



Carbon Reduction Plan FY 2023

Supplier name: Shared Services Connected Ltd ("SSCL")
Publication date: May 2024



Commitment to achieving Net Zero

Shared Services Connected Limited (SSCL) are proud to be considered as early adopters of climate change standards since 2017 where we aligned our science-based targets well below 2°C which were validated by the Science Based Targets initiative (SBTi). Later in 2019 these targets were updated to be 1.5°C aligned.

In 2020, we adopted the UN Climate Neutral Now definition of Net Zero as “the state where a balance between anthropogenic greenhouse gas (GHG) emissions and removals is achieved”, by taking the following actions:

1. Measure 100% of the organisation's GHG emissions;
2. Reduce GHG emissions as far as possible; and
3. Offset remaining emissions through projects that remove carbon from the atmosphere in the long term.

A Net Zero target date of 2028 was set under the UN Climate Neutral NOW programme. As the effects of offsetting continue to evolve, we decided as an organisation to move towards a more ambitious Net Zero target with a greater focus on reduction and less on sequestration through offsetting and carbon credits.

In 2022, Sopra Steria Group/ SSCL committed to the SBTi Net-Zero Standard (hereafter referred to as 'The Standard') which has become the globally accepted best practice standard for organisations setting Net Zero targets.

The definition of Net Zero under The Standard requires SSCL to strive towards achieving a 90% reduction in absolute emissions from a baseline measurement by no later than 2050.

Consequently, Sopra Steria Group/ SSCL proposed a revised net zero target achievement date of 2040. In July 2023, the SBTi validated the following net zero targets, using an updated baseline year of 2019.

Near-Term Targets

1. SSCL commits to reduce absolute scope 1 and 2 GHG emissions by 54% by 2030 from a 2019 base year.
2. SSCL also commits to reduce absolute scope 3 GHG emissions by 37.5% by 2030 from a 2019 base year.

Long-Term Targets

1. SSCL commits to reduce absolute scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year.
2. SSCL also commits to reduce absolute scope 3 GHG emissions by 90% by 2040 from a 2019 base year.

Baseline and Current Emissions Footprint

Baseline emissions are a record of the GHGs that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured. The Reporting Year is the calendar year 2023 and the Baseline Year is the calendar year 2019.

Table 1: SSCL's Emissions by Scope and Category for the Reporting Year (2023) and its Baseline Year (2019)

| Scope | Category/ Definition | | Description of source | Emissions (tCO _{2e}) | |
|-------|---|--|---|--------------------------------|----------------------|
| | | | | Reporting year (2023) | Baseline year (2019) |
| 1 | Direct emissions from owned or controlled sources | | Combustion of fuel, & leakages of refrigerant | 282 | 491 |
| 2 | Indirect emissions from the generation of purchased electricity, steam, heating and cooling | | Generation of electricity consumed (on a market basis) | 47 | 0 |
| 3 | 1 | Purchased Goods & Services | Supply chain | 12,264 | 6,554 |
| | 3 | Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 | The production and delivery of fuel and electricity | 144 | 297 |
| | 4 | Upstream transportation and Distribution | Emissions from upstream transportation and distribution are included in Scope 3 Category 1 | | |
| | 5 | Waste Generated in Operations | Treatment of waste including waste water | 5 | 10 |
| | 6 | Business Travel | Travel for business purposes, including hotel nights | 303 | 444 |
| | 7 | Employee Commuting | Travel by employees to and from their places of work and emissions due to remote working (homes and client sites) | 1,439 | 1,526 |
| | 8 | Upstream Leased Assets | Off-site data centres | 0 | 0 |
| | 9 | Downstream transportation and Distribution | Not applicable – see Table 2 | 0 | 0 |
| | 13 | Downstream Leased Assets | Tenants | 0 | 0 |
| | | All | | 14,484 | 9,322 |

