

Gamma Net-Zero Plan

From CarbonNeutral® to Net Zero by 2042



Gamma Net-Zero 2042

Introduction

ESG Committee

Since its establishment in 2020, the ESG Committee has overseen the development and activity of Gamma's ESG agenda. In shaping this agenda, the Gamma Board adopted four key UN Sustainable Development Goals (UNSDGs), which act as a foundation to develop environmental, social and ethical policies, influencing how we operate in the future.



Assessing Environmental Impact

The ESG Committee has developed a framework for the business to improve the way in which it systematically assesses its environmental impacts.

As a technology business we have increasingly understood that our most significant environmental impacts derive from the emissions produced in the business value chain.

A rebaseline exercise in 2021, allowed us to understand our energy and carbon emissions profile better than ever before. In doing so we now recognise several key emissions sources and will take targeted action to reduce the impacts of certain business activities within appropriate timescales.

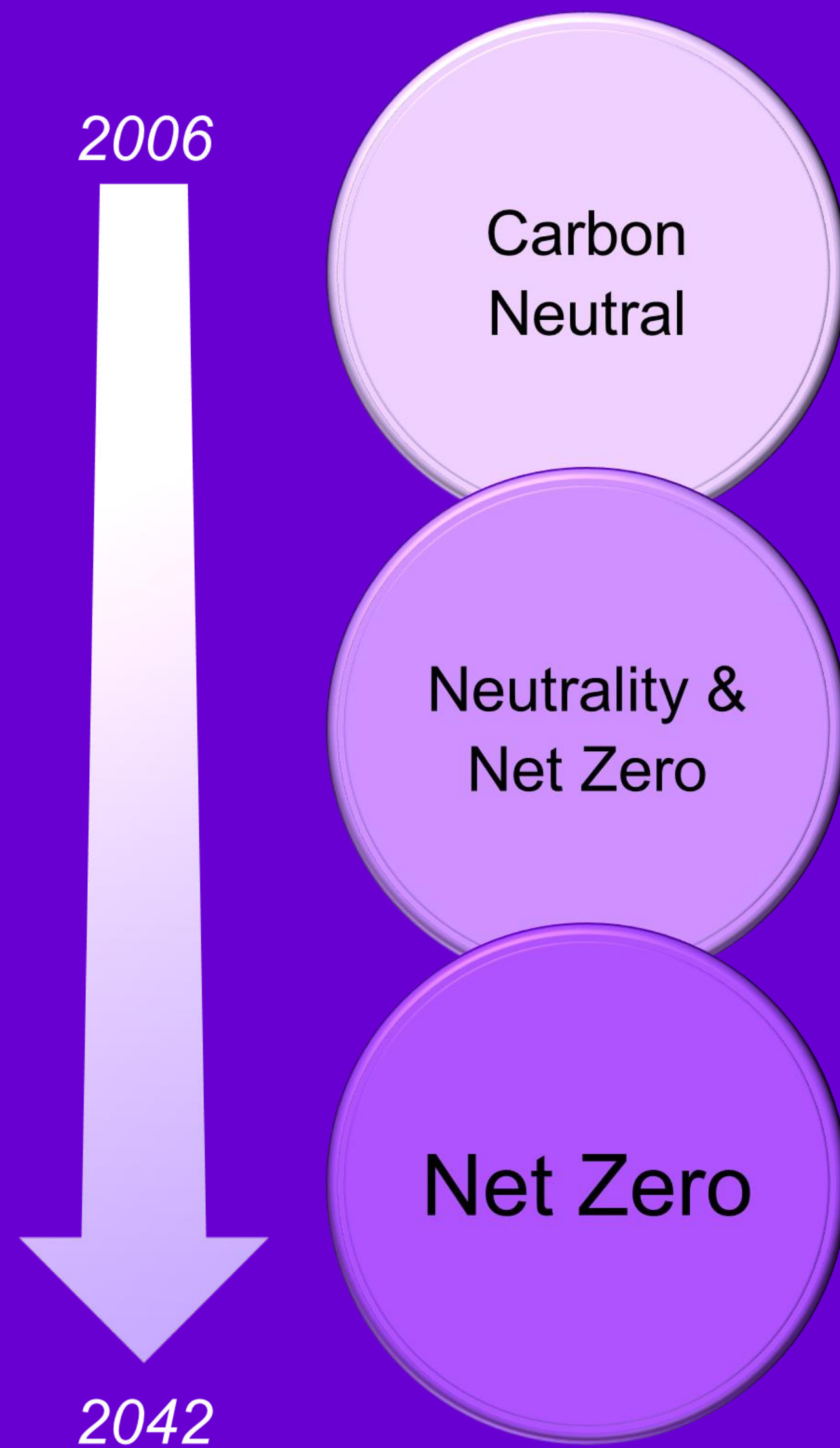
Taking Climate Action

We will take this targeted action in support of UNSDG #13, which is to 'take urgent action to combat climate change and its impacts'

We believe it is important for businesses like Gamma demonstrate leadership in taking climate action to support the goal of limiting global temperature rises to 1.5°C, in doing so protecting and sustaining the world's natural environment.

