

A close-up photograph of a red squirrel with a white belly, clinging to a mossy tree trunk. The squirrel is looking towards the right. The background is a dark, blurred green.

CIVICA

Civica UK Ltd.'s

Carbon Reduction Plan

April 2024

Civica's Commitment to achieving Net Zero Carbon

Civica UK Limited is committed to achieving Net Zero Carbon emissions by 2040.

This demonstrates our contribution to and support of the UK government's Net Zero Target.

Our Net Zero commitment requires Civica to reduce our operational greenhouse gas (GHG) emissions to as close to zero as possible by 2040, and then to use carbon offsetting/sequestration to mitigate our residual emissions from essential business operations. In this coming year, we'll be expanding the scope of our Net Zero plans by addressing, not only our direct emission sources, but also broadening our commitment to include our wider value chain.

Current Reporting Year - FY 2022/23 GHG Emissions Footprint

Civica UK's greenhouse gas emissions footprint for our 2022/23 year is presented below. Reporting year emissions presented are a record of GHGs resulting from our UK operations only and will be used as a benchmark against which future UK targets and our progress towards Net Zero will be measured. At a Civica Group level, we are currently in the process of collating our global emissions footprint. This will allow us to identify priority areas and set global emissions targets going forward.

GHG emissions have been calculated following best practice methodology set out by the GHG Protocol and UK Government Reporting Guidelines. Scope 1 and Scope 2 GHG emissions have been calculated in accordance with existing Streamlined Energy and Carbon Reporting requirements (SECR); which mandates reporting of Civica's GHG emissions on an annual basis. Scope 1 emissions are defined as those from sources directly owned or controlled by Civica, whilst Scope 2 emissions are caused indirectly from purchased energy. Scope 3 are indirect emissions that occur as a result of Civica's operations, whilst not being owned or controlled by Civica. All results are presented in tonnes CO₂e (carbon dioxide equivalent).



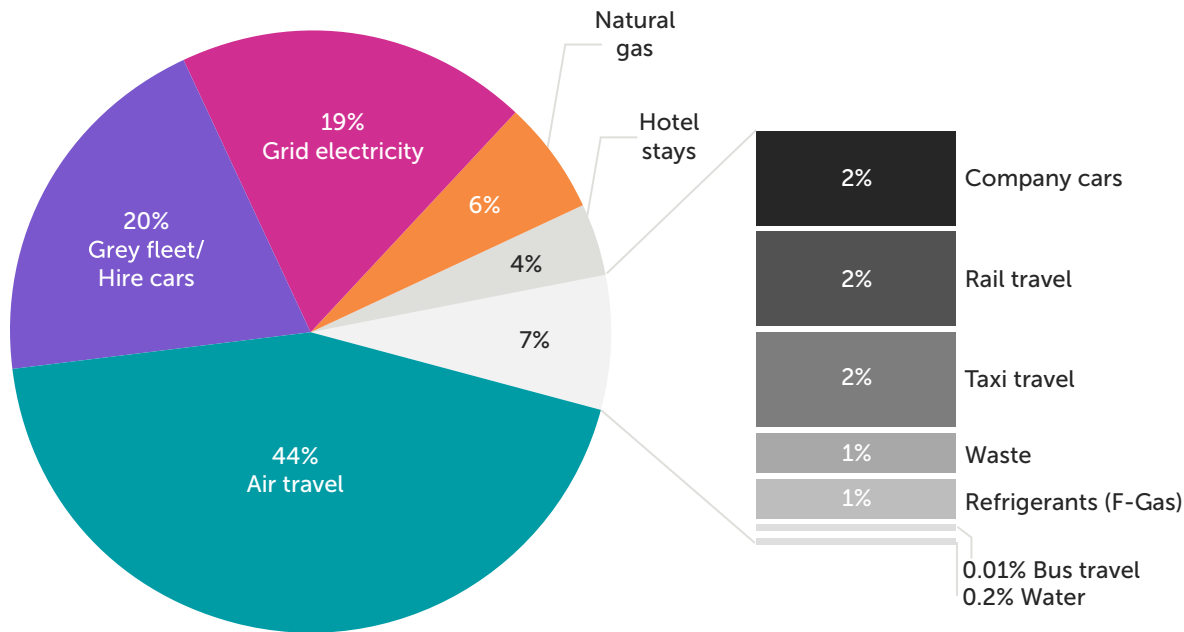
2022/23 GHG Emissions split by source and reporting scope

