Carbon Reduction Plan FY 2024

The world is how we shape it

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Contents

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 2024 and the Baseline Year is the calendar year 2019.

In 2024, our total absolute Scope 1 and 2 (market-based emissions) decreased by 55.2%; and total Scope 3 emissions decreased by 23.2% 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 23.8% in 2024 versus 2019.

Previous year figures (2023) have been restated in the 2024 disclosures for the following reasons:

- Scope 2 (market based) emissions: In 2023, this figure was reported as 15 tCO2(e). In following OFGEM guidance, we interpreted their guidelines as stating that the UK business could not use Guarantee of Origins (GoOs) purchased by an EU Parent Group to claim zero market-based emissions where electricity supplies were not backed by Renewable Energy Guarantee of Origin (REGO) certificates.

  Since, we have been advised that Sopra Steria Group (our EU Parent Group company) is able to purchase unbundled REGO certificates from a third-party provider based in Northern Ireland (for electricity supplies that are not backed by a REGO certificate within a direct supply agreement with SSL or a landlord that purchases electricity on behalf of SSL) to allow UK subsidiaries to report zero Scope 2 (market-based emissions). Therefore, in this disclosure this figure has been restated to zero.

  Consequently, total GHG emissions, Black-Tariff electricity as well as related percentage change figures have also been amended.

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 2024.

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.

Table 1: Sopra Steria's Emissions by Scope and Category for the Reporting Year (2024) and Baseline Year (2019).

Scope	Category (for Scope 3)	Definition / Reason for Exclusion	Reporting Year 2024	Previous Year 2023	Baseline Year 2019
	Year (January to December)		**Emissions (tCO$_2$e)**		
1		Oil consumption	2	2.2	2
		Gas consumption	239	186	585
		Fugitive emissions (measured)	29	18	14
		Scope 1 Total	**269**	**206**	**601**
2		Indirect emissions from the generation of purchased electricity, steam, heating and cooling	0	0	0
		Scope 2 (market-based) Total	**0**	**0**	**0**
3	Category 1: Purchased goods and services	Purchased goods and services	20,701	19,844	24,672
	Category 2: Capital Goods	Emissions due to capitalised purchases are included in Scope 3 Category 1	Not Applicable		
	Category 3: Fuel and Energy Related Activies (not included in Scope 1 or 2)	Upstream emissions of purchased Fuel (Well-to-tank)	11	12	87
		Upstream emissions of purchased Electricity (Well-to-tank)	131	142	217
		Transmission and distribution (T&D) losses for Electricity	51	55	110
	Category 4: Upstream Transportation and Distribution	Emissions due to capitalised purchases are included in Scope 3 Category 1	Not Applicable		
	Catergory 5: Waste Generated in Operations	Emissions from the treatment and disposal of solid waste	1.0	1.9	10.0
		Emissions from the treatment of wastewater	4.0	2.0	9.6
	Category 6: Business Travel	Air	241.3	275.5	346.2
		Rail	99.4	108.0	232
		Petrol	126.5	147.9	366.4
		Diesel	126.9	197.9	719.6
		Electric Cars	14.7	20.1	0.1
		Motorcycle (Petrol)	0.0	0.1	1
		Taxi	9.1	10.1	32.3
		Hotel	101.3	109.9	628.1
	Category 7: Employee Commuting	Employee commuting and working from home	1,564	1,294	2,629
	Category 8: Upstream Leased Assets	Off-site data centres (Market-based emissions from purchased electricity)	0	99	128
	Category 9: Downstream Transportation and Distribution	Sopra Steria's business requires no material downstream transportation and distribution of goods	Not Applicable		
	Category 10: Processing of Sold Products	Sopra Steria does not sell products subject to processing			
	Category 11: Use of Sold Products	Emissions from the use of products that Sopra Steria sells are not material			
	Category 12: End-Of-Life Treatment of Sold Products	Emissions from the end-of-life treatment of products that Sopra Steria sells are not material			
	Category 13: Downstream Leased Assets	Tenants	0	0	0
	Category 14: Franchises	Sopra Steria neither sells franchising rights nor operates any franchises	Not Applicable		
	Category 15: Investments	Sopra Steria has no material investments in other companies			
		Scope 3 Total	**23,183**	**22,320**	**30,188**
		Total (Scope 1 + 2 + 3)	**23,452**	**22,525**	**30,789**

