

Net Zero Carbon Reduction Plan

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

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The world is how we shape it

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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 have 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 will require Sopra Steria to strive towards achieving a 90% reduction in absolute emissions from a baseline measurement by no later than 2050. Consequently, Sopra Steria have proposed a revised Net Zero target achievement date of 2040. The SBTi have indicated that revised targets aligned with criteria set under The Standard, submitted by Sopra Steria Group in November 2022, will be validated around July 2023. As stipulated by SBTi, the baseline period can be no longer than 3 years prior to commitments. Therefore, we will change the baseline year from 2015 to 2019 upon validation by the SBTi in 2023.

TRAJECTORY TOWARD NET-ZERO EMISSIONS

Key milestones on the way to achieving SBTi’s near-term 1.5°C-aligned targets and long-term net-zero emissions targets (baseline: 2015).

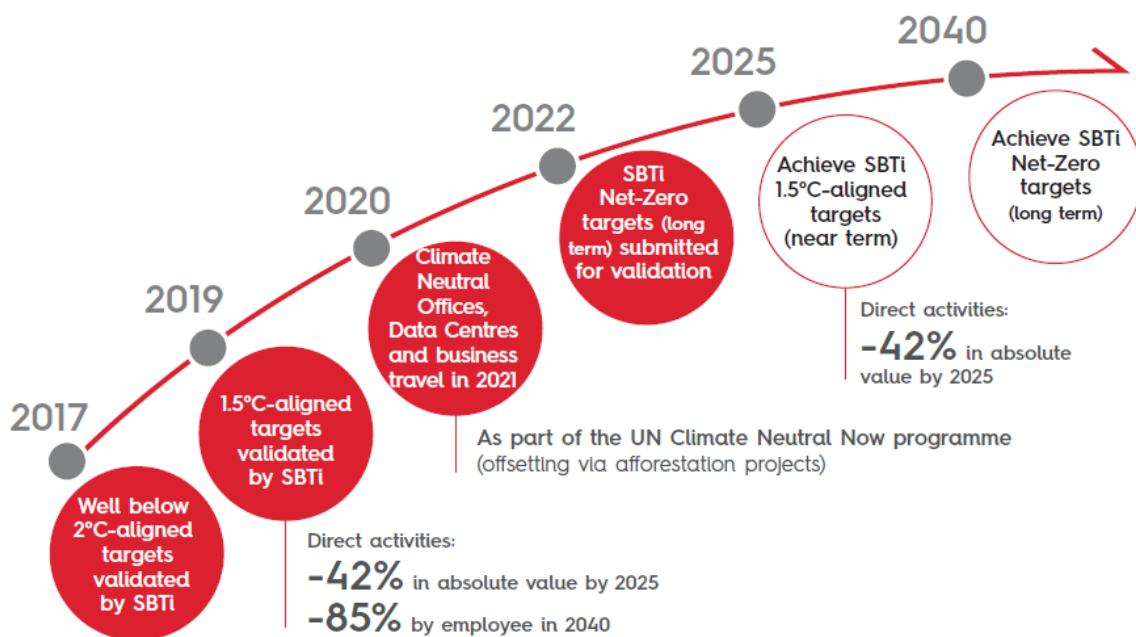


Figure 1: Sopra Steria roadmap to achieving Net Zero by 2040 in line with the SBTi Net Zero Standard.

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 2022 and the Baseline Year is the calendar year 2015.

Scope	Category/ Definition	Description of source	Emissions (tCO ₂ e)		% Change in Emissions (2022 v 2015)
			Reporting year (2022)	Baseline year (2015)	
1	Direct emissions from owned or controlled sources	Combustion of fuel, & leakages of refrigerant	318	789	-59.7%
2	Indirect emissions from the generation of purchased electricity, steam, heating and	Generation of electricity consumed (on a market basis)	0	928	-100%
3	1 Purchased Goods & Services	Supply chain	39,522	28,195	40.2%
	3 Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	The production and delivery of fuel and electricity	315	1,369	-76.9%
	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	3.5	5	-30%
	6 Business Travel	Travel for business purposes, including hotel nights	639	3,088	-79.3%
	7 Employee Commuting	Travel by employees to and from their places of work and emissions due to remote working (homes and client sites)	1,146	5,718	-80%
	8 Upstream Leased Assets	Off-site data centres	93	376	-75.3%
	9 Downstream transportation and Distribution	Not applicable – see Table 2	0	0	
	13 Downstream Leased Assets	Tenants	0	177	-100%
		All		42,037	40,645

Table 1: Sopra Steria's Emissions by Scope and Category for the Reporting Year and its Baseline Year.

Please note that Scope 2 (market based) emissions are zero as 100% of the electricity Sopra Steria consumes in the UK comes from renewable sources which is backed by renewable guarantee of origin certificates (REGOs) certificates.

In 2022, our total absolute Scope 1 and 2 (market-based emissions) decreased by 81.5%; and on an intensity basis (per full-time employee) reduced by 43.2% in 2022 compared with the baseline year 2015. Whilst

Sopra Steria began to measure its total value chain emissions, in 2022, 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 represents 94% of Sopra Steria's total carbon footprint.