Reporting Scope	GHG Emissions Category ¹ (GHG Protocol)	GHG Emissions Source	2022/23 GHG Emissions (tonnes CO ₂ e)	Percentage of GHG Emissions (%)
Scope 1	Direct GHG Emissions	Natural Gas	98.62	5.7%
		Company Cars	36.93	2.1%
		Fugitive Emissions (F-Gas)	10.85	0.6%
Scope 2	Energy Indirect GHG Emissions	Electricity (Generation)	308.19	17.7%
Scope 3	(Cat 6) Business Travel	Hire Car & Grey Fleet	346.10	19.9%
		Air Travel	763.69	44.0%
		Hotel Stays	72.59	4.2%
	(Cat 3) Fuel & Energy Related Activities	Electricity (T&D) ²	26.66	1.5%
	(Cat 6) Business Travel	Rail Travel	29.89	1.7%
		Taxi Travel	27.96	1.6%
		Bus Travel	0.16	0.01%
	(Cat 5) Waste generated in operations	Waste	12.62	0.7%
		Water	3.00	0.2%
Total GHG Emissions (tonnes CO ₂ e)			1,737.26	--
GHG Emissions per £M turnover (tonnes CO ₂ e)			5.31	--
GHG Emissions per employee (tonnes CO ₂ e)			0.59	--

¹Full details on emissions categories are outlined within the GHG Protocol Corporate Accounting & Reporting Standard

²Transmission & distribution losses.

Civica UK Limited % split of GHG emissions by source (FY 2022/23 - tonnes CO₂e)



Key Commentary:

- Business travel (including use of company cars, grey fleet mileage, air travel, public transport use and hotel stays) collectively accounts for 73% of our FY 2022-23 GHG emissions. This source is likely to represent a considerable proportion of our operational emissions moving forwards and will be an area of focus for reductions.
- Utilities consumption across our offices (electricity, natural gas, fugitive emissions (F-Gas), waste, and water) account for the remaining portion of our 2022-23 emissions footprint.
- Overall business travel emissions have increased by 93% compared to 2021/2022 as we continue our return to business-as-usual following COVID-19 travel reductions. This rise in emissions is most material in air travel which has increased by over 200% relative to the previous reporting year and constitutes over 50% of our business travel emissions in the 2022/23 reporting year.

Exclusions:

- GHG emission results for our current and baseline reporting years do not include procured goods and services and their related upstream and downstream transportation and distribution. These activities are currently monitored separately as part of our ongoing carbon management program. We recognise that this is a key reduction priority, however our emphasis is currently on identifying more robust methods to quantify our global supply chain emissions before including this within the scope of our existing Net Zero targets.
- Civica does not currently hold information on staff commuting hence its exclusion from our current reported GHG emissions. We are currently reviewing methodologies for collating this information with the intention of inclusion in our 2023/24 carbon footprint.

Comparison with Baseline GHG Emissions Footprint

A comparison against previous reporting year GHG emissions footprints is presented in the table below.

It is important to note that our baseline year (2021/22) occurred partly during a period of operational disruptions due to the COVID-19 Pandemic. Thus, the baseline year is not a true representation of business-as-usual GHG emissions. This disruption explains the large increases from 2020/21 onwards, especially with regards to business travel, as we gradually re-entered a business-as-usual state of operations. Improvements in data collection for our underlying GHG emissions assessment have also contributed to increases in emissions from sources such as waste, water, and taxi travel (although these are minor sources of emissions relative to our overall footprint). The current reporting year is therefore more representative of our operations and will be used as a revised baseline for future target setting and trajectory modelling.

Over the 2021/22 and 2022/23 assessment periods Civica has grown as an organisation, both in terms of turnover and number of employees. This, in addition to a return to business-as-usual has resulted in an increase in absolute GHG emissions, namely due to increasing employee business travel. However, during this period we have reduced our Scope 1 and Scope 2 emissions via closure of several of our properties and an overall reduction in office space, thus reducing gas and electricity emissions in the current reporting year.



