

Carbon Reduction Plan

2023



Contents

Contents	3
<i>Glossary</i>	3
<i>Executive Summary</i>	4
<i>Introduction</i>	5
Commitment to Net-Zero	5
Approach.....	5
<i>Overview of GHG Assessment</i>	6
<i>Emissions Breakdown</i>	7
<i>Action to Date</i>	9
<i>Planned Action</i>	10
Electricity.....	10
Scope 1 Vehicles	11
Scope 3 Emissions	13
<i>Conclusion</i>	13
<i>Sign Off</i>	14

Glossary

Selected relevant terms and abbreviations are defined below:

Term / Abbreviation	Description
CarbonNeutral®	Certification status achieved through offset of calculated emissions
CRP	Carbon Reduction Plan
Energy Baseline (EnB)	Quantitative reference providing a basis for comparison of energy performance
Energy Review	Analysis of energy efficiency, energy use and energy consumption based on data and other information leading to the identification of SEUs and opportunities for energy performance
GHG	Greenhouse Gas
Net-Zero	State at which balance is achieved between the carbon emitted into the atmosphere, and the carbon removed from it
SBTi	Science-Based Target initiative
Scope 1	Green House Gas (GHG) emissions that a company makes directly
Scope 2	Indirect emissions from the generation of purchased electricity, steam, heating, and cooling
Scope 3	Indirect emissions
Significant Energy Use (SEU)	Energy use accounting for substantial energy consumption, and/or offering considerable potential for energy performance improvement

tCO2e	Tonnes of Carbon Dioxide equivalent – a metric used to incorporate all GHGs
UNSDG #13	United Nations Sustainable Development Goal Climate Change Action

Executive Summary

In order to meet our carbon net-zero target dates, Gamma will need to continue to undertake targeted emissions reduction activity across the business.

Gamma has decided to pursue net-zero through a science-based target approach which aims to contribute to the limiting of global warming to 1.5C. This involves the progressions of net-zero targets across Scope 1, Scope 2 and Scope 3 emissions sources as defined by the GHG Protocol.

During the transition to net-zero emissions, and aligned to the Science-Based Target initiative (SBTi) key principle of taking action to mitigate emissions beyond our value chain, Gamma commits to maintain its Carbon Neutral status.

As part of our pursuit for net-zero emissions across the value chain by 2042, Gamma will seek to reduce Scope 1 & 2 emissions 90% by 2030 against our 2021 baseline.

Based on the GHG assessment for both the 2021 and 2022 reporting year, two priority items emerge with respect to carbon reduction from Scope 1 & 2 sources in the short term:

Scope 2 Electricity - page 10

Accounts for 69% of Scope 1 & 2 emissions (location-based)

In order to reduce Scope 2 emissions 90% by 2030, action needs to be taken to ensure procurement of energy is improved to increase supply from renewables throughout the group's office and network facilities. Improved energy efficiency will also be required to support fulfilment of this target, particularly in our dedicated datacentres, e.g. Focal Point, Manchester for Gamma UK.

We are targeting the purchase of 100% renewable energy for electricity consumption by 2030.

In this CRP we outline the energy management opportunities being considered for our datacentres.

Scope 1 Vehicles - page 11

Accounts for 48% of Scope 1 emissions

In order to reduce Scope 1 emissions 90% by 2030, action will need to be taken to upgrade Company vehicles, improve travel policies and influence personal behaviours.

We are targeting the operation of a 100% electric fleet by 2030.

Scope 3 emissions are discussed in some detail. As we have improved our data collection methods and in pursuit of SBTi net-zero validation, we have calculated additional indirect emissions sources for the first time in 2022.

Purchased goods and services (calculated through a hybrid approach), emerge as a highly significant emissions source.

While no firm commitments on specific procurement measures are made, Gamma have now implemented an Ethical Procurement Policy and consider some of the likely routes to decarbonisation in this CRP.