In 2023, our total absolute Scope 1 and 2 (market-based emissions) decreased by 32.9%; whilst total Scope 3 emissions increased by 60% compared with the baseline year of 2019. . In 2023, supplier spend increased by 153.9% whilst emissions from purchased goods and services increased by 87.1% compared with the 2019 baseline year. Thus, in terms of the impact on our overall emissions, this caused our total absolute emissions (i.e Scope 1 + Scope 2 -market based + Scope 3) to increase by 55.4% in 2023. All other scope categories of GHG emissions, with the exception of Scope 2 (market based emissions), decreased in 2023. Therefore, without accounting for supply chain emissions our total GHG emissions figures in 2023 would have shown a 19.8% decrease.

In 2023, Scope 2 (market based) emissions increased to 47tCO₂(e) from zero in previous years. Historically, 100% of procured electricity for SSCL was from renewable sources backed by renewable guarantee of origin certificates (REGOs) and guarantee of origin (GO) certificates. During 2023, some landlords for buildings where SSCL occupies office spaces, made a decision based on costs not to renew renewable electricity contracts with their energy suppliers. In addition, due to post-Brexit energy policies implemented by OFGEM SSCL is no longer allowed to utilise GO certificates bought on our behalf by our European parent company, Sopra Steria Group. Therefore, this has caused the proportion of black electricity to increase in 2023 from zero to 12,297 kWh. 100% of the electricity consumed in office spaces where SSCL is directly responsible for arranging the electricity supply with the energy supplier does come from renewable sources and is backed by REGO certificates.

SSCL began to measure its total value chain emissions, in 2021, to begin a credible transition towards net zero which involves the calculation of Scope 1, 2 and all relevant Scope 3 emissions. This includes emissions associated with purchased goods and services (Scope 3 Category 1) which accounted for 84.7% of SSCL's total carbon footprint in 2023.

SSCL has voluntarily incorporated good practice into GHG emissions reporting by incorporating supply chain emissions. Therefore, our figures would not be comparable with other organisations that don't report against their full set of value chain emissions. Performing this action is essential for positioning SSCL as being capable to make a credible transition towards net zero against long-term science-based targets.

Table 2: Categories of Scope 3 for which SSCL has declared no emissions and the reasons for their exclusion

| Category | | Reason for exclusion |
|----------|--|---|
| 2 | Capital Goods | Emissions due to capitalised purchases are included in Scope 3 Category 1 |
| 9 | Downstream Transportation and Distribution | Sopra Steria's business requires no material down-stream transportation and distribution of goods |
| 10 | Processing of Sold Products | Sopra Steria does not sell products subject to processing |
| 11 | Use of Sold Products | Emissions from the use of products that Sopra Steria sells are not material |
| 12 | End-of-Life Treatment of Sold Products | Emissions from the end-of-life treatment of products that Sopra Steria sells are not material |
| 14 | Franchises | Sopra Steria neither sells franchising rights nor operates any franchises |
| 15 | Investments | Sopra Steria has no material investments in other companies |



Emissions reduction targets

SSCL will transition towards net zero emissions by the end of 2040 using a phased approach, ensuring that we commit to a steady decline in emissions using science-based targets to deliver positive outcomes through our climate action. Thereby, enabling Sopra Steria to support the Paris Agreement goals.

Table 3: Phases of SSCL’s Approach to becoming Net Zero by 2040

| Year | Scope of Net Zero |
|------|--|
| 2019 | Confirmed baseline year |
| 2023 | Target aligned with science-based targets methodology |
| 2030 | Against the baseline year achieve: <ul style="list-style-type: none">• Reduction of absolute Scope 1 & 2 GHG emissions by 54%• Reduction of absolute Scope 3 GHG emissions by 37.5% |
| 2040 | Against the baseline year achieve: <ul style="list-style-type: none">• Reduction of absolute Scope 1 & 2 GHG emissions by 90%• Reduction of absolute Scope 3 GHG emissions by 90% |

Science-Based Targets

To assist with achieving our validated long-term net zero targets, Sopra Steria Group has set near-term Science-Based Targets (SBTs) that also apply to SSCL in the UK. The following SBTs are aligned to the 1.5°C pathway and approved by the SBTi:

Figure 1: Sopra Steria Group and SSCL roadmap to achieving net zero by the end of 2040

TRAJECTORY TOWARD NET-ZERO EMISSIONS

Key milestones on the way to achieving SBTi's long-term net-zero emissions targets.