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%

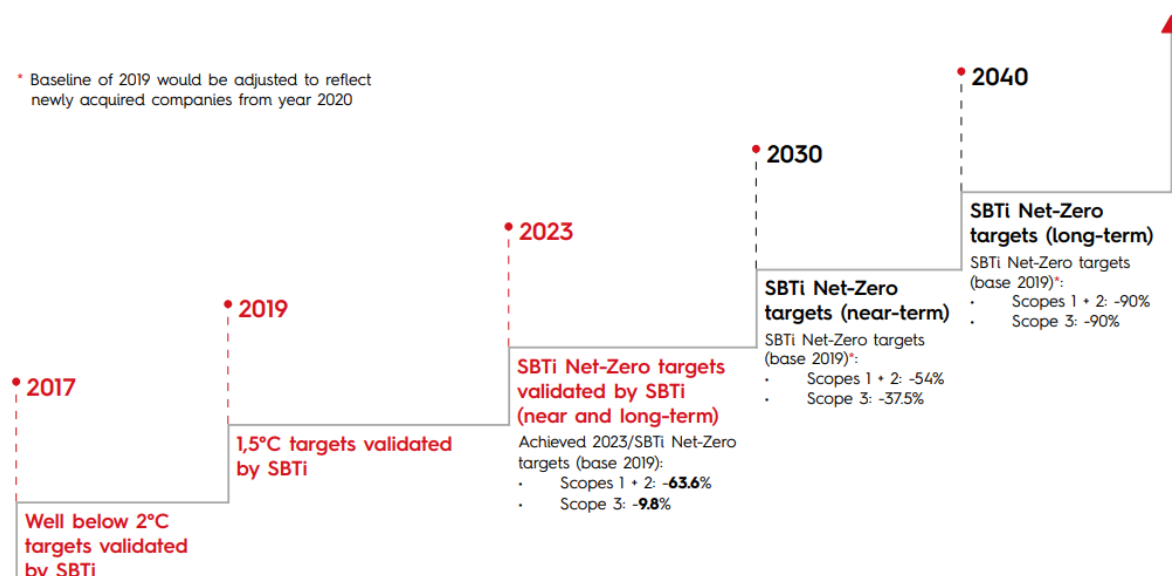**Table 2: Phases of Sopra Steria's Approach to becoming net zero by 2040.**

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.

* Baseline of 2019 would be adjusted to reflect newly acquired companies from year 2020

2040
SBTi Net-Zero targets (long-term)
SBTi Net-Zero targets (base 2019)*:
· Scopes 1 + 2: -90%
· Scope 3: -90%

2030
SBTi Net-Zero targets (near-term)
SBTi Net-Zero targets (base 2019)*:
· Scopes 1 + 2: -54%
· Scope 3: -37.5%

2023
SBTi Net-Zero targets validated by SBTi (near and long-term)
Achieved 2023/SBTi Net-Zero targets (base 2019):
· Scopes 1 + 2: **-63.6%**
· Scope 3: **-9.8%**

2019
1,5°C targets validated by SBTi

2017
Well below 2°C targets validated by SBTi

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.