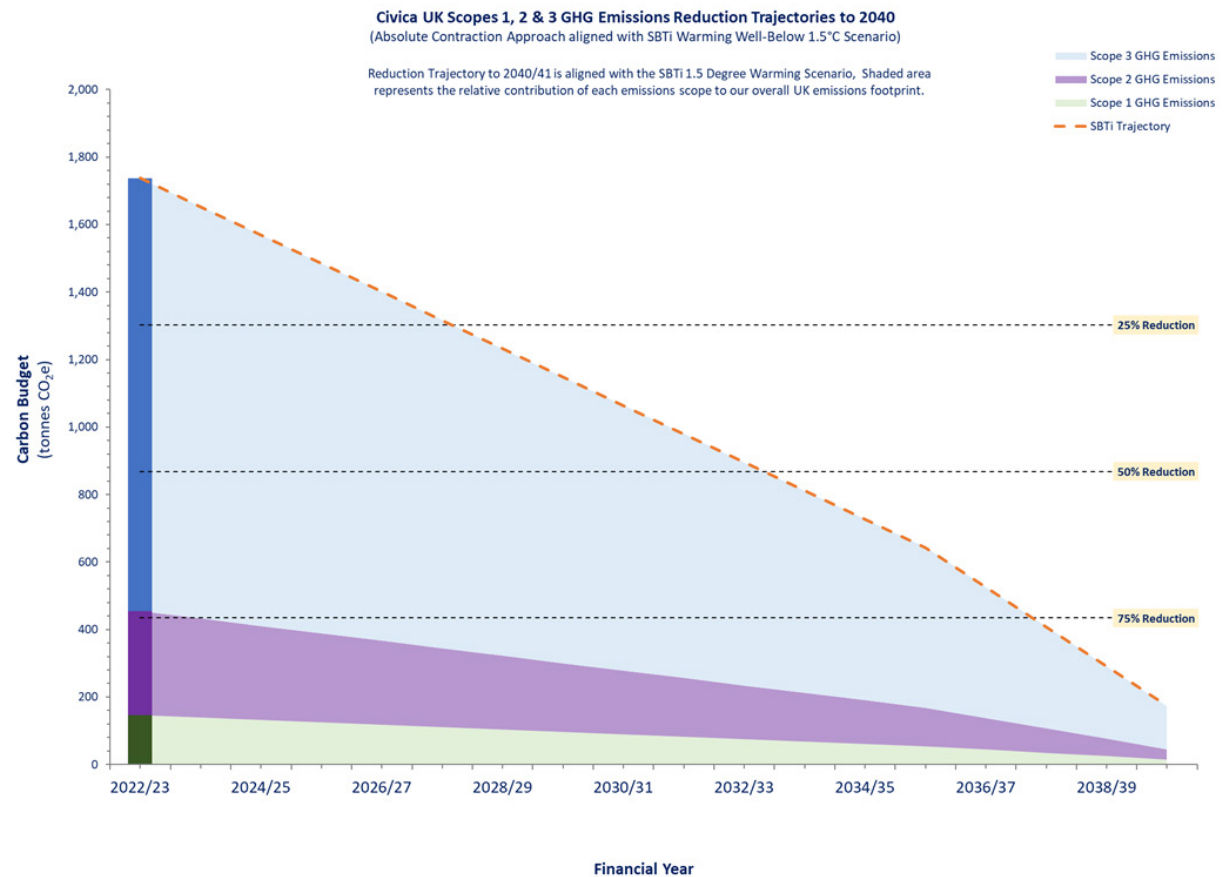
Comparison of FY 2022/23 GHG Emissions with our previous reporting years (2020/21, 2021/22)