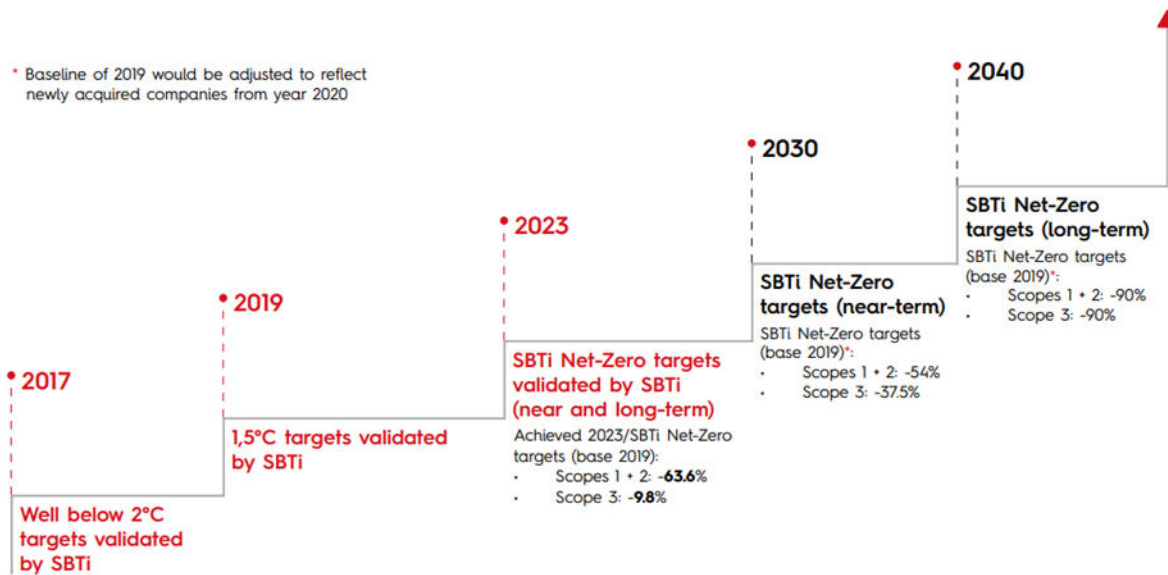
