

Net Zero Carbon Reduction Plan

Supplier name: Sopra Steria Limited ("Sopra Steria")

Publication date: May 2024

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1 Commitment to achieving Net Zero

Sopra Steria 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 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 Sopra Steria to strive towards achieving a 90% reduction in absolute emissions from a baseline measurement by no later than 2050. Consequently, Sopra Steria 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. Sopra Steria commits to reduce absolute scope 1 and 2 GHG emissions by 54% by 2030 from a 2019 base year.
2. Sopra Steria also commits to reduce absolute scope 3 GHG emissions by 37.5% by 2030 from a 2019 base year.

Long-Term Targets

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

2 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.

Scope	Category/ Definition	Description of source	Emissions (tCO ₂ e)	
			Reporting year (2023)	Baseline year (2019)
1	Direct emissions from owned or controlled sources	Combustion of fuel, & leakages of refrigerant	206	601
2	Indirect emissions from the generation of purchased electricity, steam, heating and	Generation of electricity consumed (on a market basis)	15	0
3	1 Purchased Goods & Services	Supply chain	19,844	24,672
	3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	The production and delivery of fuel and electricity	209	414
	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	4	20
	6 Business Travel	Travel for business purposes, including hotel nights	869	2,326
	7 Employee Commuting	Travel by employees to and from their places of work and emissions due to remote working (homes and client sites)	1,294	2,629
	8 Upstream Leased Assets	Off-site data centres	99	128
	9 Downstream transportation and Distribution	Not applicable – see Table 2	0	0
	13 Downstream Leased Assets	Tenants	0	0
		All		22,540

Table 1: Sopra Steria’s Emissions by Scope and Category for the Reporting Year (2023) and Baseline Year (2019).

In 2023, our total absolute Scope 1 and 2 (market-based emissions) decreased by 65.07%; and total Scope 3 emissions decreased by 26.1% compared with the baseline year of 2019. This has resulted in a total GHG emissions (i.e. Scope 1 + 2 on a market basis +3) reduction of 26.8% in 2023 versus 2019.

In 2023, Scope 2 (market based) emissions increased to 15tCO₂(e) from zero in previous years. Historically, 100% of procured electricity for Sopra Steria Limited 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 Sopra Steria UK 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 Sopra Steria UK 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 42,668 kWh. 100% of the electricity consumed in office spaces where Sopra Steria UK is directly responsible for arranging the electricity supply with the energy supplier does come from renewable sources and is backed by REGO certificates.

Sopra Steria 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 88% of Sopra Steria’s total carbon footprint in 2023.

Sopra Steria 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 Sopra Steria as being capable to make a credible transition towards net zero against long-term science-based targets.

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 downstream 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

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

3 Emissions reduction targets

Sopra Steria 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.

Year	Scope of Net Zero
2019	Confirmed baseline year.
2023	Target aligned with science-based targets methodology
2030	Against the baseline year achieve: * 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: * Reduction of absolute Scope 1 & 2 GHG emissions by 90% * Reduction of absolute Scope 3 GHG emissions by 90%

Table 3: Phases of Sopra Steria’s Approach to becoming net zero by 2040.

3.1 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 Sopra Steria in the UK. The following SBTs are aligned to the 1.5°C pathway and approved by the SBTi:

