

Improving lives together



FY 2024

Net Zero Report



Carbon Reduction Plan



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Executive Endorsement

At Cygnet, we take our responsibility to contribute to a greener society seriously. We are proud of the role we play in our communities, and we are committed to having a positive impact on the environment. Our Net Zero Carbon Reduction Plan sets out how Cygnet will cut its direct and indirect carbon emissions to Net Zero by 2040. This plan aligns with the NHS time frame to become Net Zero by 2040.

Climate Change has become one of the biggest topics for both businesses and individuals around the world. These effects can be seen in changes in our weather, impacts on our daily lives, as well as influences on operations and supply chains.

We will use the findings in this report to implement carbon reductions schemes in our processes, embed sustainability deeper within our operations and create positive change that extends across the organisation.

Cygnet have already invested in a number of successful projects across the business to help us achieve our goal. These include installing Solar panels across a number of our sites. Replacing lights to LED lighting, upgrading to electric run vehicles, waste projects to improve recycling rates and reduce the waste sent to landfill, energy management monitoring system through Metering portals and many more projects across the business.

At Cygnet we will continue to work hard towards operating in a way that has a positive impact across our colleagues, service users and our wider community. Net Zero is a major step on this journey to produce a better future that Cygnet are proud to work towards.



Gordon Bailey

Procurement Director, ESG Committee Chair

About Us

Cygnets Group was founded in 1988 and has since then developed a wide range of services for individuals with mental health needs, autism and learning disabilities within the UK.

We have built a reputation for delivering pioneering services and outstanding outcomes for the people in our care. It will come as no surprise to those that know us, that we are equally as passionate about the environment as we are about the people we care for.

Climate change is a real threat to our way of life, and should we not address it, it will have negative impacts for the people in our care, our staff, the communities we operate in and beyond.

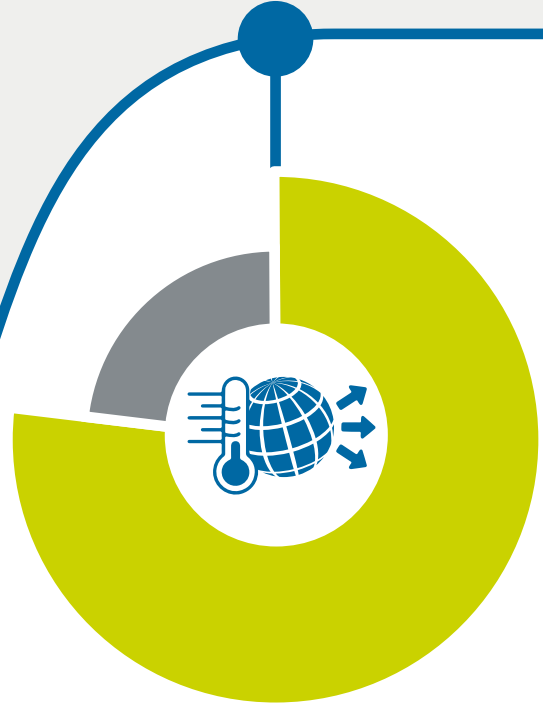
Our Values



Commitment to Net Zero

Cygnets are committed to ensuring that we play our role in working alongside other UK organisations to achieve the UK Government's Net Zero target of at least a 100% reduction in the net UK greenhouse gas (GHG) emissions by 2050 (based on 1990 levels).

Cygnets are committed to taking action to reduce our CO₂e emissions achieving Net Zero CO₂e emissions by 31st of December 2040, ten years earlier than the UK Government's target. We will aim to reduce our CO₂e emissions year-on-year and will achieve:



77%

overall reduction in all Green House Gas (GHG) emissions across Scopes 1, 2, and 3 by 2040 offsetting any residual CO₂e emissions via high-quality nature-based or direct air capture projects and becoming Net Zero



60%

reduction in our Scope 1 and 2 CO₂e emissions by 2030



To Achieve these Goals, Cygnet have Taken the Following Actions:



1

We have appointed an external specialist carbon consultancy to collate and verify data, calculate CO₂e emissions and help advise on carbon reduction options

2

Set the base year January 2022 – December 2022 and calculated our carbon footprint in line with the GHG protocol for the base year and subsequent years:

Scope 1

- Stationary combustion
- Transport (owned and leased vehicles)
- Refrigerant top-ups

Scope 2

- Electricity

Scope 3

- Category 1 – Purchased goods and services
- Category 3 – Fuel and energy related activities
- Category 4 – Upstream transportation and distribution
- Category 5 – Waste generated in operations
- Category 6 – Business travel
- Category 7 – Employee commuting

3

Created a carbon reduction plan for each Scope and Category

4

Set the Net Zero date and committed to updating our carbon footprint annually with FY24 to be the third year post the base year

Overview of GHG Protocol Scopes and CO₂e Emissions Across the Value Chain

CO₂

CH₄

HFCs

SF₆

PFCs

N₂O

NF₃

Scope 1

Direct Sources

- > Gas consumption data
- > Volume of refrigerant that has been refilled
- > Fuel consumption from owned or leased vehicles

Scope 2

Indirect Sources

- > Electricity consumption data

Scope 3

Upstream Sources

- > Purchased goods and services, capital goods and upstream transportation
- > Waste
- > Fuel and energy related activities
- > Business travel, employee commuting and home-working

Scope 4

Downstream Sources

- > Downstream transportation and use of sold goods
- > Franchises, investments, upstream leased assets and downstream leased assets
- > Process of sold products and end-of-life treatment



Figure 1. Sources of Greenhouse gas emissions by Scope and category. Source: GHG Protocol.

CO₂e Emissions Breakdown

Baseline CO₂e emissions are a record of the CO₂e emissions that were produced in a previous financial year prior to the introduction of any strategies to reduce CO₂e emissions. Baseline CO₂e emissions are the reference point against which CO₂e emissions reduction can be measured.

Cygnnet has chosen FY22 as our baseline year. In order to be able to compare our CO₂e emissions year on year, we calculate our CO₂e emissions annually. Cygnnet's FY24 CO₂e emissions footprint is as follows:

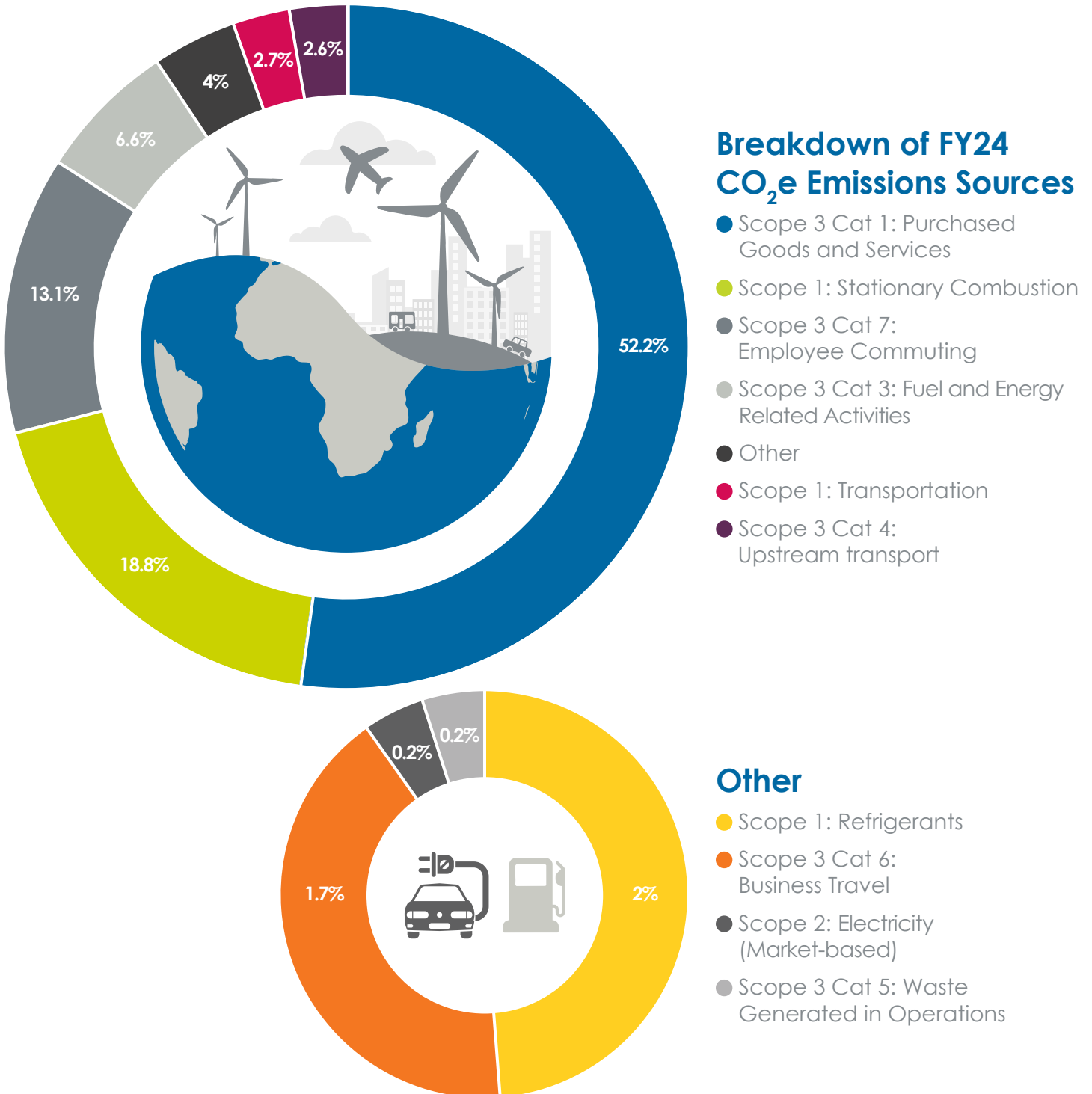


Figure 2. Pie charts displaying Cygnnet's FY24 tCO₂e emissions, split by category. In the main pie chart, all categories with emissions totalling equal or less than 2% of Cygnnet's total FY24 emissions have been aggregated into an 'Other' category, which has been broken into categories in the other pie chart to provide a more granular breakdown of emissions by category.

Below is an itemised breakdown showing the amount of CO₂e produced by each scope and category from FY22, FY23, and FY24 calculations

Scope / Category	Item	Total tCO ₂ e FY2022	Total tCO ₂ e FY2023	Total tCO ₂ e FY2024	Percentage of market-based tCO ₂ e FY 2024	Percentage change from baseline
Scope 1						
Stationary Combustion	Natural Gas, Burning Oil, Kerosene, and Propane consumed	7,227.5	7,634.4	7,344.4	18.8%	+1.6%
Transportation	Owned and leased vehicles	1,033.6	1,081.4	1,058.5	2.7%	+2.4%
Refrigerants	HVACs	624.8	599.1	774.6	2.0%	+24.0%
Scope 2						
Electricity (Location-based) ¹	Purchased electricity, for own use (grid average)	3,379.0	3,359.5	3,421.1	N/A	+1.2%
Electricity (Market-based) ²	Purchased electricity, for own use (specific contract)	79.1	71.3	62.4	0.2%	-21.1%
Scope 3						
Category 1: Purchased Goods and Services	Goods and services	22,531.6	19,751.6	20,405.2 ³	52.2%	-9.4%
Category 3: Fuel and Energy Related Activities	WTT ⁴ & T&D losses ⁵ from electricity, stationary combustion of fuels and transport	1,570.0	1,635.6	2,591.9 ⁶	6.6%	+65.1%
Category 4: Upstream Transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁷	1,126.6	987.6	1,020.3	2.6%	-9.4%
Category 5: Waste Generated in Operations	Waste generated in operations	151.3	121.8	59.4 ⁸	0.2%	-60.7%
Category 6: Business Travel	Land and air travel and hotel stays for business purposes WTW	1,118.5	472.7 ⁹	647.3	1.7%	-42.1%
Category 7: Employee Commuting	Employees commuting to and back from work WTW	6,738.6	5,722.5	5,111.6	13.1%	-24.1%
Total Gross CO₂e Emissions (Location based)		45,501.6	41,366.2	42,434.3		-6.7%
Additional CO ₂ e Emissions Change due to Choice of Energy Contracts		0	0	31.4 ¹⁰		
Less CO ₂ e Emissions Avoided by Production of Renewable Electricity		(3,299.9)	(3,288.2)	(3,390.1)		
Total Gross CO₂e Emissions (Market-based)		42,201.7	38,078.0	39,075.6		-7.4%
Total Net CO₂e Emissions		42,201.7	38,078.0	39,075.6		-7.4%

Table 1. Cygnet's FY22, FY23 and FY24 CO₂e Inventory.

To further understand our CO₂e emissions, we have also recorded them using intensity ratios as this will allow us to track our CO₂e emissions as our business grows and develops

Intensity Ratios	Gross CO ₂ e Emissions (Location-based)			Gross CO ₂ e Emissions (Market-based)			Net CO ₂ e Emissions		
	FY	2022	2023	2024	2022	2023	2024	2022	2023
tCO ₂ e Per Employee	4.3	3.9	3.5	4.0	3.6	3.2	4.0	3.6	3.2
tCO ₂ e Per Million £ Turnover	74.6	74.1	62.2	67.0	68.2	57.3	67.0	68.2	57.3
tCO ₂ e Per Occupancy ¹¹	18.0	16.2	16.3	16.7	14.9	15.0	16.7	14.9	15.0

Table 2. Cygnet Intensity Metrics FY 2022, FY 2023, FY 2024.

The demand on mental health inpatient services in England is high and has been increasing. Between 2016 and 2023 there was a 24% increase in the number of patients in hospitals, with an ever-increasing demand for healthcare outpatient services, a core area of business for Cygnet¹². Our future business plans are aligned with an ever-growing estate to support patients that are outsourced from the NHS facilities. This means that as the demand for outpatient services grows within the UK, so will our estate. We have therefore decided this year as it is the third year in a row that our estate has grown that we included an 'occupancy' intensity. The occupancy intensity relates to how occupied our estate is which will help us to understand the relationship between the total number of beds occupied and our gross CO₂e emissions listed above.

Incorporating patient occupancy intensity into this report also enables more meaningful year-on-year comparisons and strengthens the ability to set realistic decarbonisation targets. This approach creates opportunities for internal benchmarking in the future years. Over time, this data will contribute to more informed decision-making around resource allocation, operational improvements, and the prioritisation of sustainability initiatives in the healthcare setting.

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries¹³. This can be done either by an "Equity Share" or "Control" approach. The Equity Share approach reflects a company's economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has.