This CRP should give stakeholders confidence that Gamma is serious about minimising its environmental impact through targeted emissions reduction activity, and in doing so, is firmly committed to achieving net-zero emissions across the value chain by 2042.

Introduction

Commitment to Net-Zero

In 2022, Gamma declared a Net-Zero target date of 2042 in its annual report.

This declaration was made due to acknowledgement from the ESG Committee that while achieving CarbonNeutral® status was historically progressive and desirable, more needed to be done in the way of abatement in respect of our commitment to support UN SDG 13: Take urgent action to combat climate change and its impacts.

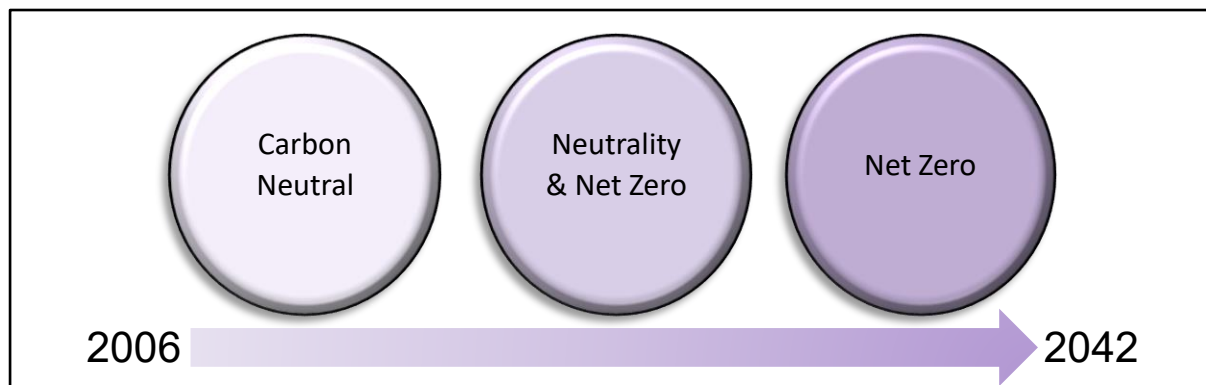


Figure 1: Gamma transition to Net Zero

Approach

Gamma is taking an interim target approach to achieve net zero emissions by 2042.

This carbon reduction plan outlines the methods by which we will aim to reduce emissions up to the year 2026, in order to stay on track for our short-term science-based target in 2030, of at least -50% against baseline year results which includes a 90% reduction in Scope 1 & 2 emissions.

Upon collation and publication of baseline year results, a required net emissions trajectory was developed based on the interim targets shown below:

Table 1: Gamma transition to Net Zero

Phase	Year	Total / Target	Scope 1	Scope 2	Scope 3*
Reporting Year / Baseline	2021	4,493 tCO ₂ e	439.9 t	2,443.2 t	1610.2 t
Reporting Year	2022	3,813 tCO ₂ e	573.2 t	1,270.4 t	1,968.8 t
Carbon Reduction Stage 1	2026	-25% / 3,370t			
Carbon Reduction Stage 2	2030	-50% / 2,247t			
Carbon Reduction Stage 3	2034	-64% / 1,617t			
Carbon Reduction Stage 4	2038	-77% / 1,033t			
Carbon Reduction Stage 5	2042	-90% / 449t			

*Scope 3 emissions sources are selected based on those that were calculated in full during the baseline year. For more Scope 3 information, please refer to page 12 or our annual report / sustainability report.

Overview of GHG Assessment

An annual GHG assessment supports a number of our environmental disclosures.

The 2021 assessment was completed with a view to using results as a baseline for GHG emissions.