TRAJECTORY TOWARD NET-ZERO EMISSIONS

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

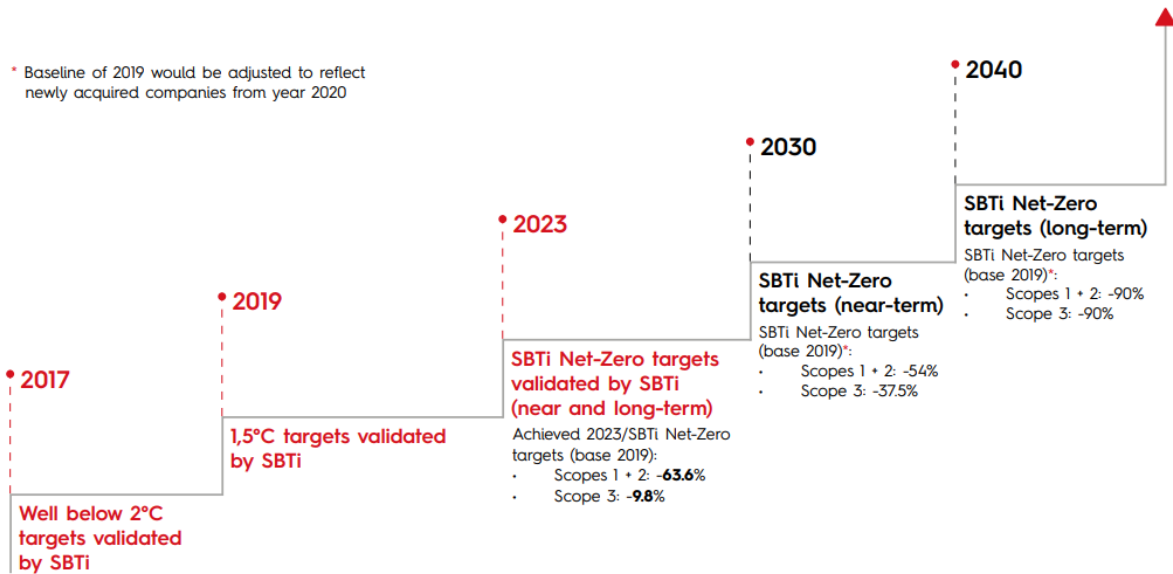


Figure 1: Sopra Steria Group roadmap to achieving net zero by the end of 2040 in line with The Standard.

Sopra Steria agrees to follow the GHG Protocol Corporate Standard, Scope 2 Guidance and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We project that our GHG emissions will decrease to zero by 2040, a reduction of 100% with carbon removal offsets accounting only for a maximum 10% of total GHG emissions.

The Sopra Steria Group was one of the companies that road-tested The Standard prior to its publication in late 2021 and will remain at the forefront of adapting standards to ensure full compliance.

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 Sopra Steria Limited emissions in the reporting year (2023):

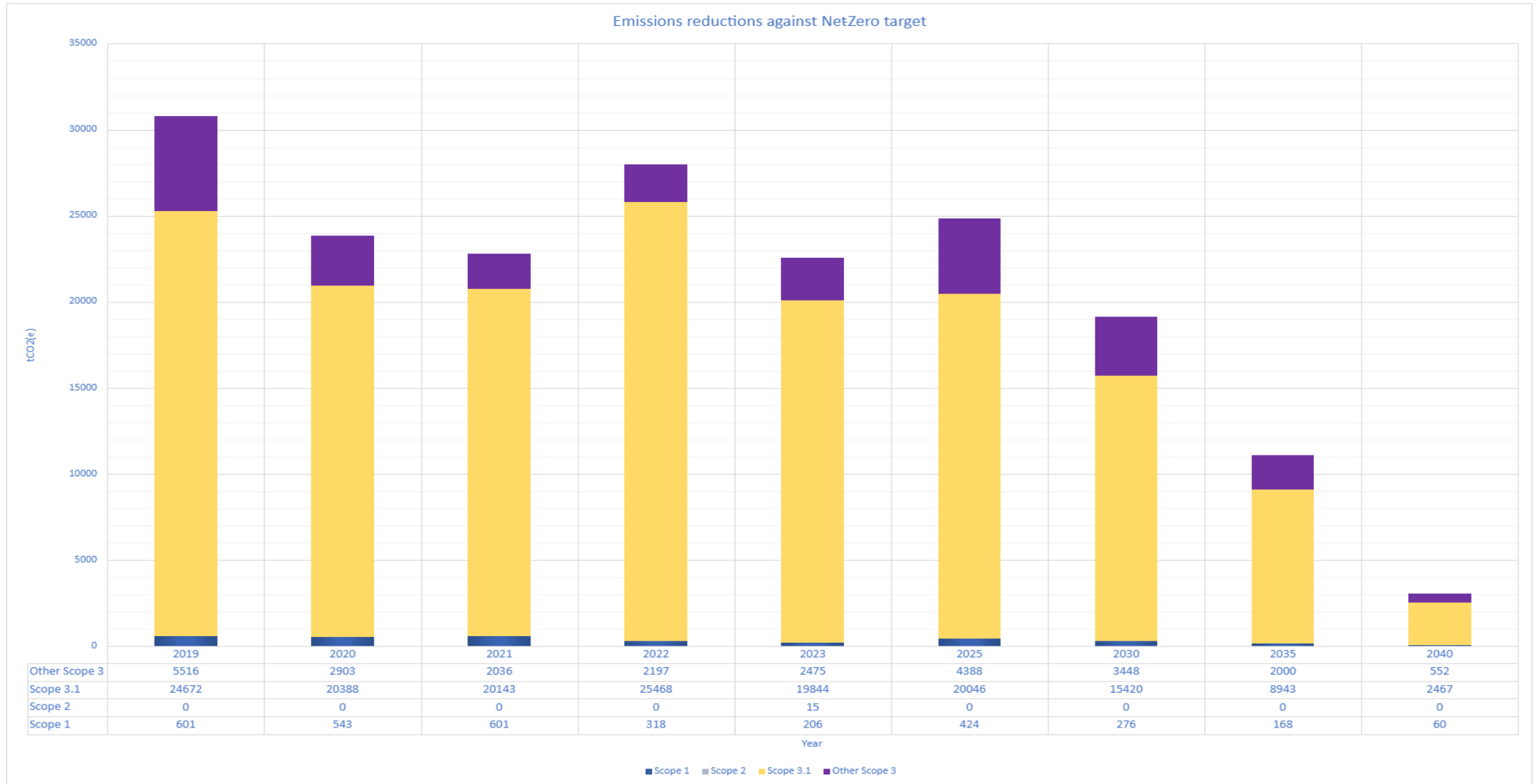


Figure 2: Emissions Reductions Past and Projected.

