



Cabinet Office

CARBON REDUCTION PLAN GUIDANCE

Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier¹ and must meet the reporting requirements set out in supporting guidance, and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The CRP should be specific to the bidding entity, or, provided certain criteria are met, may cover the bidding entity and its parent organisation. In order to ensure the CRP remains relevant, a Carbon Reduction Plan covering the bidding entity and its parent organisation is only permissible where the detailed requirements of the CRP are met in full, as set out in the Technical Standard² and Guidance³, and all of the following criteria are met:

- The bidding entity is wholly owned by the parent;
- The commitment to achieving net zero by 2050 for UK operations is set out in the CRP for the parent and is supported and adopted by the bidding entity, demonstrated by the inclusion in the CRP of a statement that this will apply to the bidding entity;
- The environmental measures set out are stated to be able to be applied by the bidding entity when performing the relevant contract; and
- The CRP is published on the bidding entity's website.

Bidding entities must take steps to ensure they have their own CRP as soon as reasonably practicable and should note that the ability to rely on a parent organisation's Carbon Reduction Plan may only be a temporary measure under this selection criterion.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

¹Bidding supplier or 'bidding entity' means the organisation with whom the contracting authority will enter into a contract if it is successful.

²Technical Standard can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans__2_.pdf

³Guidance can be found at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991623/Guidance_on_adopting_and_applying_PPN_06_21__Selection_Criteria__3_.pdf

Carbon Reduction Plan

Supplier name: **Charco Neurotech Ltd.**

Publication date: **15/06/2023**

Commitment to achieving Net Zero

Charco Neurotech Limited are committed to achieving net zero by 2030.

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 Year: March 2022 – February 2023

Additional Details relating to the Baseline Emissions calculations.

At Charco Neurotech, we are committed to becoming a Net Zero operating business by 2030, ahead of the 2045 NHS requirements. We are aware of the climate crisis and our requirement as a business to take action both now and in the future, which requires us to measure, manage and start reducing our emissions, and this plan outlines how we will do that.

We started our carbon reduction journey early 2023 when we explored our Carbon Footprint over the year and partnered with Value Match Services Limited who provided specialist guidance through the requirements to measure and calculate our baseline for Scopes 1, 2 and elements of Scope 3 GHG emissions.

We are a young company in start-up, and prior to 2022 we were only in prototype with our product therefore for the purposes of our Carbon reduction plan our first year of baselining/reporting is 2022/2023.

Whilst we were conscious of our emissions prior to this date and implemented a number of initiatives to keep them to a minimum (such as homeworking), due to the lack of manufacturing and being in infancy we have stipulated our baseline year as 2022/2023 and had the Carbon calculations from that first year of limited manufacturer assessed by Carbon Footprint UK limited. We do have previous years' emissions data but the tCO₂e are much lower due to where we were in our growth.

Our total baseline emissions for 2022/2023 are calculated at **371.77 tCO₂e**.

This plan covers our baseline year information 2022/2023 and sets out clear targets for reducing Greenhouse Gas (GHG) emissions over an agreed timeframe.

Our major emissions at present stem from our business travel as we are expanding into new markets globally, including the Americas, Europe, and APAC for 2022/2023; we cannot avoid this element of our emissions and therefore a major part of our plan is a commitment to offset these, year on year.

Our manufacturing takes place solely at a factory in Seoul. Production in 2022 consists of prototyping and very early-stage commercial production for sales of around 1000 units, however this will significantly ramp up in volume over the next 12 months and we intend to measure those manufacturing emissions from 2024 onwards so that we meet the NHS policy requirements for measurement by 2027.

We have already adopted a flexible working culture at Charco Neurotech with over 50% of our employees working from home. The rest of our employees need to be at site locations for demonstration purposes, advice to clients, delivery and training on the product use, and collaboration on projects, however we all work to limit this as much as possible.

Our plan is approved by our board and communicated across our business. Our plan is also publicly available via the home page of our website. All of our employees are aware of our plan and commitments to achieve our targets and as such will embrace any emissions based behavioural and process changes that we implement in order to achieve our goals.

Our baseline year emissions have been verified and assured by Carbon Footprint UK Limited and we have achieved the Carbon Assurance standard.



Baseline year emissions: 2022/2023

EMISSIONS	
Scope 1	2.68
Scope 2	1.42
Scope 3 (Included Sources)	367.67
Total Emissions	371.77 tCO ₂ e

Current Emissions Reporting

Reporting Year: As detailed in the above notes our reporting year will be 2023/2024 and will be calculated and assured in April 2024. Please note, for the purposes of the NHS tender Selection Questionnaire we have inserted our baseline year figures as the reporting year also, as we only have 1 year of full and verified data due to us being a relatively new company. (The questionnaire did not allow for this scenario)

EMISSIONS	
Scope 1	2.68
Scope 2	1.42
Scope 3 (Included Sources)	367.67
Total Emissions	371.77 tCO₂e

Emissions reduction targets

Charco Neurotech are a young and rapidly growing SME. Due to the work currently being undertaken, we project that over the next few years we will expand our operations considerably. This will include a major scale-up of manufacture and shifting from UK to global distribution.

As we grow, we expect our total carbon emissions to increase rather than decrease. Our immediate focus is, therefore, on improved data collection on CO₂e emissions and offsetting this, while working on reducing gross carbon intensity on an employee/turnover/device basis.