Just like the baseline year, the 2022 assessment was conducted in accordance with the reporting standards of the 'Greenhouse Gas Protocol'. The results were:

Table 2: GHG Assessment results (2022)

Scope	Emissions Source Category	tCO ₂ e	
1	Direct emissions from owned, leased or directly controlled stationary sources that use fossil fuels or emit fugitive gases	316.9	
	Direct emissions from owned, leased or directly controlled mobile sources	256.3	
2	Emissions from the generation of purchased electricity, heat, steam or cooling	Location	1,270.4
		Market	143.9
3	Water	2.1	
	Capital Goods	167.2	
	Upstream emissions from purchased electricity and fuels	418.8	
	Transmission and Distribution (T&D) losses	118.2	
	Waste	1.5	
	Wastewater	0.9	
	Business Travel	393.0	
	Hotel Accommodation	9.4	
	Employee Commuting	564.1	
Homeworking	295.2		
Total (Scope 2 location)		3,814	
Total (Scope 2 market)		2,688	

The above emissions scope and emissions source categories apply to Gamma in practice as follows:

Scope	Description	How this applies to Gamma
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Scope 1 Direct GHG emissions	– CO2e emissions that come from sources that are owned or controlled by an organisation. Typically, these are emissions generated by gas boilers and owned or leased cars, vans & lorries.	Gas boilers, air conditioning units, off-grid generators, Company controlled vehicles
Scope 2 Indirect GHG emissions	– Greenhouse gases released into the atmosphere from the consumption of purchased electricity, steam, heat and cooling	Electricity only
Scope 3 Other indirect GHG emissions	– Other emissions resulting from business activities or sources connected to, but not directly generated by the business itself	T&D losses, business travel, private commuting, homeworking, water, waste, capital goods

Figure 2: Application of GHG Protocol to Gamma operation

Emissions Breakdown

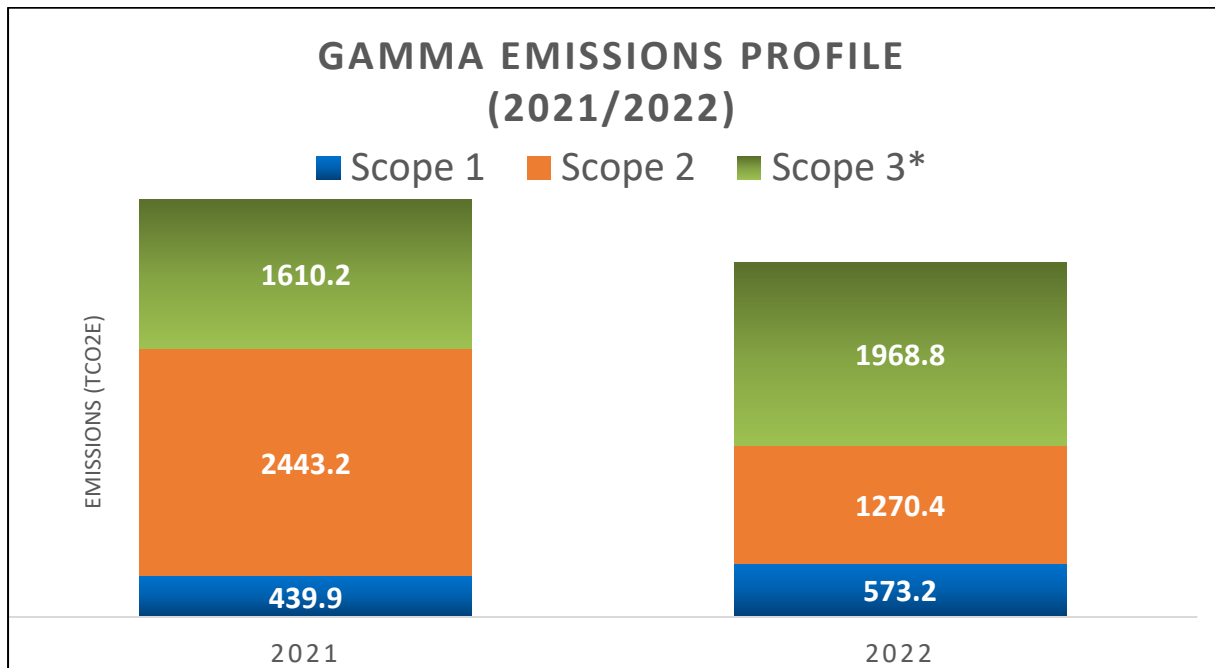


Figure 3: Gamma emissions profile showing a reduction of 680t from baseline year in 2022.