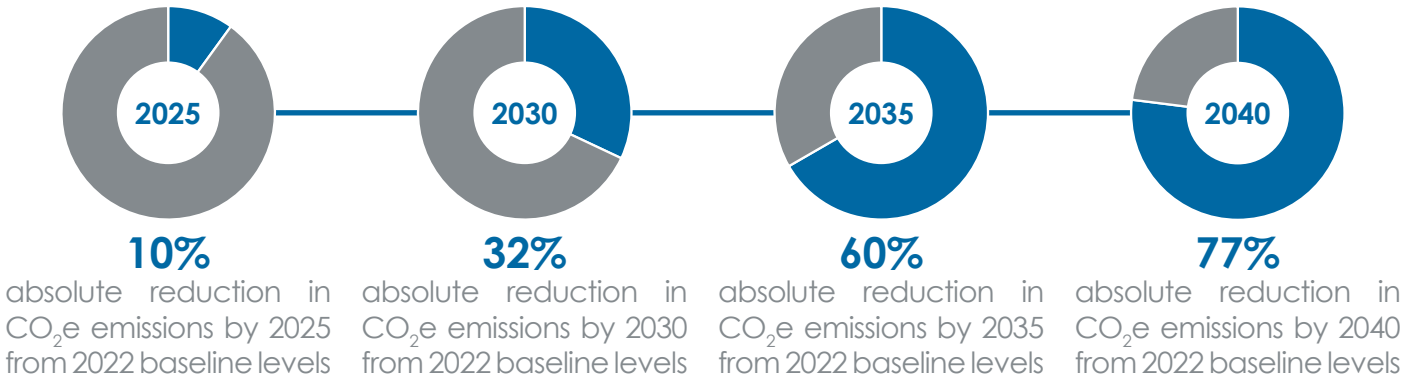
To fully cover all of our operations and subsidiaries, Cygnet have selected the Operational Control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which we have operational control. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Cygnet CO₂e emissions are reported in tCO₂e and have been calculated utilising the following formula:

Source CO₂e emissions data x conversion factor¹⁴ = Total source CO₂e emissions

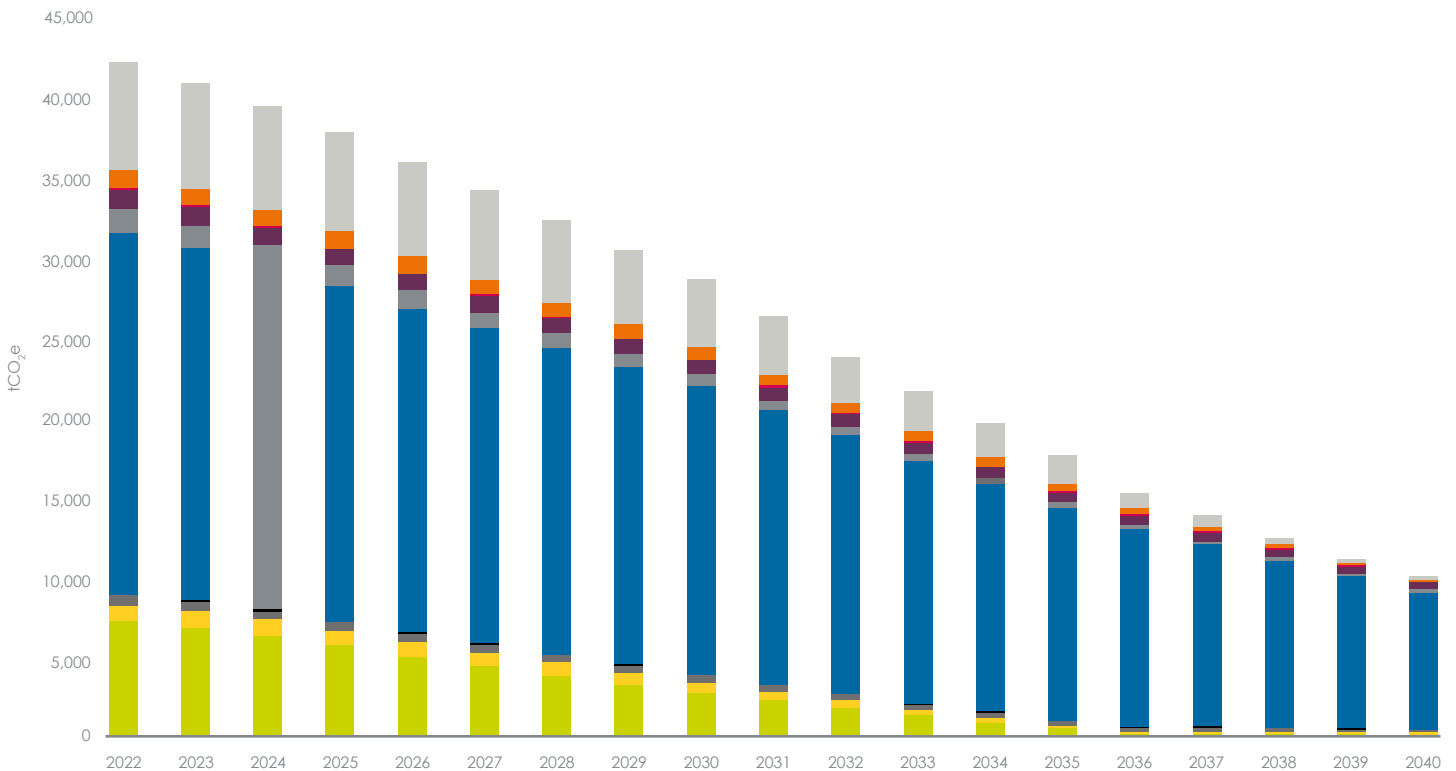
Source unit x (tCO₂e/unit) = tCO₂e

CO₂e Emission Reduction Target

In order to continue our progress to achieving Net Zero, we have mapped out and planned a number of positive actions to achieve the following carbon reduction targets: $\text{source unit} \times (\text{tCO}_2\text{e}/\text{unit}) = \text{tCO}_2\text{e}$



Carbon Emission Glidepath tCO₂e



- Scope 1: Stationary Combustion
- Scope 1: Transport
- Scope 1: Refrigerants
- Scope 2: Electricity (Market-based)
- Scope 3 Cat 1: Purchased Goods and Services
- Scope 3 Cat3: Fuel and Energy Related Activities
- Scope 3 Cat 4: Upstream Transportation
- Scope 3 Cat 5: Waste
- Scope 3 Cat 6: Business Travel
- Scope 3 Cat 7: Employee Commuting

Figure 3. Cygnet's Net Zero glidepath - roadmap to achieve Net Zero (-76% tCO₂e by 2040 against the FY 2022 base year).

Our calculated CO₂e emissions in FY24 have reduced by 8.5% in comparison to market-based CO₂e emissions for FY23 and have decreased in comparison to the reduction glidepath as shown in the graph CO₂e Emissions Reduction Plan Actual vs Target (Total CO₂e emissions Scopes 1, 2 and 3). The greatest drivers of this reported CO₂e emissions reduction are from Purchased goods and services which has reduced by 12.3% (22,531.6 tCO₂e to 19,751.59 tCO₂e), and CO₂e emissions from Upstream transportation which has decreased by 12.3% (1,570.0tCO₂e to 987.6 tCO₂e).

The main reason for the reduction in CO₂e emissions can be attributed to improvements in methodology as the spend calculations for Purchased goods and services and Upstream transportation have been updated using new Environmental Protection Agency (EPA) emission factors, which have been updated as a result of the global movement in decarbonisation within specific industries that make up a material portion of the EPA emission factors. Additionally, we've seen a reduction in CO₂e emissions within Employee commuting as a result of increased FTE and decreased agency staff, as we've filled positions with full time employees rather than agency staff. This drop in CO₂e emissions can be seen within FY23 vs FY24 Purchased goods and services, Upstream transportation and Employee commuting Actual vs Target.