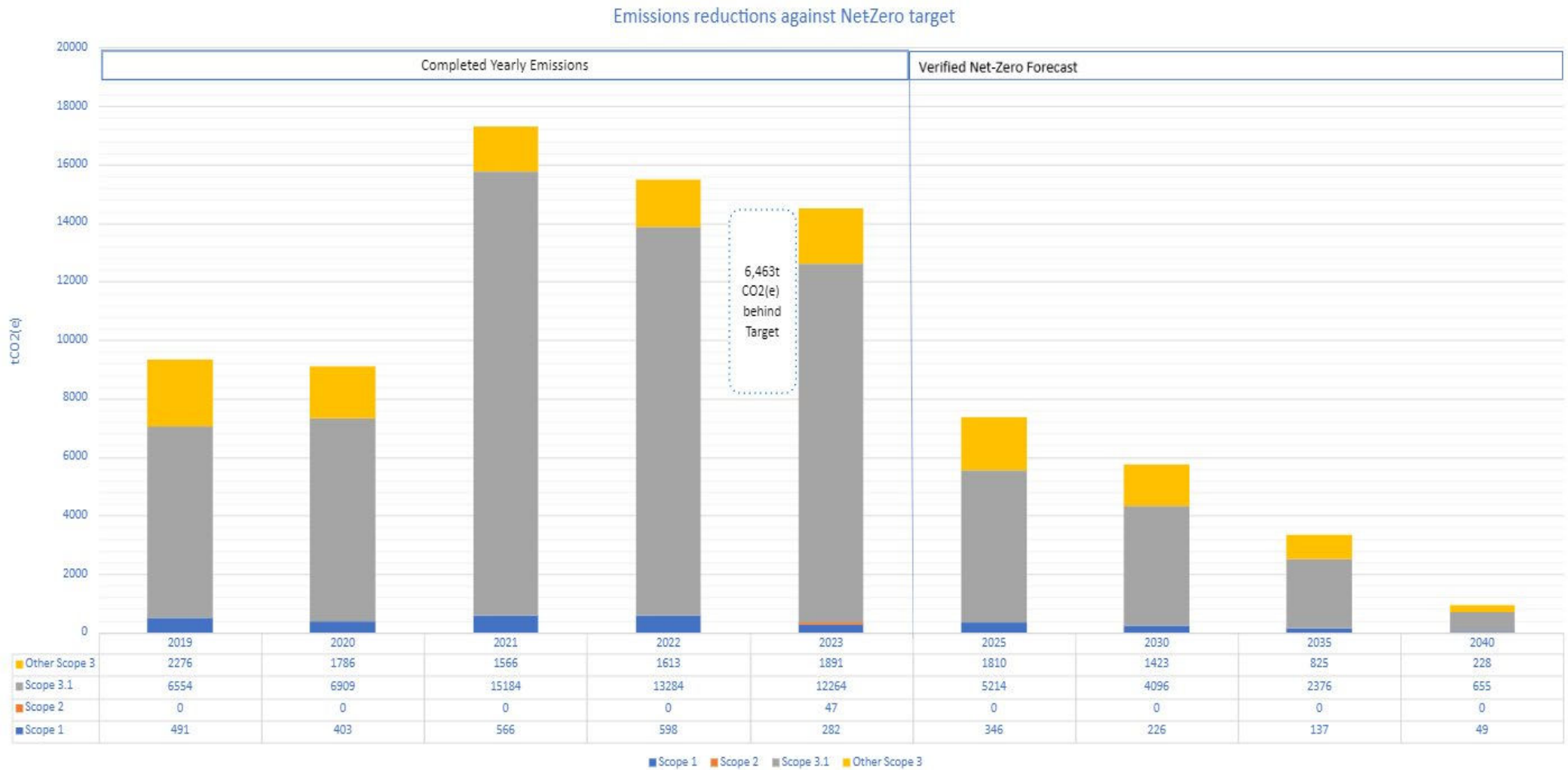