*Scope 3 emissions sources as per 2021 baseline

A reduction in Scope 1 & 2 emissions alongside an increase in the floorspace reported in 2022, shows an encouraging early emissions trend. Such patterns help to substantiate our commitments around net-zero via an absolute contraction approach (i.e., that despite business growth, abatement action in absolute terms is possible).

Table 3: Emissions intensity results (2020-2022)

Intensity Ratio	2020	2021	2022
Total floor area (m2)	9,174.6	13,041.5	9,174.6
Scope 1 & 2 Emissions (tCO2e/m2)	0.255	0.221	0.116

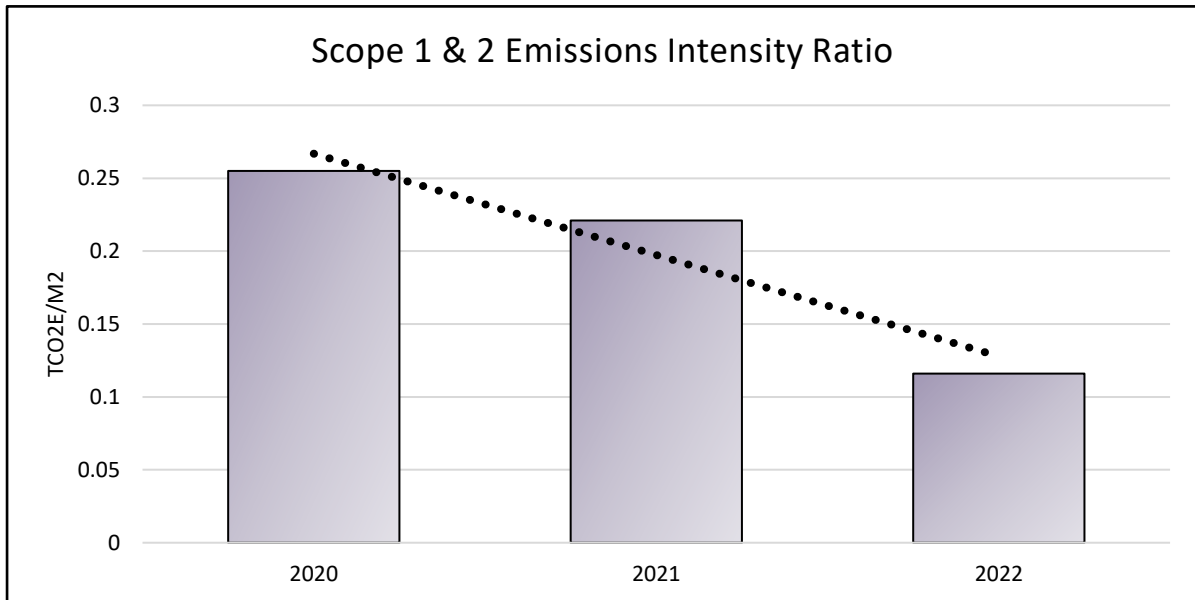


Figure 4: Emissions intensity results (2020-2022)

For direct emissions (Scope 1), Company fleet is the biggest emissions source (below and pg.11-12).