Reporting Scope	GHG Emissions Category (GHG Protocol)	GHG Emissions Source	FY 2020/21 GHG Emissions	FY 2021/22 GHG Emissions (Baseline Yr.)	FY 2022/23 GHG Emissions (Current Yr.)
Scope 1	Direct GHG Emissions	Natural Gas	218.61	166.28	98.62
		Company Cars	32.48	46.31	36.93
		Fugitive Emissions	-	11.05	10.85
Total Scope 1 GHG Emissions (tCO ₂ e)			251.09	223.64	146.40
Scope 2	Energy Indirect GHG Emissions	Electricity (Generation)	310.20	325.86	308.19
Total Scope 2 GHG Emissions (tCO ₂ e)			310.20	325.86	308.19
Scope 3	(Cat 6) Business Travel	Hire Car & Grey Fleet	42.57	317.51	346.10
		Air Travel	58.79	233.32	763.69
		Hotel Stays	5.20	59.36	72.59
	(Cat 3) Fuel & Energy Related Activities	Electricity (T&D)	27.45	29.81	26.66
	(Cat 6) Business Travel	Rail Travel	1.90	23.57	29.89
		Taxi Travel	0.16	2.24	27.96
	(Cat 5) Waste generated in operations	Waste	0.28	0.52	12.62
		Water	1.68	1.58	3.00
	(Cat 6) Business Travel	Bus Travel	-	-	0.16
Total Scope 3 GHG Emissions (tCO ₂ e)			138.03	667.91	1,282.67
Total GHG Emissions (tonnes CO ₂ e)			699.32	1,217.41	1,737.26
GHG Emissions per £M turnover (tonnes CO ₂ e)			2.04	3.88	5.31
GHG Emissions per employee (tonnes CO ₂ e)			0.23	0.42	0.59

Emissions Reduction Targets & Trajectory

Civica are currently updating our Net Zero Carbon Strategy and defining interim targets aligned with our ambition to become **Net Zero by 2040**. We recognise that to achieve Net Zero we will have to mitigate our residual GHG emissions (i.e., those from essential operation of the company) through carbon offsetting and/or sequestration mechanisms. The trajectories outlined in this report present Civica UK's Scope 1, 2 and 3 emissions reduction pathways aligned with warming scenarios outlined by the Science Based Targets Initiative (SBTi) Absolute Contraction Approach³. This approach is designed to provide trajectories which are aligned with published climate science and the aims of the Paris Agreement: Well-Below 1.5°C Warming Scenario by 2100. This requires at least a 60% reduction by 2035, aiming to achieve 90% reduction (Net Zero) by 2040.

Civica's emissions reduction trajectory, considering the current year's GHG emissions footprint data is presented below.



Shading represents the relative contribution of each emissions scope to our overall UK emissions footprint, with a theoretical reduction trajectory that aligns with SBTi 1.5 Degree Warming Scenario. Anticipated residual emissions that will need to be offset/sequestered to meet Civica's Net Zero commitment are shown in the remaining shaded portions at the end of the trajectory 2040/41. This chart will be updated on an annual basis to show our progress against these reduction trajectories.

Civica is currently in the process of developing interim targets to monitor progress against our Net Zero Target and will update our Carbon Reduction Plan and our trajectory chart accordingly once interim targets have been agreed.

³Science Based Targets initiative - [SBTi-criteria.pdf \(sciencebasedtargets.org\)](https://sciencebasedtargets.org)

Carbon Reduction Projects

Our greatest scope for carbon reduction comes from the work we do with our customers, and the global reach of our products. Our innovative software-based services routinely reduce property/power/travel/paper requirements, assisting customers in improving their own carbon footprint. Increasingly our applications are also underpinned by energy efficient cloud-based services.

Case Study: Our Civica Scheduling tool, which has been used to efficiently plan community nursing routes has supported one NHS Trust in significantly reducing the mileage of their District Nursing Team over a six-month period, while simultaneously allowing almost 5,000 more home visits to occur during that same period.

Whilst our mission of delivering critical services to citizens around the world is a crucial one, we also acknowledge the importance of Civica's own carbon footprint. With this in mind, we have recently appointed our first dedicated Head of ESG to assist in formalising sustainability processes throughout Civica, with a view to coordinating and building upon existing carbon reduction momentum.