Emissions Reduction Plan baseline Actual vs Target (Total Market-based CO₂e Emissions Scope 1, 2 and 3)

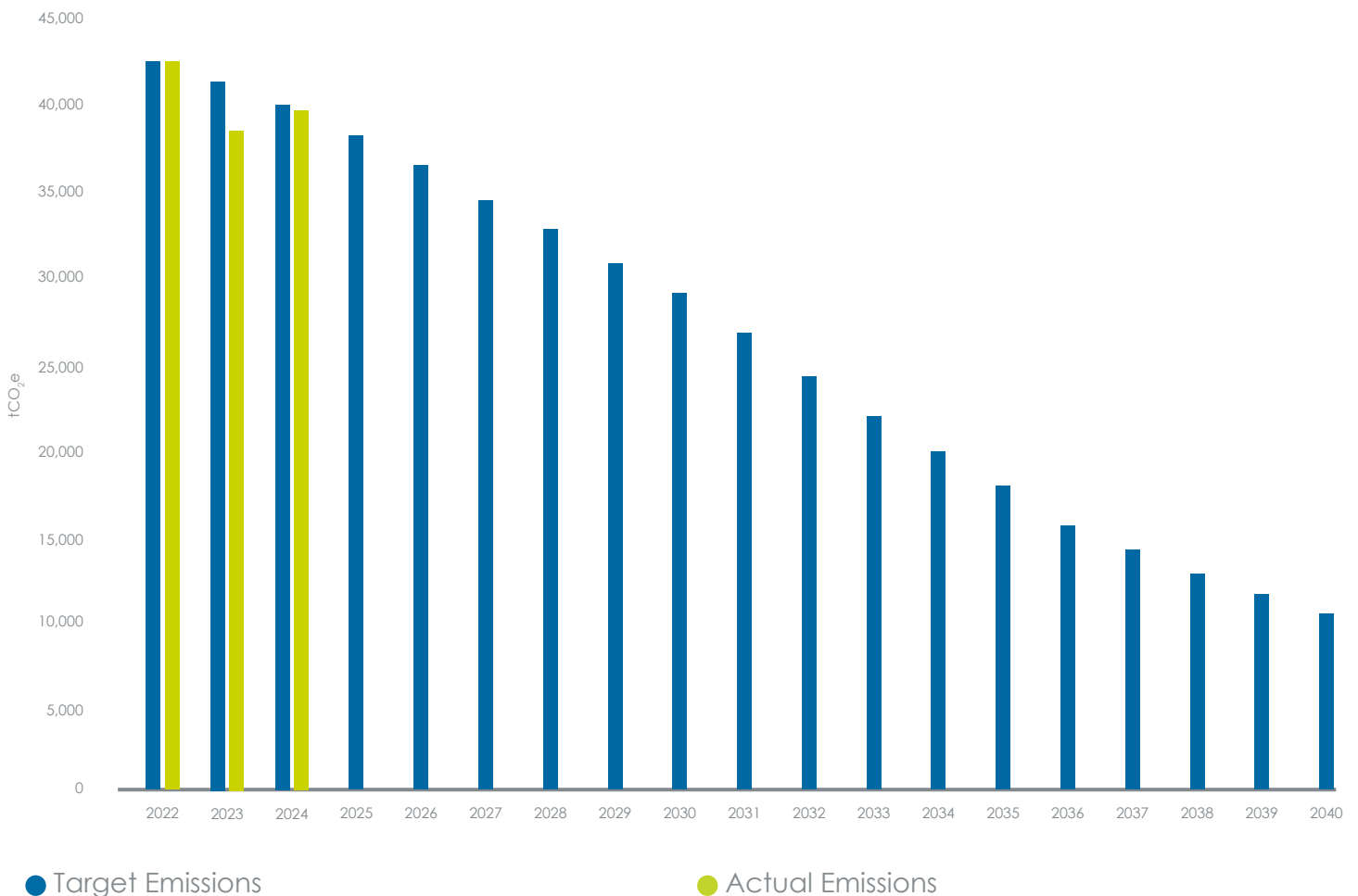


Figure 4. Cygnet's progress against the original Net Zero glidepath – blue is estimated based on the reduction projections modelled in the original glidepath, orange is the actual reported emissions. Emissions shown in this graph are market-based.

FY 22-24 Waste, Business travel, and Employee Commuting Actual vs Target

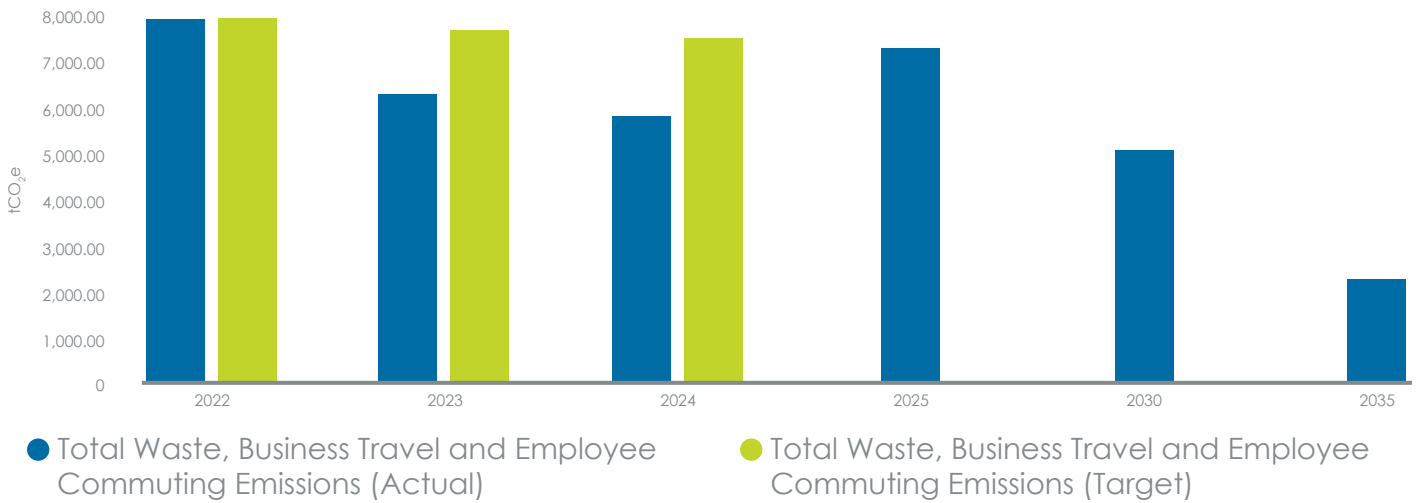


Figure 5. Cygnet's progress against the original Net Zero glidepath (waste, Business travel and Employee commuting) – Orange is estimated based on the reduction projections modelled in the original glidepath, Blue is the actual reported emissions.

Following the emissions re-baselining made in FY23, we have seen an increase in Scope 1 stationary combustion emissions (1.6%) and decrease in Scope 2 market-based electricity emissions (21.1%) in FY24 compared with the FY22 baseline. We have made an improvement to the calculation methodology for market-based electricity in FY24 to apply a residual mix emissions factor to our non-renewable electricity supply. This is in line with best practice and explains the disproportionate increase in reported emissions in FY24. This is shown in the graphs Emissions Reduction Plan baseline Actual vs Target (Stationary Combustion) and Emissions Reduction Plan baseline Actual vs Target (Market-based Electricity).

There has been a significant reduction in the UK Government GHG conversion factors (produced and published by DESNZ and DEFRA) which has affected the total emissions. For example, in 2023 the GHG conversion factors for recycling (open-loop and closed-loop) and combustion was 21.28081 kg CO₂e/tonne of waste whilst in 2024 the equivalent factor was updated to be 6.41061 kg CO₂e/tonne of waste, a 70% decrease. Total waste has increased from 2023 to 2024 in terms of weight, from 5,521.94 tonnes to 6,048.46 tonnes, but the total waste emissions decreased from FY2023 to FY2024.

