

14 July 2023

Carbon Reduction Plan

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Summary Statement

Panacea Applications Limited has long been focused on creating a positive environmental legacy. Our environmental policy ties into the key themes of Net Zero and includes a commitment to continual improvement and prevention of pollution. Panacea Applications Limited promotes the integration of environmental considerations into our wider operational practices in the interest of sustainable operations, in a way that benefits all.

Panacea Applications Limited has achieved ISO 14001:2015 certification and is leading the way in cutting carbon emissions by placing a high emphasis on environmental practices that reduce consumption of natural resources and create less waste.

Commitment to achieving Net Zero

Panacea Applications Limited is committed to achieving Net Zero emissions by 2033.

Please note that 2022 is our first reporting year for Scope 3, so our baseline and current reporting years for those baseline emissions falling under this Scope 3 are the same.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases 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.

Baseline Emissions

Baseline Emissions have been calculated for Scope 1, Scope 2 and Scope 3 (subset) emissions.

The selected baseline accurately represents the normal business practise for Scope 1, 2 & 3 emissions and provides an accurate number for us to set reduction targets against. Emissions have been monitored since certification to ISO14001 and specific reduction targets/objectives have been implemented in some of these areas.

A subset of Scope 3 emissions has been gathered and calculated for the year 2022 and reported in the current emission reporting section, against the following Scope 3 Subcategories:

- Purchased Goods and Services
- Business travel
- Employee commuting
- Waste disposal
- Use of sold products

The following subcategories of Scope 3 do not apply to our business:

- *Transportation and distribution* – there is no physical transportation involved in the distribution of the significant majority of our purchased services (e.g. hosting, penetration testing) nor in the provision of our sold products which are online software solutions.
- *Investments* – our business is not engaged or involved in any investments
- *Leased assets and franchise* – we have not business activity in relation to leased assets or franchise.

Calculation of Scope 1, 2 & 3 Emissions

Scope 1 & 2 Emissions are calculated using the SME carbon calculator tool provided by the carbon trust which is suitable for scope 1 & 2 calculations. Scope 3 emissions have been calculated using the UK Government GHG Conversion Factors.

When calculating Scope 3 emissions, the following guidance were observed:

- Greenhouse gas reporting: conversion factors 2022 - GOV.UK (www.gov.uk)
- <https://ghgprotocol.org/corporate-standard>
<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>
- <https://ghgprotocol.org/standards/scope-3-standard>



Baseline Year Emissions

Baseline year:	2021
Total Emissions	7.04 tCO_{2e}
Scope 1	0.98 tCO _{2e} - Gas
Scope 2	1.37 tCO _{2e} - Electricity
Scope 3	<p>2.99 tCO_{2e} - Purchased Goods and Services</p> <ul style="list-style-type: none"> ○ <i>Data centre & servers: 1,920 kgCO_{2e}</i> ○ <i>Computer & office equipment: 1,005 kgCO_{2e}</i> ○ <i>General office supplies: 63.5 kgCO_{2e}</i> <p>0.40 tCO_{2e} - Business Travel</p> <ul style="list-style-type: none"> ○ <i>0km travel by car = 0</i> ○ <i>11,472 km travel bus and rail = 403 kgCO₂</i> <p>0.41 tCO_{2e} - Employee commuting</p> <ul style="list-style-type: none"> ○ <i>7,740 km travelled by tube = 341 kgCO₂</i> ○ <i>1,935 km travelled by rail = 68 kgCO₂</i> <p>0.02 tCO_{2e} - Waste disposal</p> <ul style="list-style-type: none"> ○ <i>Recycled waste = 11.8 kgCO₂</i> ○ <i>Non-recycled waste = 12.3 kgCO₂</i> <p>0.90 tCO_{2e} - Use of sold products</p> <ul style="list-style-type: none"> ○ <i>Client data managed = 903 kgs CO_{2e}</i> <p>0.00 Upstream transportation and distribution <i>(The services we purchase for our SaaS business do not require physical transportation)</i></p> <p>0.00 Downstream transportation and distribution <i>(There is no physical transportation involved in the distribution of our products, which are online software solutions)</i></p>

Current Emissions Reporting

Reporting Year	2022
Total Emissions	6.86 tCO_{2e}
Scope 1	0.91 tCO _{2e} - Gas
Scope 2	1.25 tCO _{2e} - Electricity
Scope 3	<p>2.99 tCO_{2e} - Purchased Goods and Services</p> <ul style="list-style-type: none"> ○ <i>Data centre & servers: 1,920 kgCO_{2e}</i> ○ <i>Computer & office equipment: 1,005 kgCO_{2e}</i> ○ <i>General office supplies: 63.5 kgCO_{2e}</i> <p>0.40 tCO_{2e} - Business Travel</p> <ul style="list-style-type: none"> ○ <i>0km travel by car = 0</i> ○ <i>11,472 km travel bus and rail = 403 kgCO₂</i> <p>0.41 tCO_{2e} - Employee commuting</p> <ul style="list-style-type: none"> ○ <i>7,740 km travelled by tube = 341 kgCO₂</i> ○ <i>1,935 km travelled by rail = 68 kgCO₂</i> <p>0.02 tCO_{2e} - Waste disposal</p> <ul style="list-style-type: none"> ○ <i>Recycled waste = 11.8 kgCO₂</i> ○ <i>Non-recycled waste = 12.3 kgCO₂</i> <p>0.90 tCO_{2e} - Use of sold products</p> <ul style="list-style-type: none"> ○ <i>Client data managed = 903 kgs CO_{2e}</i> <p>0.00 Upstream transportation and distribution <i>(The services we purchase for our SaaS business do not require physical transportation)</i></p>