Figure 2: Emissions Reductions Past and Projected

The graph in Figure 2 shows our historical emissions, a trajectory for rates of emissions reductions needed to achieve our targets and the current position of SSCL emissions in the reporting year (2023):



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

SSCL maintains and continually improves its Environmental Management System, which is externally certified to the ISO 14001:2015 standard.

SSCL has completed or implemented the following environmental management measures and projects since 2017. These measures will be in effect during the performance of contracts.



Renewable Electricity

In 2019 SSCL had raised the proportion of electricity consumed from renewable sources to 100%, reducing Scope 2 emissions to zero on a market basis.

All electricity SSCL consumes via supply contracts directly arranged by Sopra Steria with electricity suppliers, is backed by Renewable Energy Guarantees of Origin (REGO) certificates.



Energy Efficiency

In 2021, SSCL undertook energy efficiency initiatives and investment in measures to reduce our carbon emissions, including the following:

Sopra Steria signed an agreement to upgrade its company car scheme, which will focus entirely on environmentally friendly and tax-efficient Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs).

The scheme applies to SSCL employees having been launched in 2022 and offers supports to employees with arranging discounted home charging points.

- Upgrades of lighting to energy efficient alternatives and LEDs was completed in late 2021 at our offices in Newcastle, Newport and York. These initiatives are expected to contribute to a combined annual reduction of 604,643 kWh and 128 tonnes of CO₂.

In 2022, SSCL formed an Energy Efficiency Working Group (representing key internal functions whose internal operations influence energy usage including Property & Facilities and I.T.) undertook energy efficiency initiatives and investment in

measures to reduce our carbon emissions, including the following:

- Upgrades of lighting to energy efficient LEDs was completed in 2022 as part of the office refurbishment at the Blackpool office. This is expected to contribute to an annual reduction of 11,160 kWh in electricity consumption and 2.1 tonnes of CO₂(e)
- Replaced 10 x gas boilers (approximately 30 years old) with 6 new energy efficient boilers. Conservative estimates project annual energy savings of 202,619 kWh and 37 tonnes of CO₂(e).

SSCL has continued to address energy efficiency, leading to a year-on-year reduction in our energy intensity (per full time employee) of 27.4% in 2023. Since the baseline year of 2019, our absolute energy footprint has decreased by 38%.

In 2023, SSCL implemented the following measures to reduce our carbon emissions:

- In collaboration with the building maintenance contractor 15 current transformer (CT) sensors were installed at our Newport office. The CT sensors enable monitoring of electricity consumption, at a granular level, across key usage areas of the building. The data from the sensors is presented in a report which is discussed at monthly meetings, of the Energy Efficiency Working Group, where opportunities to reduce electricity wastage are identified through analysis of consumption trends and anomalies.
- As part of upgrades to gas heating 6 new boilers which were commissioned in 2022. Conservative estimates project annual energy savings of 202,619 kWh and 37 tonnes of CO₂(e) as can be seen by the total drop in gas consumption for the company in 2023.
- Identified during an ESOS audit undertaken at the company's Newport office it was agreed the server room cooling temperature set point could increase from 19°C to 24°C. Increases were to be trialled in increments of 1oC to maintain IT load condition. If the maximum set point of 24°C was reached then annual savings of 16,039 kWh of electricity

equating to 4.1 tonnes of CO2(e) would be made. This measure has also been implemented in 3 other offices with smaller server rooms in York, Blackpool, and Newcastle.



Green IT Solutions

At SSCL, we have developed a climate friendly version of our website. We have developed functionality so that users visiting our website can click on a 'Go Green button' which helps to save bandwidth.

A climate friendly version of a web portal means that users can access valuable information easier and quicker, even where bandwidth or internet connection is an issue. Low bandwidth takes away images, colour and videos only. The content remains the same and is downloaded at a faster rate!

This enables environmental benefits such as:

- A reduction in the amount of CO2 emitted into the atmosphere.
- Lower consumption of electricity. Using a monochrome design and utilising server-side technologies to consume less energy leading to reduced electricity consumption.
- A reduced carbon footprint of the website.
- Mitigation of the effects of global climate change.

Go green





Business Travel and Internal Carbon Price

SSCL applies an internal shadow carbon price, in the UK, for business travel. Each quarter, emissions from business travel are calculated alongside the associated shadow carbon costs for each business division.

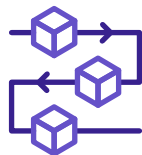
The Carbon Footprint Report is incorporated into the existing Sector Travel Power BI Report, which is available to senior management, Sector Directors, and Financial Controllers. By making employees aware of the carbon cost of travel, the internal shadow carbon price has changed their behaviour. They might choose to teleconference rather than travel at all, and if they do travel, to choose the mode with the lowest carbon emissions; for example, taking the train between London and Glasgow rather than a plane.