Emissions Reduction Plan baseline Actual vs Target (Stationary Combustion)

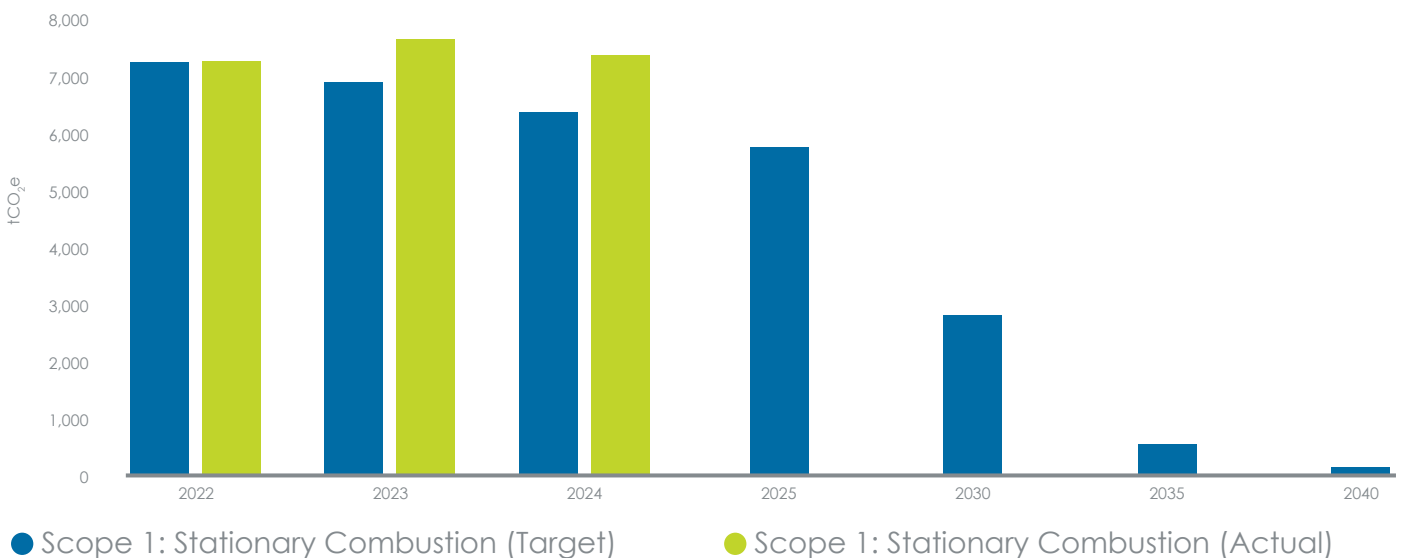


Figure 6. Cygnet's progress against the Stationary combustion Net Zero glidepath– blue is estimated based on the reduction projections modelled in the original glidepath, orange is the actual reported emissions.

Emissions Reduction Plan baseline Actual vs Target (Market-based Electricity)

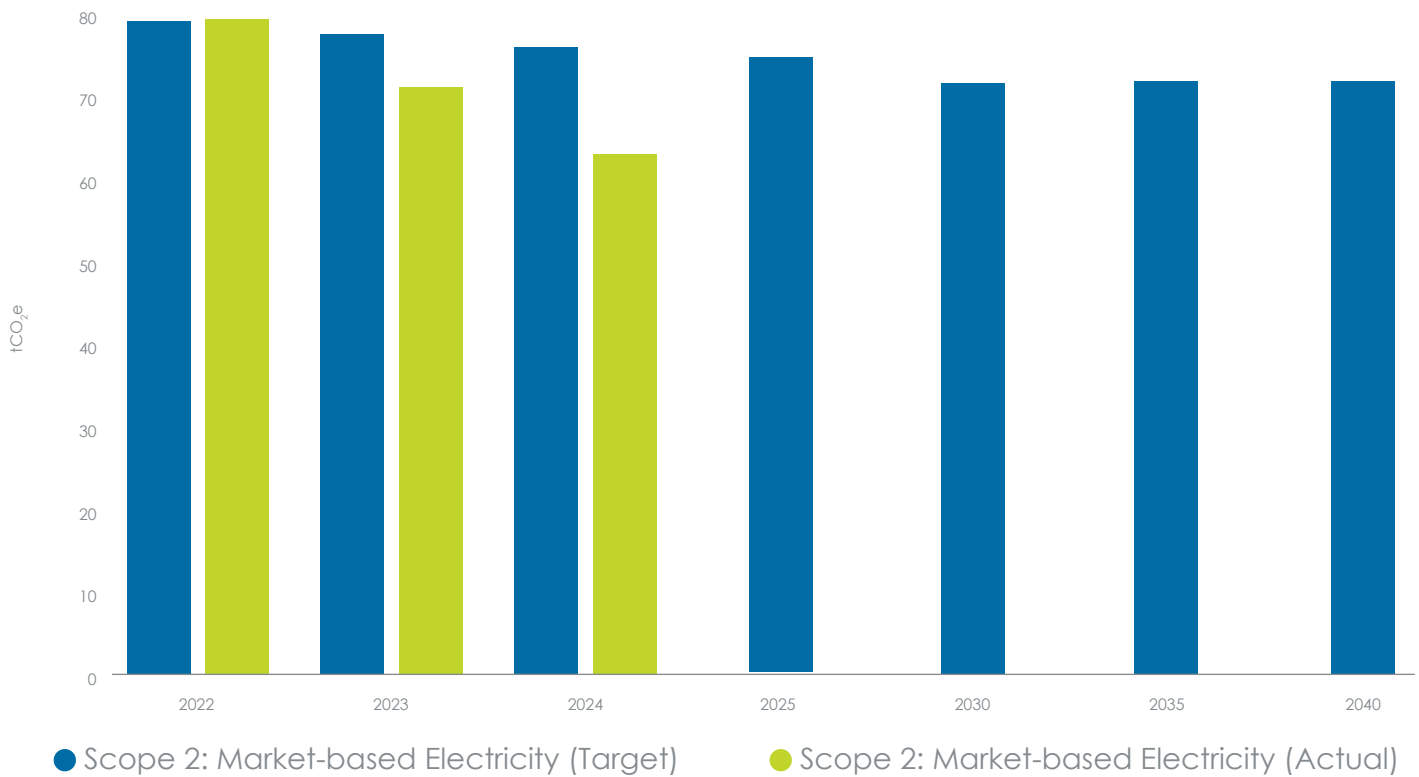


Figure 7. Cygnet's progress against the Electricity (market-based) Net Zero glidepath– blue is estimated based on the reduction projections modelled in the original glidepath, orange is the actual reported emissions.