## 3.2 Figure 2: Historic Emissions Reductions

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 emissions in the reporting year (2024):

Historic Emissions for Sopra Steria
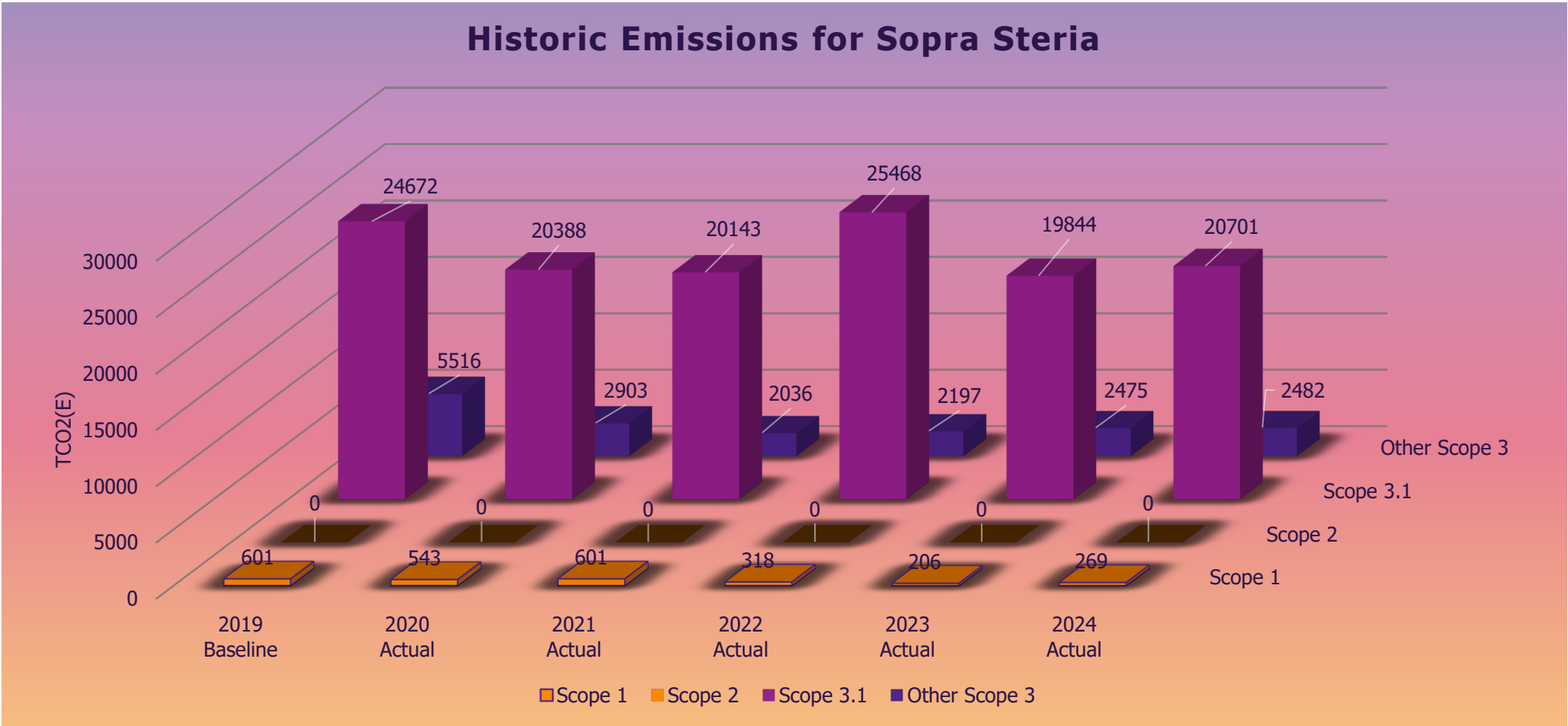
3.3 Figure 3: Projected Emissions Reductions

