

## **SYSTRA Limited**

### **Annual reports for the year ended 31 December 2020 (continued)**

#### **Strategic Report (continued)**

Consequently, potential profits or losses resulting from the translation of the financial assets and liabilities denominated in foreign currencies to GBP would be compensated by the exchange movements resulting from the translation of the income statements of overseas branches. Additionally, the Company has a policy of minimising its foreign currency cash and equivalent holdings and is constantly seeking ways to mitigate exchange risk.

Exchange movements are, therefore, largely restricted to the need of having to revalue, to market rates at the balance sheet date, the value of inter-company current accounts, giving rise to unrealized gains and losses.

#### *Interest rate risk*

As it is the parent undertaking that manages the interest rate risk profile of the Company, hedging instruments are not entered into by the Company.

#### *Capital risk management:*

The Company manages cash and cash equivalents as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

#### **Principal risks and uncertainties**

Whilst the directors now believe that they have structured the business, both in the number of fee earners and facility infrastructure, to be in line with the perceived markets in which the business is now actively engaged, there will always be a level of uncertainty attached to Government expenditure to which future revenue predictions are based.

In mitigation of this risk the directors, in conjunction with the parent undertaking, continue to review alternative areas of potential opportunity in terms of new geographical markets and new sectors in both Consulting and Engineering. We work closely with colleagues across the world to share best practice, pool resources and support delivery in growing international markets.

#### **Climate Change**

The Company is dedicated to reducing its impact on the environment and reducing its energy consumption. As a design and consultancy business, the majority of energy use is associated with the office space and business travel and therefore over the past few years the Company has focussed on implementing measures to reduce these elements.

The following initiatives were taken in 2020 to reduce the carbon footprint:

1. Increased opportunities for flexible working. We have now implemented a permanent hybrid working policy for all staff, resulting in a combination of home and office working which has reduced our business travel, travel to work and office-based energy usage.
2. Reduction in office floor space.
3. Introduction of PIR systems, reactive & LED lighting improving energy efficiency.
4. Implementation of green energy tariffs in our larger offices.
5. Procurement of lower energy consumption computer equipment.

All the above measures form part of our ongoing strategy for operational carbon neutrality in 2021. Total carbon emissions (scope 1 and 2) for 2020 were 87.5 tonnes CO<sub>2</sub>e (using the market-based method). Selected scope 3 emissions, covering fuel- and energy-related activities (category 3), business travel (category 6), commuting travel (category 7) and working from home (category 7), totalled 556.7 tonnes CO<sub>2</sub>e.

**SYSTRA Limited****Annual reports for the year ended 31 December 2020 (continued)****Strategic Report (continued)**

Global emissions	Unit	2020
Scope 1: Direct fuel combustion	tCO <sub>2</sub> e	12.8
Scope 2: Purchased electricity (location-based)	tCO <sub>2</sub> e	145.9
Scope 2: Purchased electricity (market-based)	tCO <sub>2</sub> e	74.7
Total Scope 1 & 2 (location-based)	tCO <sub>2</sub> e	158.7
Total Scope 1 & 2 (market-based)	tCO <sub>2</sub> e	87.5
Scope 3 emissions (categories 3, 6 and 7)	tCO <sub>2</sub> e	556.7
Energy		
Energy use relating to Scope 1 & 2 emissions	kWh	732,486
Intensity ratios		
Scope 1 & 2 emissions (market based) per £k revenue	tCO <sub>2</sub> e	0.0009
Scope 1 & 2 emissions (market based) per m <sup>2</sup> office space	tCO <sub>2</sub> e	0.01
Energy use per £k revenue	kWh	7.26
Energy use per m <sup>2</sup> office space	kWh	99.20

All of the above data has been calculated in accordance with the GHG Protocol, with reporting boundaries defined by the operational consolidation (control) approach. UK Government conversion factors which cover six greenhouse gas emissions sources (carbon dioxide - CO<sub>2</sub>; methane - CH<sub>4</sub>; nitrous oxide - N<sub>2</sub>O; hydrofluorocarbons - HFCs; perfluorocarbons - PFCs; and sulphur hexafluoride - SF<sub>6</sub>), have been applied for all emissions other than non-UK electricity (Ireland only), where local country conversion factors have been used.

2020 was the first year of Climate Change (SECR) reporting and disclosure, so there are no comparator numbers for 2019.

Signed on behalf of the Board



**S Andrews**  
**Director**

6th December 2021