Emissions Reduction Plan baseline Actual vs Target (Location-based Electricity)

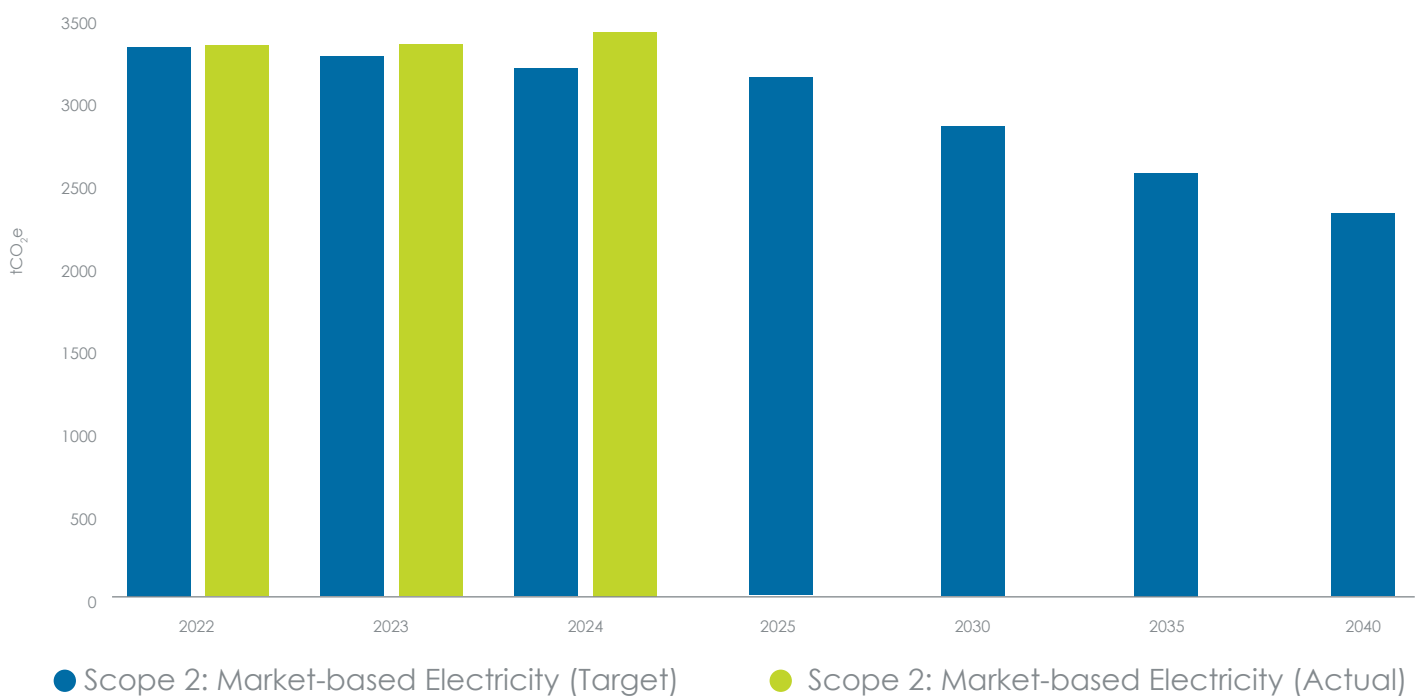


Figure 8. Cygnet's progress against the Electricity (location-based) Net Zero glidepath– blue is estimated based on the reduction projections modelled in the original glidepath, orange is the actual reported emissions.

In FY2024, purchased brown electricity kWh decreased 19.5% compared with both FY2022 and FY2023. Purchased green electricity was 5.3% lower than in FY2022 but 2.1% higher than in FY2023. Overall electricity consumption in kWh (including both purchased and on-site generated electricity) in FY2024 was 1.9% higher than in FY2022 and 9.7% higher than FY2023.

In Figure 8 (location-based Scope 2 electricity emissions), emissions are consistent over the past year, as Cygnet's total electricity consumption has remained relatively stable, with no substantial year-on-year changes. Whereas market-based Scope 2 emissions (Figure 7) had some fluctuations, due to green electricity's share increased over the past years.

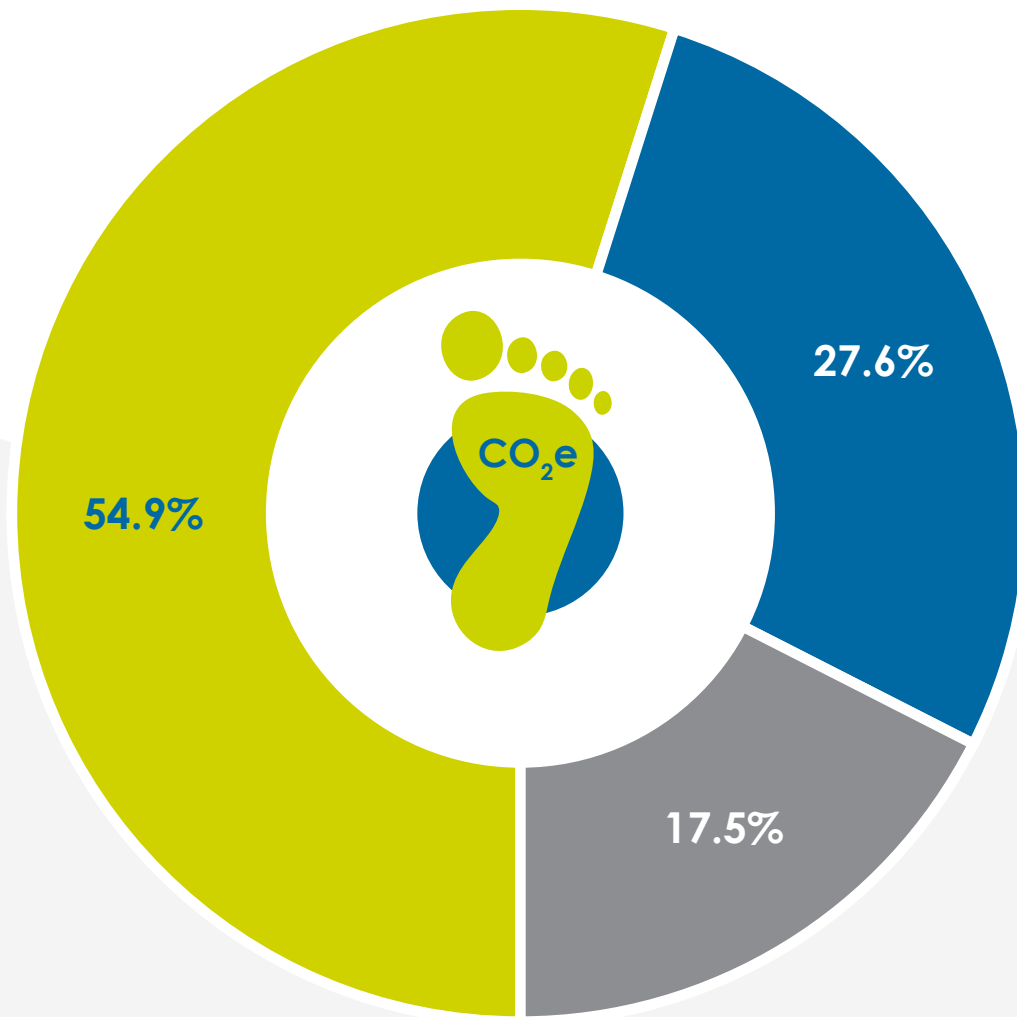
As the operation of our estate is our key business area and also one of the main sources of CO₂e emissions for us, it is important we consider this when planning our CO₂e emissions reduction activities. Our estate is large and continues to grow as we expand our business, in fact, in future years we plan to grow our estate at a rate of 10% each year. While our estate directly affects our Scope 1 and 2 CO₂e emissions it is also important for us to consider the possible impacts on scope 3. As we invest further into our buildings and infrastructure to improve its energy efficiency, driving down CO₂e emissions in Scopes 1 and 2 we will need to account for these purchases embedded CO₂e emissions in our Scope 3 Category 1 Purchased goods and services.

This means that we will need to be strategic in the choices we make in both CO₂e emissions reduction options and suppliers we partner with to deliver them. We will therefore start to use the Energy Hierarchy to reduce the buildings energy consumption and then consider how to switch to lower CO₂e emission across these environmental impact areas¹⁵.

We have analysed CO₂e emissions hotspots by overall source within CO₂e Emissions footprint by grouped CO₂e Emission source CO₂e Emissions, the sources have been grouped into: Transport, Supply Chain and Energy. The Transport group includes Scope 1 Transport, Business travel, and Employee commuting. The Energy group includes Scope 1 Stationary combustion and Refrigerants, Scope 2 market-based electricity, and Scope 3 Fuel and energy related activities. The final group, Supply Chain includes Purchased goods and services, and Upstream transportation. Waste has been removed from this graph as it represents only 0.2% of our CO₂e footprint. The purpose of this pie graph is to evaluate the effectiveness of our Energy Management as we invest in the Energy Hierarchy across our estate our supply chain CO₂e emissions will increase through investments in the fabric, passive measures, and heating, ventilation, and air conditioning (HVAC). We will use this as an initial evaluation of the payback across all the capitals.