Our current methodology for calculating purchased goods and services emissions is a function of supply chain spend which has increased year-on-year. In 2022, supplier spend increased by 41.3% whilst emissions from purchased goods and services increased by 40.2% compared with the 2015 baseline year. Thus, in terms of the impact on our overall emissions, this caused our total absolute emissions to increase by 3.4% in 2022. All other scope categories of GHG emissions decreased in 2022. Therefore, without accounting for supply chain emissions our total GHG emissions figures in 2022 would have shown a 79.8% decrease.

Sopra Steria has voluntarily incorporated good practice into our 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. Doing this is essential for positioning Sopra Steria to make a credible transition towards net zero against long-term science-based targets. The trend of increased emissions is temporary as mechanisms for measuring supplier emissions accurately don't currently exist. Therefore, as part of our strategy we will collaborate with our suppliers to address this material issue.

Table 2 below lists Categories of Scope 3 for which Sopra Steria 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 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 from intentions to achieve net zero emissions by the end of 2028 to a revised target achievement date of 2040 and will implement a phased approach, through intermediate targets, to achieve this objective.

Year	Scope of Net Zero
2022	All operations under direct control carbon neutral under the UN Carbon Neutral NOW
2025	Certain indirect operations (i.e. waste treatment, indirect fuel & energy, employee commuting, and downstream leased assets) added
2040	Indirect operations related to the supply chain (purchased goods and services) added

Table 3: Phases of Sopra Steria's Approach to becoming Net Zero by 2040.

To continue our progress to achieving Net Zero, Sopra Steria has adopted the following carbon reduction targets, against a 2015 baseline:

- 24% reduction in GHG emissions (Scope 1 +2) intensity per full-time employee by the end of 2022; and
- 20% reduction in business travel emissions intensity per full-time employee by the end of 2022.

3.1 Science-Based Targets

The Sopra Steria Group has set up Science-Based Targets (SBTs) that apply to Sopra Steria in the UK. The following SBTs are aligned to the 1.5 degree pathway and approved by the Science Based Targets Initiative (SBTi):

- 42% reduction in Scope 1 + 2 (market-based emissions) by end of 2025. This is our 10-year science-based target for all of our Scopes 1 and 2 emissions. Sopra Steria expects to achieve this target by procuring more renewable energy and through emissions reduction activities;
- 85% reduction in Scope 1 + 2 (market-based emissions) by end of 2040. This is our 25-year science-based target for all of our Scopes 1 and 2 emissions. Sopra Steria expects to achieve this target by procuring more renewable energy and through emissions reduction activities;
- Ensure that the Group’s suppliers, accounting for at least 70% of supply chain emissions, control their GHG emissions by 2025; and
- Ensure that 90% out of these Group’s suppliers, accounting for at least 70% of supply chain emissions, have set GHG emissions reduction targets by 2025.

Science-based targets do not admit carbon removal offsets as a means of emissions reductions.

The Sopra Steria Group was one of the companies that road-tested the SBTi Net Zero Standard prior to its publication in late 2021.

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 graph in Figure 2 shows projected progress against these targets:

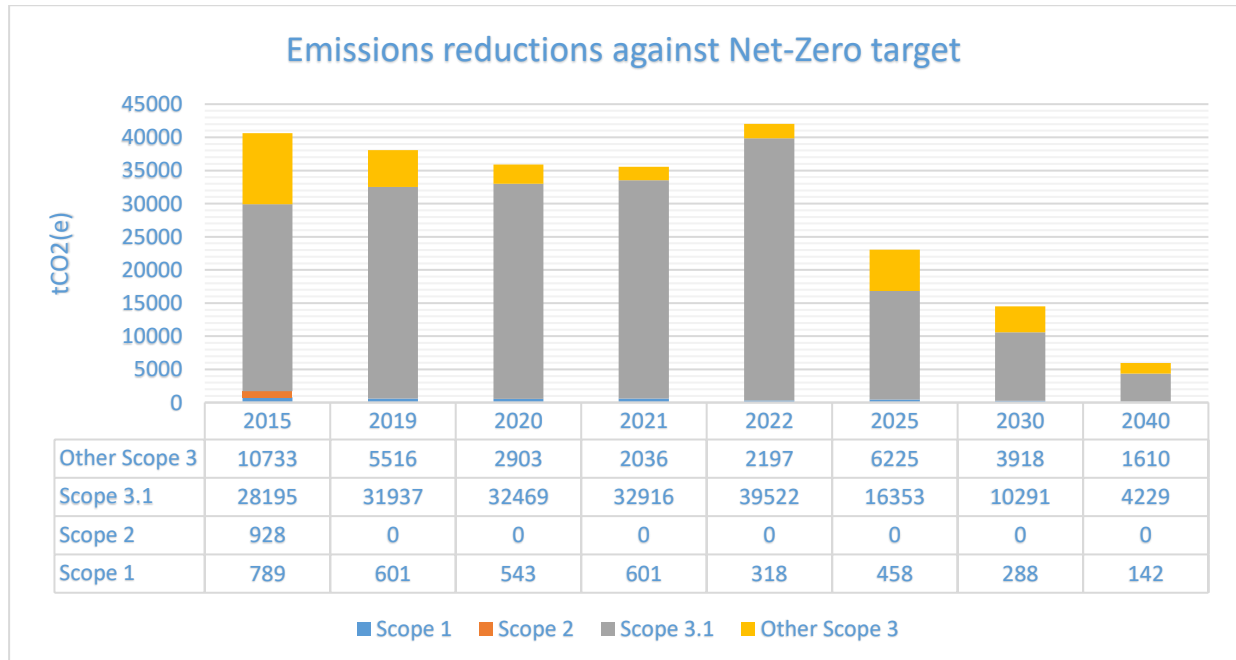


Figure 2: Emissions Reductions Past and Projected.

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 the current 2015 baseline year. These measures will be in effect over the course of the contract (when performing the contract).

4.2 Renewable Electricity

70% of the electricity that Sopra Steria consumed in the baseline year came from renewable sources; the remaining 30% accounted for emissions of 928tCO₂e 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 of the electricity that Sopra Steria consumes is backed by Renewable Energy Guarantees of Origin (REGOs).

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 94tCO₂e a year and its expenditure on energy by more than £28,000 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 will be launched in 2022 and also offer support 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 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 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 was 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 tonnes of CO₂(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 tonnes of CO₂(e).

Social Value is at the heart of everything we do in Sopra Steria, so as part of our commitment to shaping our world for the better, we have committed to reducing our energy consumption. We closed some of our offices over the Christmas period in 2022 to minimise the environmental footprint of using energy for heating, lighting and power at a time of minimal usage.

Since the baseline year of 2015, Sopra Steria's absolute energy footprint had decreased by 72.9% in 2022.

4.4 Energy-Efficient Data Centre Solutions

By 2019 Sopra Steria's on-site electricity consumption had fallen by 65% of its level in the baseline year, and by the reporting year, 2020, by 71%.

The fall was at least partly due to the migration of on-site data centres to cloud-based solutions. Cloud-based solutions use energy much – up to ten times - more efficiently than dedicated data centre facilities.

In the baseline year 78% of Sopra Steria's on-site electricity consumption and 44% of its Scope 2 emissions were due to its on-site data centres. In the reporting year the proportion of its on-site electricity consumption due its on-site data centres had fallen to 47%. (By then its Scope 2 emissions had fallen to zero.)

4.5 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 71.3% in business travel emissions per employee in the reporting year 2022 since the baseline year of 2015. Of course, a substantial proportion of this emissions reduction from business travel was due to the continuing restrictions imposed in response to the COVID pandemic.

4.6 Waste Management

100% of solid waste, from collections managed directly by Sopra Steria, is diverted away from landfill.

Since 2019, Sopra Steria and its two UK joint ventures 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.

4.7 Sustainable Purchasing

By collaborating with its office stationery supplier and its partner, Sopra Steria has been able to reduce the environmental impact of the paper that it uses by purchasing closed-loop paper. Using closed-loop papers means that Sopra Steria's used paper is recycled and remanufactured back into a paper product. Therefore, we adopt the principles of the circular economy. No deforestation takes place to provide the fibre in the paper that Sopra Steria subsequently purchases, which requires:

- 83% less water;
- 72% less energy; and
- 53% less CO₂ emissions.

... to manufacture than fresh-fibre paper.

4.8 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 becoming net zero by 2028, Sopra Steria migrated its offsets for carbon neutral certification to a new partner accredited by the United Nations Climate Neutral Now programme. This partner invests in projects that remove the primary GHG carbon dioxide 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.

4.9 Future Initiatives

Sopra Steria expects that future ways of working patterns will lead to increased hybrid working. As a result, in 2023 the Company will implement, through our UK property strategy, smart technology that provides management information and enables control of energy usage in line with dynamic changes in demand for office utilisation.

In addition, we will collaborate with our maintenance contractor on implement an energy monitoring and management programme.

In 2022, supply chain emissions accounted for 94% 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. Therefore, Sopra Steria will seek to collaborate with its supply chain and other organisation's to develop a refined methodology for measuring purchased goods and services related emissions (that isn't based on supplier spend) as well as effective engagement strategies for reducing those emissions.

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.

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 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) Standard³.

This Carbon Reduction Plan, for the Financial Year ending on 31st December 2022, 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: 26 May 2023

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>

About Sopra Steria

Sopra Steria, a European leader in consulting, digital services and software development, helps its clients drive their digital transformation to obtain tangible and sustainable benefits. It provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach. Sopra Steria places people at the heart of everything it does and is committed to making the most of digital technology to build a positive future for its clients. With 46,000 employees in 25 countries, the Group generated revenue of €4.3 billion in 2020.

The world is how we shape it.

Sopra Steria Group (SOP) is listed on Euronext Paris (Compartment A) - ISIN: FR0000050809
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