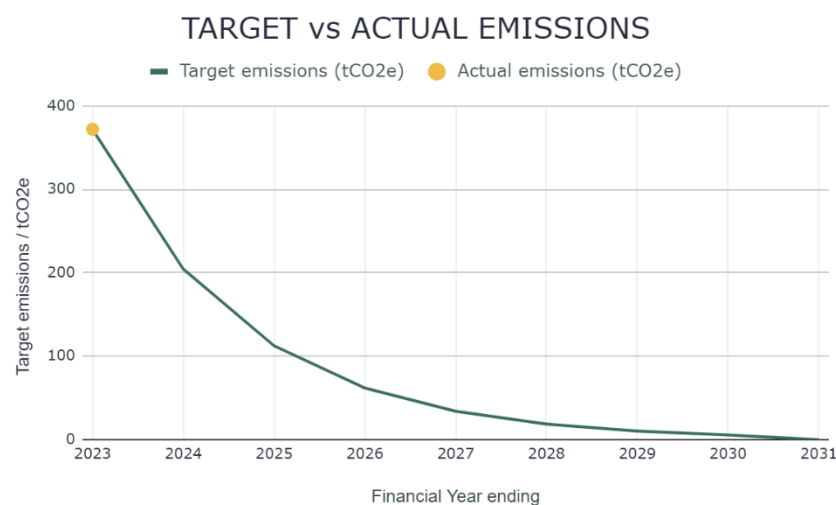
To demonstrate our commitment to net zero, we have the following targets in place for 2023/24

1. **Investing in sustainable solutions:** Hit net zero on our business travel emissions by 2024. Reducing our overall travel emissions by 95% by investing in green travel management software, where every flight, hotel stay, train journey or car rental for the whole business is automatically offset at source and at time of booking.
2. **Continue to encourage flexible/home working.** Providing our employees with the tools, equipment and training they need to carry out their roles efficiently.
3. **Improve our data** collection as we ramp up manufacturing to enable us to identify future opportunities for Carbon reduction.
4. **Measure and verify** our carbon footprint using certified suppliers, ensuring that we maintain the Carbon Assessment standard certification.
5. **Further offsetting** – investigate initiatives to offset remaining carbon emissions for 2023/2024 through verified offsetting solutions.

Whilst our Scope 1 & 2 emissions are reasonably well understood, over the next 5 years we aim to offer a more complete picture of Scope 3 emissions, particularly from manufacturing and supply chain as we grow.

More detailed findings will be published in our FY 23-24 CRP. These will provide the framework for future improvement initiatives which are realistic, targeted, and effective.

Provisional carbon reduction targets alongside 2023 emissions can be seen in the graph below:



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2022/23 baseline. The carbon emission reduction achieved by these schemes will equate to a 95% reduction against the 2022/23 baseline for business travel and the measures will be in effect when performing the contract.

In May 2023, we invested in a new travel solution called “GreenPerk”. The solution is provided as part of the suite of tools under TravelPerk Limited and it is one of the major business travel products designed to allow an organisation to offset up to 100% of its carbon emissions related to business travel.

From April 2023, all Charco Neurotech business travel has been booked via the GreenPerk solution, and we pay €27 for every tCO₂e emitted by our flights, hotel stays, train journeys, or car rentals. As this equates to around 1-2% of any cost of a business trip, this is a significant step forward in demonstrating our commitment to achieving net zero.

Through our investment in GreenPerk and our offsetting, we will demonstrate a major reduction in our emissions.

In the future we will implement further initiatives. We have the foresight and ability to plan and build processes that have carbon management built in, with everything helping us achieve net zero way ahead of 2050, our plans are to achieve this by 2030. What this means is that during growth, the focus will be on managing the emissions and having a clear plan to build processes that mitigate and offset everything we do. There is a core focus on reducing carbon intensity on a per-employee, per-turnover, and per-device basis. The emissions generated will be far lower in growth than an established business would be as every activity will have an associated carbon reduction or offset activity included.

Here is our timeline and key initiatives for the next 5 years:

- **March 2023:** Baseline activities from 2022 and use these as the level on which to build and improve carbon performance measures.
- **May 2023:** Real-time reporting of all travel-related CO₂e in place
- **May 2023:** Charco UK locations implementing carbon reduction activities such as reduced water use, LED lighting and encouraging building management to switch to low-carbon energy suppliers.
- **August 2023:** Switch from air freight to sea freight for shipping of manufactured devices from Korea to UK.
- **Financial Year 24/25:** Supply chain analysis for major components, offsetting plans for every business activity including logistics.
- **Financial Year 30/31:** Operating at Net Zero, through challenging process and offsetting.

Declaration and Sign Off

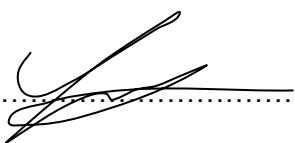
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard⁴ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁵.

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) Standard⁶.

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

Signed on behalf of Charco Neurotech Ltd:

A handwritten signature in black ink, appearing to be 'Lucy Jung', is written over a horizontal dotted line.

Lucy Jung | CEO

Approval Date: 12.07.2023

Signature Date: 12.07.2023

⁴<https://ghgprotocol.org/corporate-standard>

⁵<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁶<https://ghgprotocol.org/standards/scope-3-standard>