The graph in Figure 3 shows our trajectory for rates of emissions reductions needed to achieve our targets and the current position of Sopra Steria emissions in the reporting year (2024):
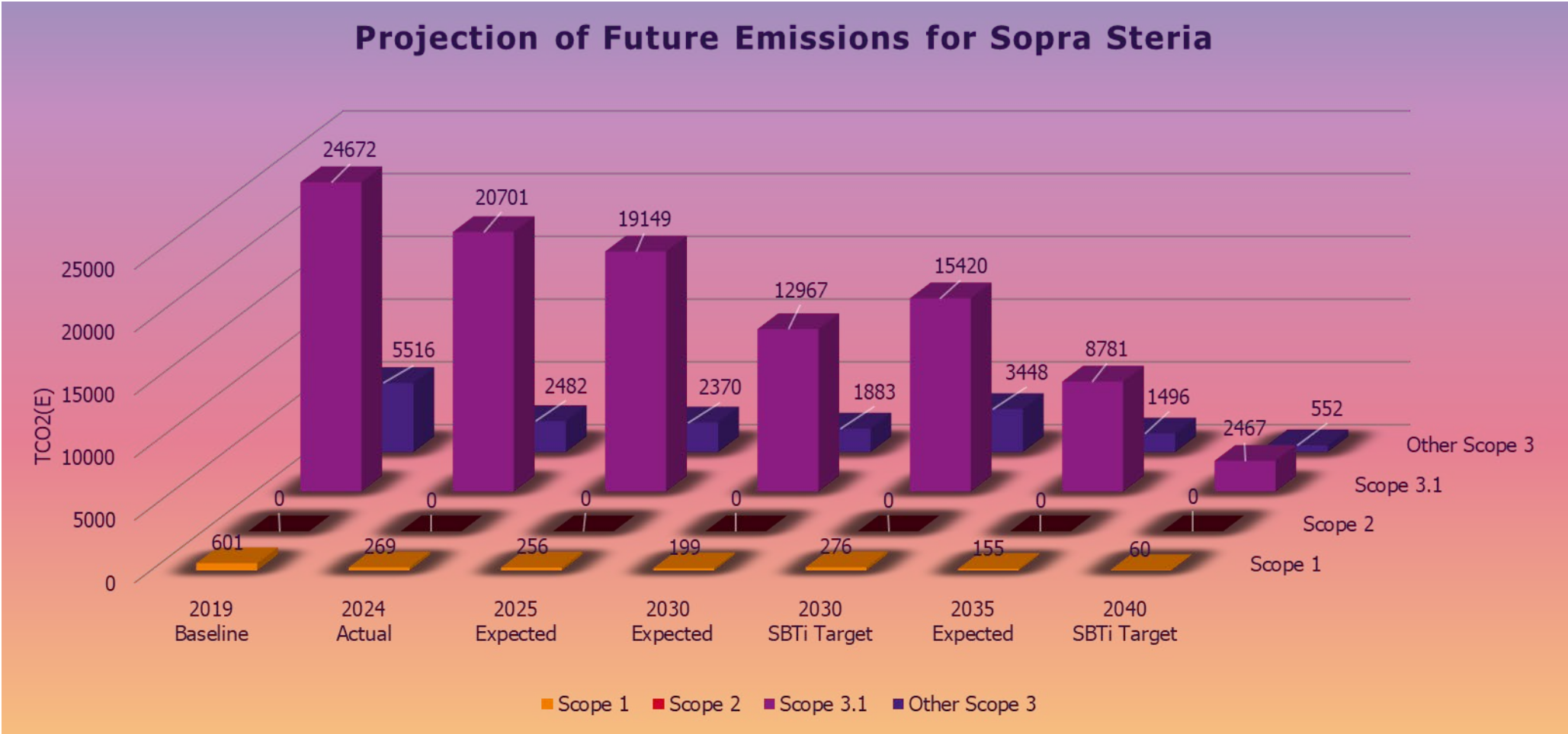
4 Carbon Reduction Projects

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 tCO$_2$(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

Sopra Steria has continued to address energy efficiency, leading to a year-on-year reduction in our energy intensity (per full time employee) of 0.1% in 2024 versus 2023. Whilst energy intensity (per full time employee) in 2024 since the baseline year of 2019 decreased by 51.3%. In 2024, our absolute energy footprint has also decreased by 59%, compared with 2019.