CO₂e Emissions Footprint by Grouped CO₂e Emission Source



Supply Chain

Includes Purchased goods and services and upstream transportation



Energy

Includes Stationary combustion, Electricity (Market-based), and Fuel and energy related activities



Transport

Includes Scope 1 transport, business travel, and employee commuting

Figure 9. Cygnet's FY24 emissions grouped by emissions source: Energy, Transport, Supply chain.

Environmental Management Measures / CO₂e Emission Reduction Plan

Cygnets has a growing estate that results in increasing CO₂e emissions associated with maintenance, heating powering and upkeep of these new buildings that are vital for us to provide our care services. We have been progressing our data driven journey and managed to get all our mains meters into one portal. For the first time, we now have oversight of the energy consumption at building level to understand the initial hotspots. We will continue to work to reduce our CO₂e emissions, and our actions are summarised below:



Scope 1: Stationary Combustion (Natural Gas)

Cygnets owns over 163 buildings across the UK. We have created Energy Performance Certificates (EPC's) for all buildings across our estate. MEES studies are currently underway with all sites under C rating to highlight a programme of works to get them up to standard where applicable. Actions that we are considering implementing to make all buildings achieve C or higher ratings are:

- Create a scorecard for each building relating to their energy consumption.
- Engage with the facilities / operations manager at each facility and collect information of the energy and building performance.
- Create a building / asset registry database.
- Evaluate at site level what the best opportunities are for energy savings and security.
- Consider compliance requirements that can be used as the first layer to derive savings and building level energy efficiencies:
 - Evaluate where investments need to be carried out in insulation through further studies that review the building temperature leakage.
 - Evaluate the CapEx maintenance cycle for boilers and evaluate when we should invest in heat pumps.
 - Monitor the asset health and performance of the heat pump, ensuring hybrid heating systems are focused on electrical heating.





Scope 1: Transport (Owned and Leased Vehicles)

Cygnnet has 280 vehicles in our fleet in FY24. In FY23, 8.2% of the fleet were electric, 0.7% were hybrid. We have also started to roll out Electric Vehicle (EV) charging across our estate, with an initial installation of 60 EV chargers. In order to reduce our CO₂e emission further we will continue to switch to battery electric vehicles (BEV) by carrying out the below actions:

- Creating a registry and index that will help prioritise which of our fleet are a higher priority to switch to BEV.
 - This will include reviewing the age, total distances, fuel use / type of vehicle / weight or size.
 - Carry out CO₂e emissions reduction study to understand when to switch each vehicle by evaluating what the carbon payback is between investments in new vehicles (the embodied carbon) vs the carbon saved through electrification of our fleet.

These measures will help plan our CapEx investment in fleet alongside our Net Zero CO₂e emissions reduction pathway in line with the latest measurement and verification methodologies.



Scope 1: Refrigerants

We use heating, ventilation and air conditioning (HVAC) units to control the temperatures across all our healthcare facilities and supporting buildings. In order to reduce the release of refrigerant gases and therefore global warming, we will carry out long term capital planning to help reduce our impact by:

- Considering the age of HVAC and capital depreciation cycle and explore options for a variable refrigerant flow (VRF) system(s).
- Installing temperature sensors to help to control the use of the air conditioning units in buildings.
- As part of a CapEx investment strategy for estate management we will consider green capital planning and physical risk for our estate as the two are interlinked due to the nature of the patients we support, we need to plan for more extreme climatic temperatures, and utilise natural capitals to reduce our risks, and building temperatures. This can be achieved by:
 - Utilising a building survey to consider how green infrastructure and passive measures can help to reduce the reliance of HVAC in summer month.
 - Evaluating how these assets can be considered within the policies and processes for facilities staff to support the maintenance of these green assets.



Scope 2: Electricity

We have green electricity contracts for all of the sites we manage. The small volume of CO₂e emissions under the market-based approach are a result of the serviced offices that we lease for back-office and management staff. In order to address these CO₂e emissions and reduce them we plan to:

- Engage with the landlords for the sites that are leased and consider if it is possible to switch to green contracts.

For the 163 building within our estate that we own, we have started consolidating the energy mains meters by connecting them to mains metering portal. In addition, we've already invested in LED lights across our estate. Our solar panels generated 1,281,872.9 kWh of renewable, onsite electricity across our estate, this is helping us to reduce our reliance on grid electricity, optimise demand response services, and increase our energy security. These are our first step in consolidating the vast volumes of utility data that we have and helping us to get an impression of hotspot buildings, and investing in our buildings to support optimise energy efficiency and increase green electricity production. To reduce our electricity consumption across our estate in the short term we will carry out the below activities:

- Invest in dimmers to reduce the electrical consumption of LED lighting further.
- Invest in motor loading to allow the right amount of electricity consumption for fridge / freezers.
- Consider further studies using building and energy modelling that will help to evaluate how we can improve the EPC certificate of our buildings and reduce our electricity consumption further, evaluating the cost of maintaining a building to consider the life cycle implications of the building, and evaluating the physical risk of climate change to buildings in certain geographies. This will help us aid Capital Decision Making and planning and linking the planning that we undertake to our Net Zero targets.
- Evaluate what types of changes can be made to our estate and monitor their effectiveness by measurement and verification through sub-metering.



Scope 3 Category 1: Purchased Goods and Services

A significant volume of CO₂e emissions are created in our supply chain. These typically are a result of procurement of investments in our buildings (fixture, fittings and additions), and the food and drink that we procure from our suppliers to feed the patients we care for. In order to reduce CO₂e emissions in this category we will:

- Make carbon a material consideration in our purchasing decisions and monitor the progress of the updated Supplier Policy through Supplier Engagement.
- Engage with stakeholders and socialise them to the concept and the forthcoming require for suppliers to provide their carbon data.
- Collect detailed CO₂e emissions data by Scope and Category as part of a management system so that these categories can be apportioned correctly.
- Collect KPI supplier data to understand where suppliers can make improvements or require our support.
- Request life cycle assessments for products purchased and choose lower CO₂e emission products.



Scope 3 Category 5: Waste

Our waste data is linked to the clinical services that we provide and goods such as food that we purchase to feed the patients that we care for. We will therefore carry out a Supply Chain evaluation to understand which areas of our supply chain we should focus on. We can then consider the below strategies:

- Utilising a waste audit and supply chain engagement to reduce waste being produced by the supply chain to our estate.
- Review the waste audit information as part of a management system to align waste reductions.
- Creating a centralised policies for suppliers to reduce waste being brought to the site by utilising the tailored investigations/interventions.
- Consider applying a balanced score card approach to supplier selection within specific procurement categories for packaging waste.



Scope 3 Category 6: Business Travel

Business travel is made up of a large number of areas; it includes everything from transport being reclaimed for air travel, trains, buses, private employee cars, and taxis. Additionally, food expensed during business trips and nights stayed at hotels are included. We already pay an additional 5p per a mile for colleagues who share vehicles, in addition we have started rolling out a cycle to work scheme. In order to further reduce the CO₂e emissions in this area we will:

- Undertake a business travel appraisal that evaluates what low carbon substitutes can be put in place to reduce CO₂e emissions in this area and what we need to invest in to help employees to switch to lower forms of business mileage reclaim.
- Utilise the travel hierarchy to ensure that policies are enabling lower CO₂e emissions Business travel expense by carrying out the following:
 - Carry out a business travel appraisal to understand generally what different groups of employees are expensing and why.
 - Sending out a business travel survey to understand what the barriers are to using lower CO₂e emissions.
 - Creating policy documents that are tailored towards each employee group and therefore support employees to reduce CO₂e emissions within Business travel.