Note, for Scope 2 emissions, only electricity consumption is applicable to Gamma's operation (pg.10-11)

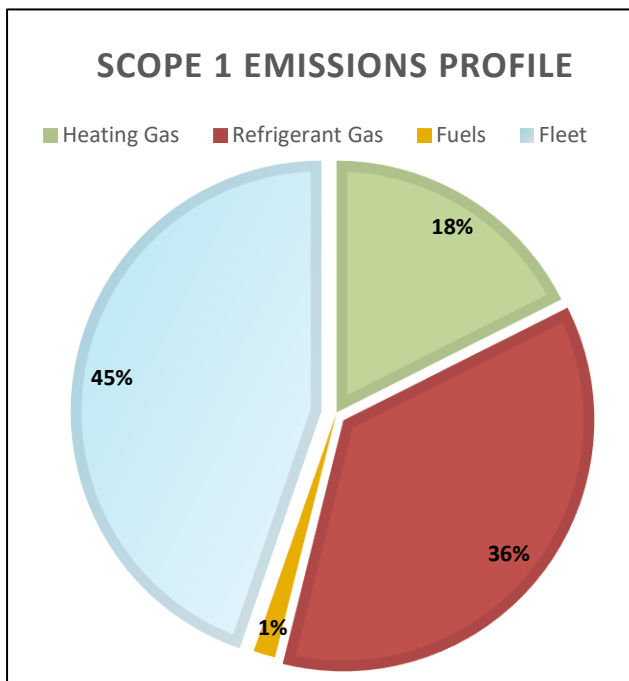


Figure 5: Gamma Scope 1 emissions profile (2022)

In addition to these results, it is important for Gamma to monitor the breakdown of its GHG Scope 1 & 2 emissions due to the Global Warming Potential (GWP) of constituent gases in tonnes of carbon equivalent (tCO₂e) calculations. In 2022, results are as follows:

Table 4: Scope 1 & 2 breakdown by GHG (2022)

GHG breakdown (tonnes CO ₂ e)									
Scope	Aspect	CO ₂		CH ₄		N ₂ O		HFCs	
GWP		1		25		298		Variable	
		UK	Global	UK	Global	UK	Global	UK	Global
1	Gas	33.00	67.62	0.05	0.09	0.02	0.04	0.00	0.00
	Vehicles	48.11	205.09	0.04	0.18	0.55	0.33	0.00	0.00
	Diesel	7.86	0.00	0.01	0.00	0.11	0.00	0.00	0.00
	F-Gas	0.00	0.00	0.00	0.00	0.00	0.00	168.6	39.5
2	Electricity	1,014.14	242.00	4.25	1.01	7.26	1.74	0.00	0.00
Total		1,103.11	514.71	4.35	1.28	7.94	2.11	168.6	39.5
		1,617.82		5.63		10.05		208.10	

Action to Date

It is important to recognise that Gamma has already taken action to manage its environmental impact through emissions reduction initiatives. Historical / completed action includes:

Environmental Management System & Policy:

- Environmental Management System development accredited to ISO 14001
- Group Environmental Management Policy launched, with supporting training package
- Formation of ESG committee to drive emissions reduction through leadership
- Commitment to long-term Net-Zero target date of 2042
- Commitment to reducing Scope 1 & 2 emissions 90%+ by 2030
- Adhering to a science-based target net-zero emissions reduction approach, with the aim of having plans validated within 24 months
- Maintaining CarbonNeutral® Status in the transition to Net-Zero by offsetting calculated emissions defined by the Carbon Neutral Protocol

Procurement / Working with suppliers:

- UK Ethical Procurement Policy launched
- Completion of CDP supply chain questionnaire, achieving a grade of A-

Energy Procurement & Efficiency

- Embedding environmental considerations into strategic decisions around facilities, for example office premises
- Environmental considerations for potential mergers and acquisitions as we continue to grow as a business
- Completion of specialist energy audits, considering key opportunities for improvement
- Ongoing monitoring of internal energy / utilities data
- Undertaking annual internal energy review
- Utilising efficient, high energy performance office spaces
- Use of energy efficient appliances in offices
- Installation of motion sensor LED lighting
- Regular inspection and maintenance of refrigerant units in controlled facilities

Other measures:

- Transition from 100% fossil fuel-based fleet towards electric vehicles
- Waste Management procedure to reduce carbon cost of waste to landfill
- Employee environmental survey to raise awareness and refine employee commuting and homeworking emissions
- Environmental bulletins / newsletters to raise environmental awareness and promote sustainable actions
- ESG SharePoint page to engage workforce with resources
- Ongoing capital expenditure in more efficient hardware and technology in our telecoms network

Planned Action

To build upon on this historical work, and in support of the required carbon reduction action, we have developed targets around two key emissions sources:

Electricity

The consumption of electricity to allow for a functional offices and network facilities constitutes a significant energy use for Gamma.