In this way, the internal shadow carbon price has contributed towards the reduction of 31.8% in business travel emissions per full-time employee in the reporting year 2023 since the baseline year of 2019.



Waste Management

100% of general and dry mixed recyclable waste, from collections managed directly by SSCL, is diverted away from landfill. Since 2019, SSCL have collaborated with its catering contractor in replacing plastic packaging of food and drinks sold at on-site canteens with packaging made from plant-based material. This has helped to eliminate over 137,068 items of single-use plastics from SSCL's waste.



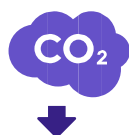
Supply Chain Emissions

In 2023, supply chain emissions accounted for 84.7% of SSCL's full value chain GHG emissions. The current methodology for calculating our purchased goods and services emissions is a function of supply chain spend which has increased year-on-year.

In 2023, a material change was introduced to the methodology for calculating Scope 3 Category 1 emissions (purchased goods and services). For UK reporting of Scope 3 Category 1 emissions, Sopra Steria has moved away from using ADEME conversion factors as used by our parent company headquartered in France, Sopra Steria Group. Instead, SSCL now apply DEFRA conversion factors which reflect, more accurately, the local conditions and consequent GHG emissions intensity of our suppliers' operations in the UK. Consequently, DEFRA conversion factors have been applied to calculating emissions for the current reporting year (2023) and for historical emissions including the baseline year (2019).

SSCL is actively collaborating with its supply chain and other organisations, developing a refined methodology for measuring purchased goods and services related emissions. This will entail increasing the use of Supplier Specific data to reflect performance of the individual suppliers with regards to GHG emissions reductions.

During FY2023, SSCL issued a survey to UK suppliers representing 64.5% of our procurement spend as part of a Scope 3 Supply Chain pilot project. We worked with respondents to ascertain whether they had set GHG emissions reduction targets aligned with the SBTi. During 2024, through our sustainable procurement programme, we will be building on this pilot project to engage more suppliers in order to quantify our Scope 3 Supply Chain GHG emissions and progress against reduction targets. This methodology will help to reduce our reliance on estimating supply chain emissions through use of actual data based on emissions reported by suppliers as well as provide opportunities for effective supplier engagement to collaborate around innovation that leads to reducing emissions.



Carbon Offset Initiatives

In the past, SSCL has offset its GHG emissions by investing in projects that avoided future GHG emissions, particularly renewable energy projects in India.

In 2020, as part of its strategy for transitioning towards net zero emissions, Sopra Steria/ SSCL changed to a new partner, One Carbon World, who are accredited by the United Nations Climate Neutral Now programme to provide Sopra Steria / SSCL with climate neutral certification through the use of carbon removal offsets. This partner invests in projects that remove GHG emissions from the atmosphere, particularly afforestation projects in Uruguay that create new land for trees that absorb carbon dioxide from the atmosphere, and that do not simply replace trees in deforested areas.

Future Initiatives

The Carbon Reduction Plan, as part of our Net Zero UN Climate Neutral Now initiative, is a key component of our wider Environmental Sustainability programme. This programme integrates our ISO14001-certified Environmental Management System, efficient resource consumption, renewable energy, circular economy, sustainable supply chain and support for our clients with solutions and services in their transition to a Net Zero economy.

Through the work of our Energy Efficiency Working Group, at Sopra Steria we will continue to collaborate with our building maintenance contractor to explore energy savings opportunities that will lead to increased energy efficiency and facilitate a further reduction in Scope 1 and 2 emissions.

In addition, through our responsible procurement programme we will build on the work done as part of the Scope 3 Supply Chain Emissions Pilot Project and increase effective engagement across our supply chain to implement innovative initiatives that will facilitate a reduction in our Scope 3 emissions.





Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with 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 beyond minimum requirements of SECR, 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, for the Financial Year ending on 31st December 2023, has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Director's signature:

Director's name: **David Morris**

Date: **16/05/24**

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