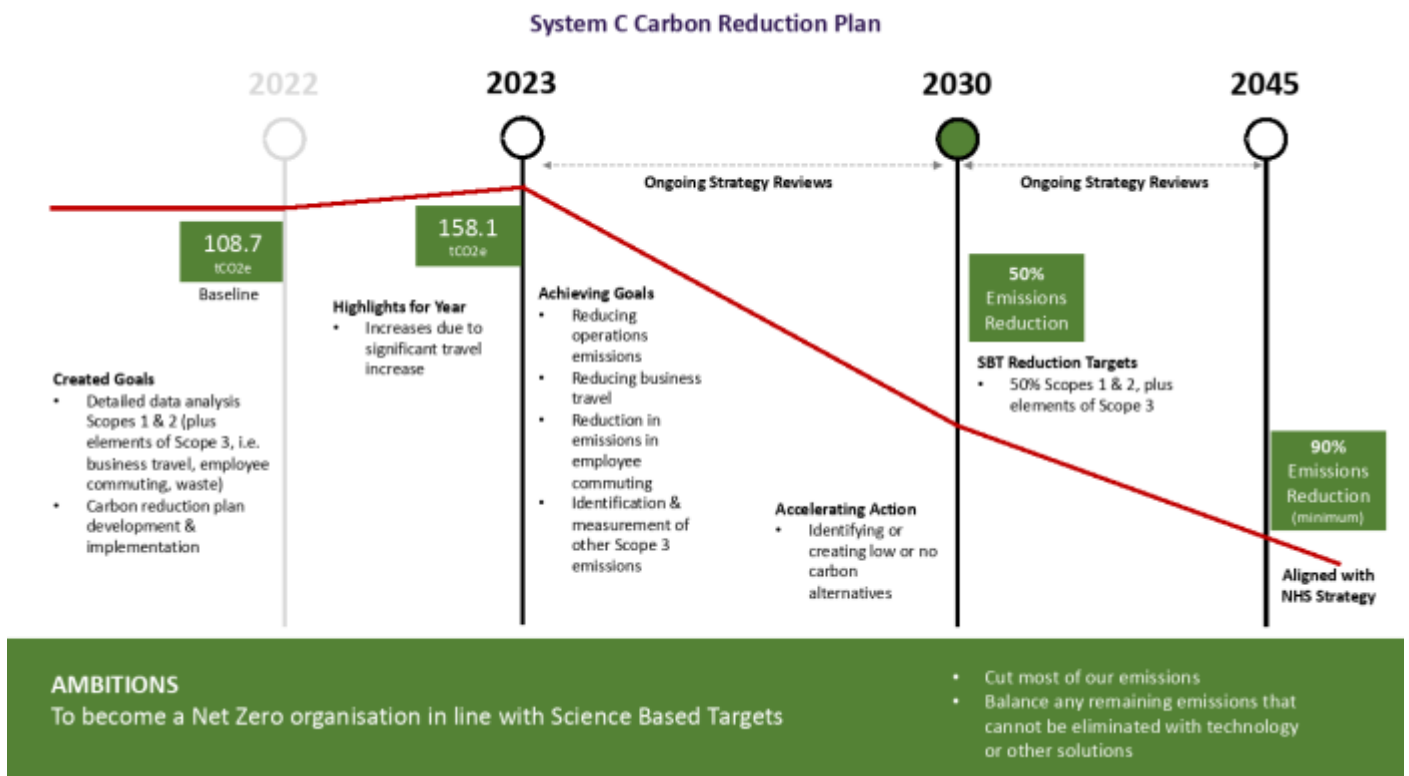
10 Intensity Metric Analysis



The chosen intensity metrics show carbon emissions value of 0.25 tCO₂e per employee and 0.04 tCO₂e per m² office space. The business headcount averaged 624 people during the current period. The total office space is 3,595 square metres. This calculation replaces the original Nottingham office space of 436.6 square metres with the new Nottingham office space of 61 square metres. This change took place on 1st December 2022.

11 Emissions Reductions Targets

The following graph summarises the carbon emissions reduction targets.



12 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 solutions. ○ Review and implement new methods to engage with employees. ○ We have created an ESG strategy program along with a 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.
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. ○ Ensure all offices/site have recycling points.

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

Name:

Position:

Date:

13 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.

As stated above, 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 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.