Completed Carbon Reduction Initiatives

Within Civica, the following environmental management measures and carbon reduction initiatives have been completed or implemented since the start of our baseline year:

- We continue to align with all environmental legislation that relates to the company through ISO audits, whilst we have recently expanded our processes and certification scope to include our Vadodara premises.
- As a business, Civica UK now only offers company cars that are petrol hybrid, or plug-in vehicles.
- Our colleagues are offered a Cycle to Work scheme, with the option to purchase cycle and safety equipment, to encourage low-carbon travel into our offices.
- In an effort to limit utility consumption, we have trialled reduced office operating hours at one location. Further investigations for other sites are planned, including adjustments to cleaning schedules.
- Our "Days of Difference" program, the aim of which is to encourage colleagues to make a positive impact on their local communities and the environment, has been extended from one to three days during the year. This initiative allows our employees to actively contribute to charity or community causes which could be environmental or conservation based. Activities that Civica colleagues have recently engaged in include cleaning of local canals, litter picking, weeding and planting, assistance with allotments and sharing of locally grown produce.

- In our office locations we continue to provide recycling facilities, reduce the use of single use plastics (including a shift from plastic to glass milk containers), provide timer switches for office devices, use cistern water saving devices in toilets and washrooms, discourage printing, and encourage mobile phone, battery, and printer cartridge recycling, and the use of FSC certified paper.
- We continue a hybrid approach to working for all our staff, which reduces travel emissions through reduced commuting. To support homeworking, all staff use online collaboration tools, such as MS Office and Teams.
- During refurbishments, our teams ensured environmental considerations were a priority, identifying environmentally friendly solutions both in terms of the fit-out of the office and the disposal of waste generated during works. These measures included the recycling of carpet, the selection of environmentally friendly building materials, and the installation of LED lighting with PIR sensors as standard.
- We operate socially responsible purchasing, choosing ethically and/or environmentally friendly suppliers where possible. For example, we have engaged with a number of suppliers who also provide carbon offsets as part of our paper purchasing.
- In 2022, we launched a 'Civica Forest', in which we planted trees in partnership with Rewards.Earth in their locations around the UK. Rewards.Earth employed the Green Task Force to conduct this planting. The Green Task Force consisted of returning veterans in the UK who used Nature Based Therapy to help veterans overcome PTSD so in planting our trees, we were not only supporting the environment but also supporting veterans to gain long term employment and nationally recognised qualifications.
- We continued to support our customers in their adoption of Cloud technology and are actively expanding our Cloud-based solutions offering. Those customers that have moved to our Azure hosted Cloud solutions have benefited from Microsoft's global carbon neutral status since 2012, and their commitment to being carbon negative by 2030 and so reduced their reliance on less efficient technologies.

Planned Carbon Reduction Initiatives

Over the next 12 months we will be implementing the following projects:

- Completion of an ESG Materiality Assessment which will inform our first ESG Strategy, including a roadmap for achieving net zero which includes:
 - Definition of what net zero achievement looks like for Civica, alongside scoping considerations.
 - Continue to evaluate and scrutinise our Scope 3 carbon footprint in line with best practice guidance and standards. For example, we will continue to consider methodological improvements relating to purchased goods and services and investigate means of evaluating employee commuting.
 - Setting of short/mid-term GHG reduction targets.
 - Identification of potential emission reduction opportunities, including operational (e.g. air travel), and market-based solutions.
 - Ensuring transparency and accountability via our sustainability reporting.
- Existing operational objectives include:
 - Installation of solar panels at our Dudley premises.
 - Finalisation of LED installation proposals for review and signoff
 - Implementation of water reduction program at UK owned premises.
 - Undertake review of office recycling provisions to understand potential improvement
 - Evaluate energy savings associated with reduced out of hours operational periods for offices. Currently being trialed (referenced above) with a view to further rollout.
- Formalise climate-related risk identification process and management of risks and opportunities.



Declaration & 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; using the appropriate Government emission Conversion Factors for GHG 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 from Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

SIGNED ON BEHALF OF CIVICA UK LTD:

A handwritten signature in black ink, appearing to read 'M Franks', written over a light blue horizontal line.

Martin Franks
Chief Financial Officer
Civica Group Ltd.

Date: 26th April 2024