In respect of emissions reduction, two key interventions can be made:

1. 100% supply of renewable supply through network at group level

2. Improve energy efficiency

The 2022 CRP outlined our intention to disclose a group energy mix for the first time. For electricity consumption, we are reporting the following energy mix in 2022:

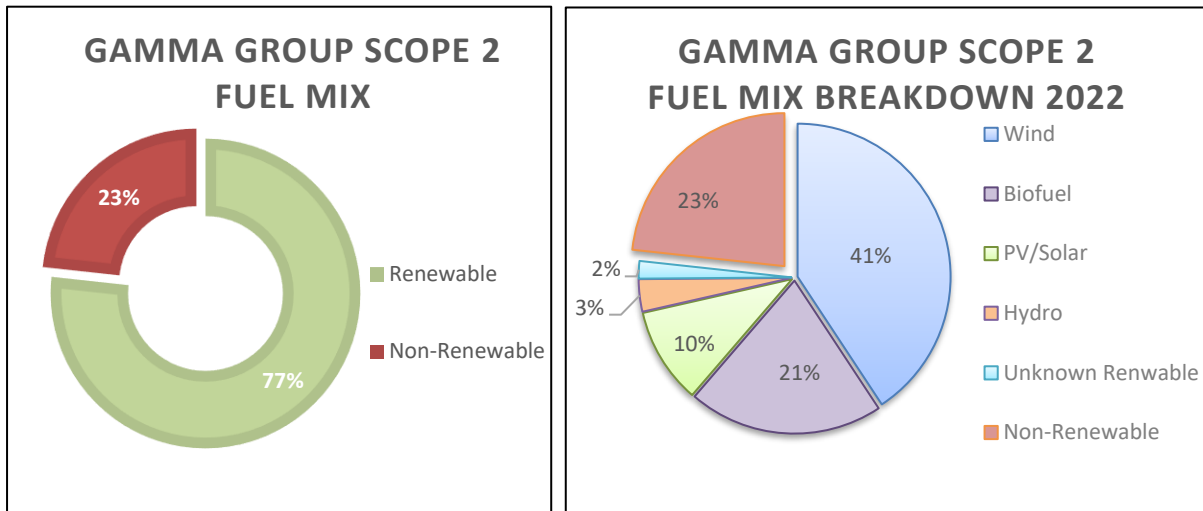


Figure 6,7: Gamma Scope 2 energy mix (2022)

In order to increase the proportion of renewable energy for electricity consumption, Gamma will seek to upgrade existing energy contracts that do not currently derive from 100% renewable sources.

This is likely to be done when existing contracts expire, therefore the shift from 77% to 100% renewables at group level will likely be non-linear over the next several years.

In addition to this measure, a specialist energy audit has been undertaken in 2023 to assess opportunities for energy efficiency.

We will consider business cases for the implementation of any suggestions that arise from this audit, in order to maximise energy efficiency in our offices

This approach will serve to reduce our electricity consumption, all the while minimising the impact of this consumption through purchase of high-quality renewables when new contracts can be negotiated.

Target: Achieve 100% Group renewable electricity procurement by 2030.

Target: Implement energy management opportunities identified at dedicated datacentres.

Scope 1 Vehicles

In respect of emissions reduction, two key interventions can be made:

1. Transition to an all-electric fleet by 2030
2. Improve business travel policy in order to provide Company vehicles to those employees who require a vehicle as part of their day-to-day operation / contribution to business, e.g., field engineers.