In 2024, we implemented the following measures to reduce our carbon emissions:

- At our Hemel Hempstead site we've continue to monitor data generated from current transformer (CT) sensors (that measure electrical current passing through circuits situated throughout the building) and half-hourly meter readings to help identify at a granular level where energy is being used. This provides our building maintenance contractor and site facilities teams with the capability to perform real-time monitoring - pinpointing anomalies or unusual spikes in consumption to identify areas where electricity is being wasted. In turn, they've been able to make proactive adjustments to equipment and processes to reduce consumption without disrupting site operations.

- Timeclocks were installed on 6 electric water heaters located within the Hemel Hempstead office. The annual saving of this action is expected to be 3,120 kWh. This equates to a 25% reduction in the total energy consumption of these devices.

- In September a moderate length of gas heating system pipework was insulated at our Hemel Hempstead site, as contrary to standard practice this had not been insulated on installation. Annual expected savings are expected to be 2,527 kWh.

- A four-year energy-saving action plan, covering the period December 5, 2023, to December 5, 2027, was submitted to the Environment Agency as part of continual compliance with ESOS Phase 3. This plan ensures that Sopra Steria has a strategy in place for ongoing energy efficiency that is in line with the overall UK property strategy.

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 unit 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 63% in business travel emissions per full-time employee in the reporting year 2024 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. 100% of our IT waste is also diverted away from landfill.

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.

In 2024, our Hemel Hempstead office achieved a recycling rate of 55% last year. This involved collecting more than 7 tonnes of food waste from our canteen, which was processed at an anaerobic digestion facility to create biogas. This biogas is either fed into the gas grid or converted into electricity.

In 2024 working with an IT equipment manufacturing partner, we ensured 94% of our old laptops, monitors and desktops were prepared for reuse with the other 6% being recycled.

Other IT equipment not suited to this scheme was sent to a specialist waste contractor, where it was dismantled and recycled or converted into energy via incineration. This incineration is necessary for electronic waste that includes Persistent Organic Pollutants (POPs), which cannot be reused or recycled. Zero IT waste was sent to landfill.

4.6 Supply Chain Emission

In 2024, supply chain emissions accounted for 88% of Sopra Steria's full value chain GHG emissions.

In 2024, a change to calculating Scope 3 Category 1 emissions (purchased goods and services) was introduced. To better reflect the actual emissions performance of our suppliers, we have gathered primary data through a supplier engagement survey and a process of 'data scraping' of publicly available emissions and financial data. In 2024, this survey was issued to suppliers representing the top 70% of our supply chain spend.

During 2024, we launched a Supplier Engagement Programme to gather data from our suppliers, which included their GHG emissions reporting and reduction targets. Suppliers accounting for 14.4% of Sopra Steria's Scope 3 Category 1 emissions were able to evidence their full value chain emissions. Therefore, we have been able to include their emissions figures in the calculation of our Scope 3 category 1 emissions through the creation and application of bespoke emission factors.

For other suppliers that aren't yet mature in their journey in being able to calculate their full Scope 1, 2 and 3 emissions, we continue to apply Defra conversation factors based on the supplier's Standard Industrial Classification (SIC) code as published on the Companies House webpage for their registered company. In addition, as Defra conversion factors are only available up until 2021, the effect of inflation (using the International Monetary Fund rate) has been embedded into the calculation of emissions for suppliers where we haven't been able to apply our bespoke emission factors.

Therefore, we have applied a hybrid methodology to calculate emissions related to our entire supply chain.

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 2025, 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.

Details have been detailed below relating to the carbon removal off-setting scheme that used by Sopra Steria:

Verra's Verified Carbon Standard (VCS)

The VCS is a globally recognised standard for certifying carbon offset projects. It covers a wide range of project types, including forestry, and is widely accepted in international carbon markets. This is the largest nature standard in the World. Projects certified under the VCS issue Verified Carbon Units (VCUs), each representing one tonne of CO_2 equivalent reduced or removed. Carbon removal offsets purchased by Sopra Steria are VCS certified.