	SECR Status	Current Reporting Year Apr 22 - Mar 23	Previous Reporting Year Apr 21 - Mar 22
Energy consumption used to calculate emissions Electricity Scope 2 - UK & Offshore (kWh)	Mandatory	506,348	411,965
Energy consumption used to calculate emissions – Global, excluding UK & Offshore (kWh)	Mandatory	N/A	N/A
Basis of Energy reporting (Location or Market)	Mandatory	Market	Market
% of total energy sourced from certified renewable sources	Optional	75.0%	75.0%
Emissions associated with energy consumption - UK, Offshore & Global (tCO ₂ e)	Mandatory	24.9	12.4
Emissions from activities for which the company is responsible including combustion of fuel & operation of facilities - Scope 1 (tCO ₂ e)	Mandatory	13.1	39.8
Emissions from purchase of electricity, heat, steam and cooling purchased for own use - Scope 2 (tCO ₂ e)	Mandatory	24.9	12.4
Total Scope 1 & 2 Emissions (tCO₂e)	Mandatory	38.0	52.2
Emissions from upstream activities out of operational control - Scope 3 (tCO ₂ e)	Optional	12.1	8.4
Grey Fleet business travel emissions (Scope 3) / tCO ₂ e	Optional	108	48.1
Emissions from use of sold products and services out of operational control - Scope 3 (tCO ₂ e)	Optional	None included	None included
Total Gross Scope 3 Emissions (tCO₂e)	Optional	120.1	56.5
Total Scope 1, 2 & 3 Emissions (tCO₂e)	Optional	158.1	108.7
Intensity ratio tCO ₂ e (gross Scope 1, 2 & 3) per employee	Optional	0.25	0.17
Carbon offsets (tCO ₂ e)	Optional	0.0	0.0
Total Annual Net Emissions (tCO₂e)	Optional	158.1	108.7

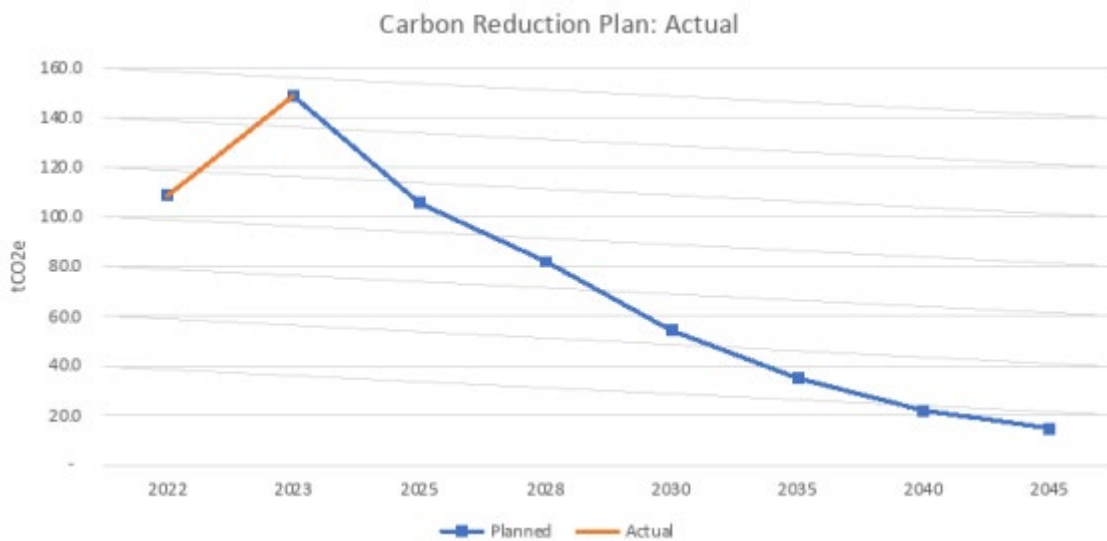
Emissions in kWh Analysis

	2022/2023 (kWh)	2022/2023 (tCO2e)	2021/2022 (kWh)	2021/2022 (tCO2e)
Electricity (Scope 2)	506,348	24.9	411,965	12.4
Natural Gas and Burning Oil (Scope 1)	287,972	13.1	414,972	39.8
Transport fuels – Company Vehicles (Scope1)	0	0	0	0
Transport Fuels – Grey Fleet (Scope 3)	440,203	108	190,730	48.1
Total	1,234,523	146	1,017,667	100.3

14 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 and transmission and distribution of electricity from the full report. Therefore there is a reduction of 9.4 tCO₂e in this section of the report.

PPN 06/21	Emissions Data	tCO ₂ e	
Scope 1	Gas	13.1	
Scope 2	Electricity	24.9	
Scope 3	4. Upstream transportation and distribution	0	Not applicable
Scope 3	5. Waste generated in operations	2.7	
Scope 3	6. Business travel	108	
Scope 3	7. Employee commuting	0	To be measured in 2023/2024
Scope 3	9. Downstream transportation and distribution	0	Not applicable
	TOTAL	148.7	



15 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).

16 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.

17 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.

18 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.

Name: **Nick Wilson**

Position: **CEO**

Date: **1st August 2023**

19 Third Party Verification

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

Validated on behalf of Net Zero International

Name: **David Hawes**

Position: **Co-Founder**

Date: **11th July 2023**

20 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/government-conversion-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

	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.
WBCSD	World Business Council for Sustainable Development https://www.wbcsd.org/
WRI	World Resource Institute https://www.wri.org/