On the first point, significant progress has been made to the UK fleet. In 2022, over 75% of mileage was undertaken using a PHEV. Below, shows the g/km of our UK vehicles in 2022 (compared to national average), categorised by fuel type.

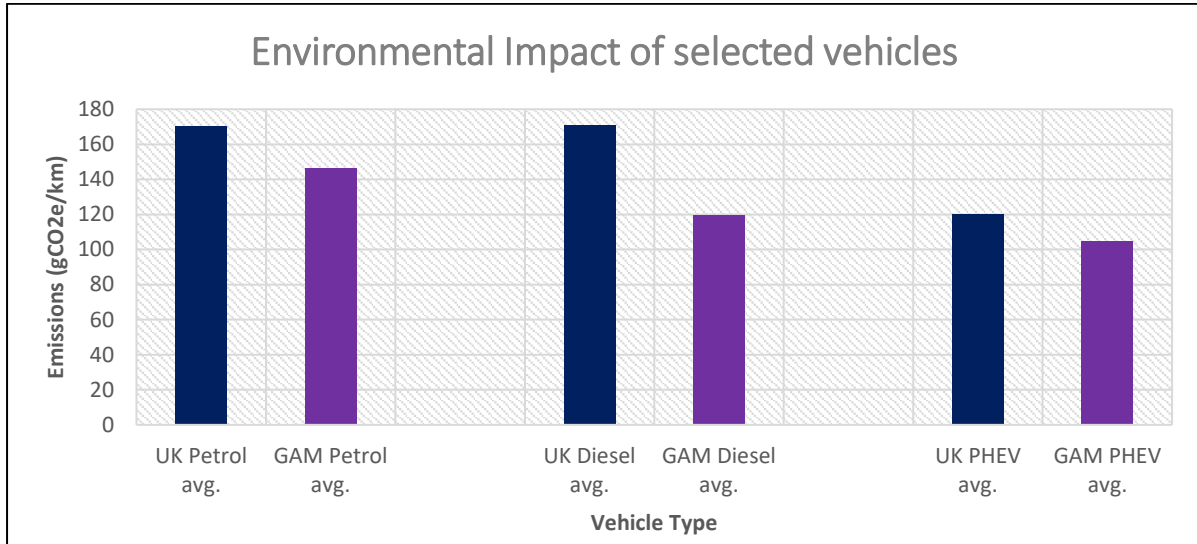


Figure 8: Environmental impact of UK and Gamma vehicle types (2022)

The majority of emissions in the Group fleet, however, derive from non-UK vehicles (those that have been inherited in our emissions profile, from acquisitions made in Europe).