Scope 3 Category 7: Employee Commuting

While we recognise that we cannot directly influence what modes of travel our employees use, we need to do all we can to encourage them to join us on our sustainable journey. We've also rolled out an EV salary sacrifice scheme; however, uptake of the scheme is currently less than 1%. We therefore need to understand how we can promote this scheme further and change behaviour/purchasing power. In order to reduce CO₂e emission in this category and support existing policies further we will carry out the below actions:

- Undertake an appraisal to understand which audience is best to survey e.g. GPs, care workers or maintenance.
- Carry out an employee commuting appraisal to best understand the current commuting habits and what interventions can be used to reduce CO₂e emissions in this area further.



CO₂e Emissions Methodology

Inclusions within Current Numbers

Scope 1

Scope 1 sources included in the inventory are onsite (or “stationary”) natural gas combustion, burning oil and propane, mobile fuel combustion from leased and owned vehicles and refrigerants.

Scope 2

Purchased electricity was the only identified Scope 2 CO₂e emissions source. However, per the GHG Protocol Scope 2 Guidance, Scope 2 CO₂e emissions have been calculated and reported using two separate methodologies:

- > A location-based method reflecting the average CO₂e emissions intensity of grids on which energy consumption occurs.
- > A market-based method reflecting CO₂e emissions from the electricity that Cygnet have purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers and residual mix from brown contracts.

Scope 3

Category 1: Purchased Goods and Services

Includes all upstream (i.e., cradle-to-gate) CO₂e emissions from the production of goods purchased or acquired by Cygnet in the reporting year.

Category 3: Fuel and Energy-related Services

Relates to transportation and distribution losses, and the well-to-tank CO₂e emissions for all fuels consumed as a result of Cygnet’s operation:

- > Well-to-tank CO₂e emissions account for all the CO₂e emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by Cygnet’s owned or leased vehicles).
- > Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines).

Category 4: Upstream Transportation and Distribution

Includes the CO₂e emissions which relate to products being transported by tier one suppliers or paid for by Cygnet’s. It includes both the transport and warehouse related CO₂e emissions.

Category 5: Waste

Includes CO₂e emissions from third-party disposal and treatment of waste generated in Cygnets owned or controlled operations in the reporting year:

- > We have utilised the ‘waste-type-specific’ method, which involves using CO₂e emission factors for specific waste types and waste treatment methods.

Category 6: Business Travel

Includes CO₂e emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This also includes CO₂e emissions resulting from hotel stays resulting from business-related trips:

- > We have used the distance-based method, which involves determining the distance and mode of business trips, and then applying the appropriate CO₂e emission factor for the mode used where possible.
- > We have used the number of nights stayed in hotels to calculate the CO₂e emissions.

Category 7: Employee Commuting

Includes CO₂e emissions from the transportation of employees between their homes and Cygnets offices CO₂e emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this Category:

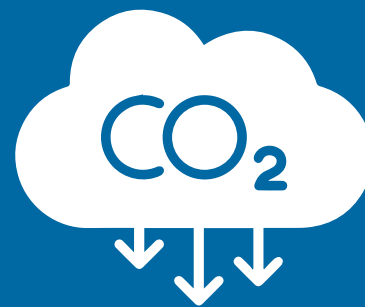
- > Where appropriate we have used the average-data method, which involves estimating CO₂e emissions from employee commuting based on average (e.g., national) data on commuting patterns.
- > We will in future years supplement the above with employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate CO₂e emission factors for the modes used using the distance-based method.

Material Exclusions from Current Numbers:

Scope 3

Category 7: Employees Working from Home

Is excluded from FY 24 CO₂e emissions as very few employees work from home.



Non-material Exclusions for FY24 Baseline CO₂e Emissions:

Scope 3

Category 2: Capital Goods

Scope 3 category 2 Capital Goods has been excluded.

Category 8: Upstream Leased Assets

Is excluded from FY 24 CO₂e emissions, as we do not lease any assets that are not already calculated within Scope 1 and 2 CO₂e emissions.

Category 9: Downstream Transportation and Distribution

Is excluded from FY 24 CO₂e emissions as we do not sell goods that need to be transported by our customers.

Category 10: Processing of Sold Products

Is excluded from FY 24 CO₂e emissions as we do not manufacture products.

Category 11: Use of Sold Products

Is excluded from the FY 24 CO₂e emissions as we do not sell physical products.

Category 12: End-of-life Treatment of Sold Products

Is excluded from FY 24 CO₂e emissions as we do not sell physical products.

Category 13: Downstream Leased Assets

Is excluded from FY 24 CO₂e emissions, as we do not own any assets that we lease to other businesses

Category 14: Franchises

Is excluded from FY 24 CO₂e emissions, as we do not operate franchises.

Category 15: Investments

Is excluded from FY 24 CO₂e emissions, as we do not have any investments whereby, we provide capital or offer financing as a service.

1. Location-based represents CO₂e emissions from electricity consumption based on grid average CO₂e emissions.
2. Market-based represents CO₂e emissions from electricity consumption based on specific energy contracts. In FY24, actual electricity consumption figures were not available for the landlord serviced sites of Millbank Office, Kings Hill Avenue, Birmingham HR Office, and Blackheath; FY23 electricity consumption was therefore used. As the landlord service site Tabley House was not in the portfolio in 2023, the electricity consumption for FY24 was estimated based on floorspace.
3. Scope 3 category 2- Capital Goods has been excluded.
4. WTT Well-to-tank CO₂e emissions. CO₂e emissions associated with the extraction, refinement, and transport of fuels before consumption.
5. T&D losses Transmission and distribution losses. CO₂e emissions associated with the energy lost during the transmission of electricity through the network.
6. There has been an increase in this category as a result of a methodology change relating to the well-to-tank emissions and transmission and distribution losses for electricity. All upstream emissions associated with electricity consumption regardless of market instrument are now accounted for as per the GHG protocol. This means that the green electricity consumption was zero rated in previous years but has now been included in the FY24 emissions. This methodology change has been made to align to best practice and is the reason behind the increase in emissions.
7. WTW – Well-to-wheel CO₂e emissions. Includes CO₂e emissions associated with the extraction, refinement, transport, and consumption of fuels.
8. A significant reduction in the UK Government GHG conversion factors (produced and published by DESNZ and DEFRA) has resulted in a decrease in emissions, despite waste generation increasing between FY2023 to FY2024.
9. Upon review made during FY24 calculation, business travel emissions have been recalculated for FY23 due to an error found; the updated figure has been restated here.
10. Due to methodology changes, this number represents residual mix emissions.
11. This is a new metric introduced in response to concerns about Cygnet's growth, to explore alternative ways of demonstrating emission reductions ambitions beyond the glide path.
12. <https://www.hssib.org.uk/patient-safety-investigations/mental-health-inpatient-settings/fifth-investigation-report/#:-:text=The%20demand%20on%20mental%20health,The%20King's%20Fund%2C%202024>.
13. <https://ghgprotocol.org/corporate-standard>.
14. Conversion factors are primarily derived from the latest:
 - UK Government GHG conversion factors for Company Reporting
 - DEFRA (Department for Environmental, Food and Rural Affairs)
 - Environmentally extended input-output (EIO) tables
 - Environmental Protection Agency (EPA)
15. <https://glasgowsciencecentre.org/our-blog/the-energy-hierarchy>



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