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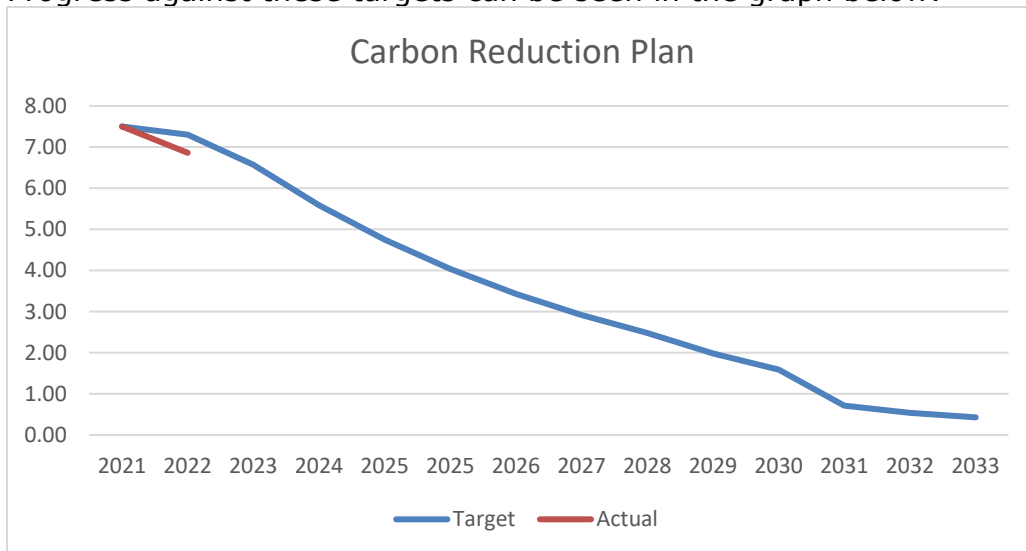
Priorities to achieve Net Zero

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

- Panacea Applications Limited is targeting net zero emissions across all its activities by 2030. This target includes the full activity of our supply chain working on our behalf. This target includes all emission sources covered in PPN06/21
- Panacea Applications Limited also aims for a 100% reduction in Scope 1, 2 and 3 emissions by 2033, this is measured from a 2021 baseline.

To achieve these objectives, we will assess associated with scope 1, 2 and 3 emissions such as the reduction of consumption of electricity and natural gas as well as looking at business transport costs.

Progress against these targets can be seen in the graph below:



The top 5 actions that Panacea Applications Limited continues to focus on to tackle the global climate emergency are:

1. Plan for Change

Panacea Applications Limited is working on a plan to commit to Net Zero by ideally 2033 latest by 2038. This plan will cover the action items on reducing carbon emissions further by implementing strategies and measuring the progress in achieving the set targets.

2. Energy Saving

Panacea Applications Limited is implementing strategies to secure the efficient use of energy and water, and of equipment, furniture, and materials utilising natural resources. Wherever possible the office furniture and computer equipment we purchase is second-hand or refurbished. We are committed to continuing to operate a hybrid working policy for all relevant staff which is a mixture of home and office working, to minimise unnecessary commuter travel. Our company does



not provide company cars and actively encourages use of public transport for commuting and business travel.

3. Purchased Goods and Services

Panacea Applications Limited is committed to reducing CO₂ emissions in its hosting infrastructure, the largest proportion of emissions generated by its business is from the data centre and servers required to host our software. Continual adaptation of our hosting infrastructure and architecture to harness the environmental benefits of cloud hosting over on prem servers in so far as the security of these technologies evolves to meet our subscribers needs, represents the greatest opportunity for carbon reduction for our business.

4. Supply Chain

Panacea Applications Limited is committed to operating an environmentally preferable purchasing policy in respect of goods and services, including promoting the adoption of sound environmental principles and practices by suppliers and contractors to the Company. Our hosting is provided by iomart PLC, the UK's first Carbon Neutral web hosting company.

5. Waste

Panacea Applications Limited is developing a strategy for waste prevention and reduction and for the collection, segregation, re-use, recycling, storage, and safe disposal of all waste arising in our office building.

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, 2 and 3 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.

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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>