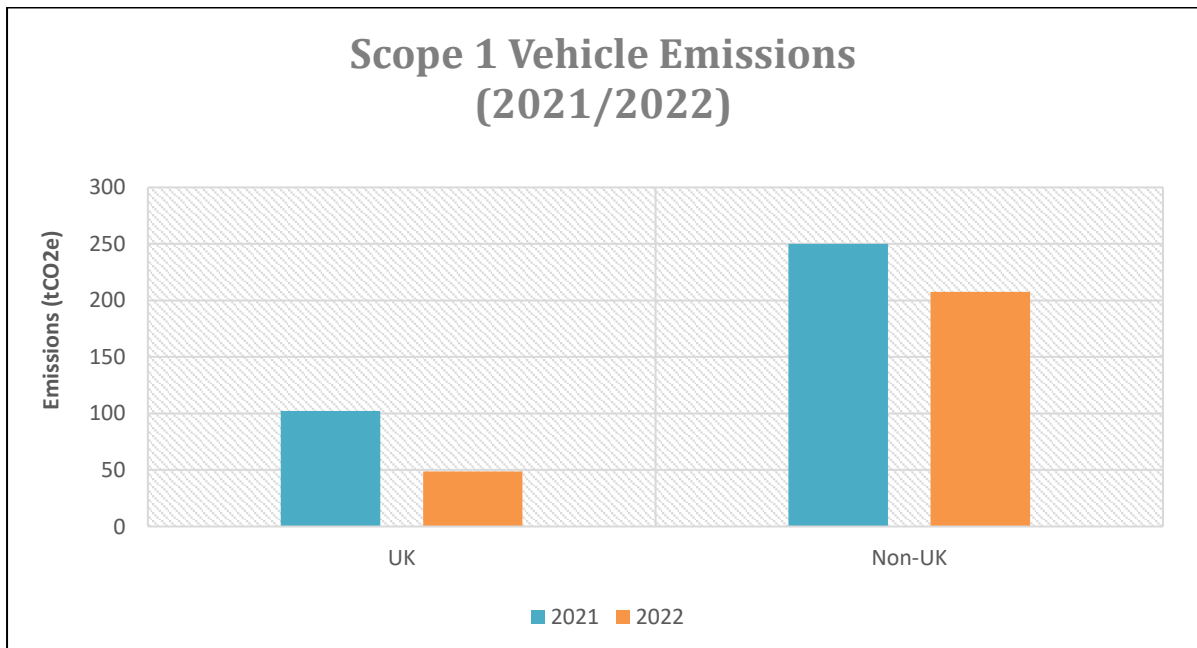


Figure 9: Emissions from Scope 1 vehicles (2021-2022)

Just like the UK, we will endeavour to ensure that the European operation transitions to an electric fleet by 2030. This will be required in order to achieve a Scope 1 reduction target of 90% from baseline, by the end of the decade.

Target: Operate a 100% electric fleet by 2030.

Scope 3 Emissions

In 2022, we committed ourselves to undertake work to better understand our suppliers and our indirect environmental impact, with a view to estimating carbon emissions associated with each relevant Scope 3 sub-category under the GHG Protocol.

With respect to our overriding aim of reaching net-zero emissions following a science-based approach, we have grown to increasingly appreciate the value of this work with time.

In undertaking data gathering activities with our supply chain, we now have a deeper understanding of the scale of the emissions linked to indirect aspects, including the products and services we buy from our suppliers.

In total, Scope 3 emissions account for 90%+ of Gamma's carbon footprint, with emissions from our purchased goods and services category being the single biggest source (over ten times our Scope 1 & 2 output alone).

We look forward to sharing our purchased goods and services data in subsequent CRPs, alongside discussion on initiatives to reduce the environmental impact of our procurement activities. While specific measures are not listed in this CRP, a likely approach may include:

- Continuing to engage with our suppliers and channel partners on reducing their carbon footprints
- Applying a weighting in our buying decisions around emissions criteria
- Defining and monitoring environmental contract clauses with key suppliers
- Encouraging suppliers to set carbon reduction targets and subscribe to best-in-class frameworks such as CDP and SBTi.

Such measures would complement the principles laid out in our Group Ethical Procurement Policy.

In the interim, we will continue to monitor the trajectory of our top 75% suppliers by spend, noting emissions data, commitments, and enrolment on key frameworks.

Conclusion

- Gamma successfully completed its rebaseline of emissions in 2021, and published key emissions data in its annual report at the time.
- Since then, improved data collection methods have allowed Gamma to gain better insight into its holistic environmental impact, considering the magnitude of purchased goods and services in particular.
- This work has allowed us to understand the measures required in order to reach net-zero emissions pursuing a science-based approach.
- In the short term, Gamma have targeted the purchase of 100% renewable energy for electricity and the operation of a 100% electric fleet by 2030. Work towards these targets will contribute towards the continuing trend of reduced Scope 1 & 2 emissions intensity over time.

- All the while, measures such as office consolidation to reduce heating gas and continued inspection / maintenance of refrigerant units, amongst other initiatives, will be implemented in order to reduce other direct emissions.
- Scope 3 emission reduction is heavily reliant on action taken in the supply chain. Specific measures will be shared in subsequent CRPs.

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 standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

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) Standard.

Signed: 

28/07/2023

Signatory - Accountable	Next review date
Group Sustainability Director	July 2024