4 Carbon Reduction Projects

4.1 Completed Carbon Reduction Initiatives

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

Sopra Steria has completed or implemented the following environmental management measures and projects since 2015. These measures will be in effect during the performance of contracts.

4.2 Renewable Electricity

70% of the electricity that Sopra Steria consumed in the 2015 (original baseline year) came from renewable sources; the remaining 30% accounted for emissions of 928 tCO₂(e) on a market basis.

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

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

4.3 Energy Efficiency

In 2018, Sopra Steria replaced the oil-fired boiler at its head office in Hemel Hempstead with a gas-fuelled one, reducing its GHG emissions by an estimated 94 tCO₂(e) a year.

In 2021, Sopra Steria 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 also offer supports to employees with arranging discounted home charging points.
- Sopra Steria completed the replacement of existing T8 lights, which commenced in late 2020, with light fittings using energy-efficient LEDs at our main office in Hemel Hempstead. This investment will reduce electricity consumption by 25,893 kWh and GHG emissions by 12 tCO₂(e) each year.
- Further upgrades of lighting to energy-efficient alternatives and LEDs were made at both offices in Hemel Hempstead. This investment is expected to reduce electricity consumption by 5,194 kWh and GHG emissions by 1.1 tCO₂(e) each year.

In 2022, Sopra Steria 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:

- Further upgrades of lighting to energy efficient LEDs were completed in 2022 as part of the office refurbishment at Three Cherry Trees Lane in Hemel Hempstead. This is expected to contribute to an annual reduction of 10,202 kWh in electricity consumption and 1.95 tCO₂(e).
- An overhaul of the entire lighting at our central London office on Mark Lane was completed replacing 98 x 72W lights with energy efficient 19W LED lights. This investment is expected to produce a return in annual electricity savings of 21,337 kWh and 4 tCO₂(e).

Sopra Steria has continued to address energy efficiency, leading to a year-on-year reduction in our energy intensity (per full time employee) of 10.9% in 2023. Since the baseline year of 2019, our absolute energy footprint has decreased by 57%.

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

- In collaboration with the building maintenance contractor 36 current transformer (CT) sensors were installed at our UK headquarters at Three Cherry Trees (TCT) Lane in Hemel Hempstead. 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.
- Further upgrades of lighting to energy efficient LEDs were completed in 2023 as part of the office refurbishment at Three Cherry Trees Lane in Hemel Hempstead. This is expected to contribute to an annual reduction of 88,920 kWh in electricity consumption and 17.20 tCO₂(e).
- As part of upgrades to gas heating controls at the Hemel Hempstead office boiler lock outs were installed, so when the outside air temperature is above 18°C the gas boilers used for heating the office shut down. This measure is expected to facilitate a 27,852 kWh reduction in gas consumption and 5.4 tCO₂(e).

4.4 Business Travel and Internal Carbon Price

Sopra Steria applies an internal shadow carbon price, in the UK, to business travel. Each quarter, emissions from business travel are calculated for each business division alongside the associated shadow carbon costs. 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 Paris rather than a plane.

In this way, the internal shadow carbon price has contributed towards the reduction of 57.6% in business travel emissions per full-time employee in the reporting year 2023 since the baseline year of 2019.

4.5 Waste Management

100% of general and dry mixed recyclable waste, from collections managed directly by Sopra Steria, is diverted away from landfill. With 99.5% of our electronic waste being either recycled or reused.

Since 2019, Sopra Steria and its two UK subsidiaries (SSCL and NHS SBS) 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 242,000 items of single-use plastics from Sopra Steria's waste.

4.6 Supply Chain Emission

In 2023, supply chain emissions accounted for 88% of Sopra Steria'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, Sopra Steria 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).

Sopra Steria 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, Sopra Steria issued a survey to UK suppliers representing 54% 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.

4.7 Carbon Offset Initiatives

In 2021 Sopra Steria purchased carbon removal offsets for GHG emissions from its offices, data centres and business travel that it did not avoid. Offsetting the GHG emissions from these sources in this way means that they had no net effect on the amount of GHGs in the atmosphere, making emissions from these sources net zero.

Since 2015 Sopra Steria had made its GHG emissions from offices, data centres and business travel carbon neutral 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 changed to a new partner, One Carbon World, who are accredited by the United Nations Climate Neutral Now programme to provide Sopra Steria 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.

4.8 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.

5 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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported beyond the minimum compliance requirements of Streamlined Energy and Carbon Reporting (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) Standard³.

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).

5.1 Signed on behalf of the Supplier:

Director's Signature: 

Director's Name: John Neilson

Date: 13 May 2024

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>



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