Global Recognition & Compliance

Verra's VCS afforestation standard aligns with internationally recognised frameworks such as UNFCCC, the Science Based Targets initiative (SBTi), and the Paris Agreement. The UK Woodland Carbon Code (WCC), however, is primarily designed for UK businesses and domestic carbon neutrality strategies, limiting its relevance for internationally recognised climate commitments. Companies with global net-zero targets often choose Verra-certified credits, as they are widely accepted under multinational sustainability reporting frameworks.

ICVCM Integrity & Market Integration

The WCC is currently undergoing evaluation for approval under the Integrity Council for the Voluntary Carbon Market (ICVCM). Until adjustments are made, WCC units (WCUs) remain a UK-focused tool and do not yet align with international frameworks such as Article 6 of the Paris Agreement. (as recognised by circa 200 governments). Sopra Steria's provider of carbon-removal offsets is an organisation named One Carbon World (OCW). As OCW are a United Nations (UN) Observer organisation they select projects that meets the higher tier requirements.

Kyoto Protocol vs. UK Carbon Offset Scheme (WCC/Peatland Code)

Sopra Steria's offset are aligned with the Kyoto Protocol. The Kyoto Protocol provides a broader regulatory framework, recognised by circa 200 governments, WCC and Peatland Code credits are largely used within the UK and are not yet recognised under Article 6 of the Paris Agreement. Additionally, VCS afforestation projects are subject to stringent additionality requirements, ensuring that the carbon credits represent new, verifiable emissions reductions rather than business-as-usual activities.

Environmental Benefits of the Guanare Afforestation Project, Uruguay

The afforestation project (linked to Sopra Steria's carbon removal offsets) delivers multiple environmental benefits that align with broader sustainability goals, particularly those outlined in the UK Forestry Standard (UKFS). These include:

Biodiversity:

o The project includes conservation areas along rivers and streams, safeguarding native forests and enhancing local biodiversity.

o Natural forests within the project boundaries contain valuable tree species (e.g., Salix humboldtiana, Erythrina crista-galli), providing habitats for wildlife.

o Afforestation on degraded grazing land prevents further biodiversity loss by reducing land degradation and increasing vegetative cover.

o Sustainable forest management practices, including selective pruning and thinning, promote habitat diversity and long-term ecological balance.

Soil:

o The project restores degraded soils by increasing organic matter through afforestation, improving soil structure and fertility.

o Tree root systems stabilise the land, reducing soil erosion and compaction, particularly on rolling hills with shallow soils.

o Sustainable site preparation minimises disturbance, with soil tillage performed only before planting and not repeated for at least 20 years.

o The project prevents further loss of soil organic carbon, which had already declined by over 20% due to long-term cattle grazing.

Water:

o The afforestation plan protects natural watercourses by maintaining buffer zones with native riparian vegetation.

o Trees help regulate the hydrological cycle by reducing surface runoff, filtering pollutants, and promoting groundwater recharge.

o The project mitigates the risk of drought and flooding by improving soil water retention and reducing erosion, thereby contributing to watershed stability.

Additionally, the project includes Forest Stewardship Council (FSC) certification which meets the requirements of supply chain transparency act (many community benefits such as healthcare, job creation and school education programme are included).

The project has also received Climate, Community and Biodiversity (CCB) accreditation, which demonstrates community and biodiversity-related outcomes. Currently, only a few projects in the world has achieved this high level of accreditation.

4.8 Digital Sustainability

In August 2024, Sopra Steria became members of the Government Digital Sustainability Alliance (GDSA). Our UK CEO signed an agreement that Sopra Steria will support Defra and the wider UK Government meet the commitments defined within the Greening Government ICT and Digital Services Strategy 2020-2025.

4.9 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 2025, through the Supplier Emissions Reduction Programme our Sustainable Procurement Working Group will build on the approach in 2024 to gather emissions data and promote GHG emissions reductions in our value chain.

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 standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

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) Standard[3].

This Carbon Reduction Plan, for the Financial Year ending on 31st December 2024, 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: 14 March 2025

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[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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