This document outlines the steps that we will take to support UNSDG 13 through a series of commitments towards carbon net-zero emissions by 2042.





The Journey

Our history as a Carbon Neutral business

We made a commitment to reduce the carbon footprint across our network back in 2006, through investment in the efficiency of our IP based network and other assets as well as an active offset management programme. That work has been ongoing since then and Gamma has remained fully CarbonNeutral® certified for the past 16 years.

The next step...

We are proud to be a CarbonNeutral® business, but we also recognise the need to take significant abatement action in support of UNSDG Goal 13. As such, we will pursue Net Zero via a significant reduction in net emissions while maintaining our Carbon Neutral status.

Net Zero - A science-based approach

In early 2022, we committed to set near- and long-term company-wide emission reductions in line with climate science with the Science-Based Target initiative (SBTi) and we will seek validation of its target within the SBTi timeframes.

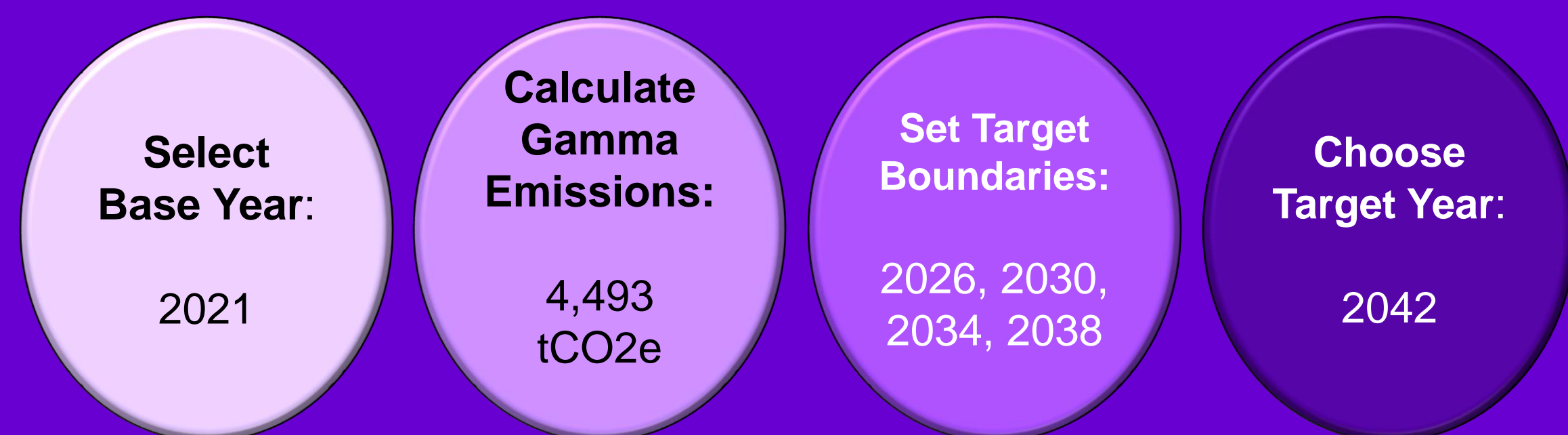
Adhering to SBTi underpins our commitment to limit global warming to 1.5C

Our Approach

Science Based Targets (SBTi)

We are committed to pursuing Net Zero through a robust, accountable, science-based approach.

By adhering to the key SBTi principles described (right), we are demonstrating a data based approach aligned to UNSDG #13, and more specifically to the ambition to limit global warming to 1.5C, the most ambitious goal of the Paris Agreement.



Set near-term science based targets

5-10 year emission reduction target in line with 1.5C pathways

- Gamma will aim to reduce emissions by 62% by 2030
- Gamma will track progress using an interim target approach

Set long-term science based targets

Target to reduce emissions to a residual level in line with 1.5C scenarios by no later than 2050

- Gamma will aim to achieve residual emissions (90%+ reduction by 2042)

Beyond value chain recognition

In the transition to Net-Zero, take action to mitigate emissions beyond their value chains

- Gamma will continue to be a Carbon Neutral Company until Net Zero is achieved

Neutralisation of residual emissions

Residual emissions must be counterbalanced through permanent removal and/or storage of carbon

- Gamma will offset residual emissions with high quality credits in 2042 and beyond

Our Approach

Rebaseline in 2021

A baseline is a quantitative reference providing a basis for comparison of energy/carbon performance over time. Gamma specifies the period to which baseline data applies as one year. It was important for us to reset our energy and carbon emissions baseline in 2021 for several reasons:

- 1) To expand reporting scope to group level. While previous GHG assessments accounted for small operations in Hungary, Poland and Germany, the majority of historical emissions reported derived from UK operations and excluded recent acquisitions.
- 2) To account for an increase in emissions sources. While methodologies are liable to continuous change and improvement, 2021 saw Scope 3 emissions sources such as IT equipment, hotel accommodation and private commuting calculated for the first time
- 3) Allow these changes to inform a quantitative net zero plan, that will be able to be ratified by SBTi – in doing so improving reliability and accountability to key stakeholders.



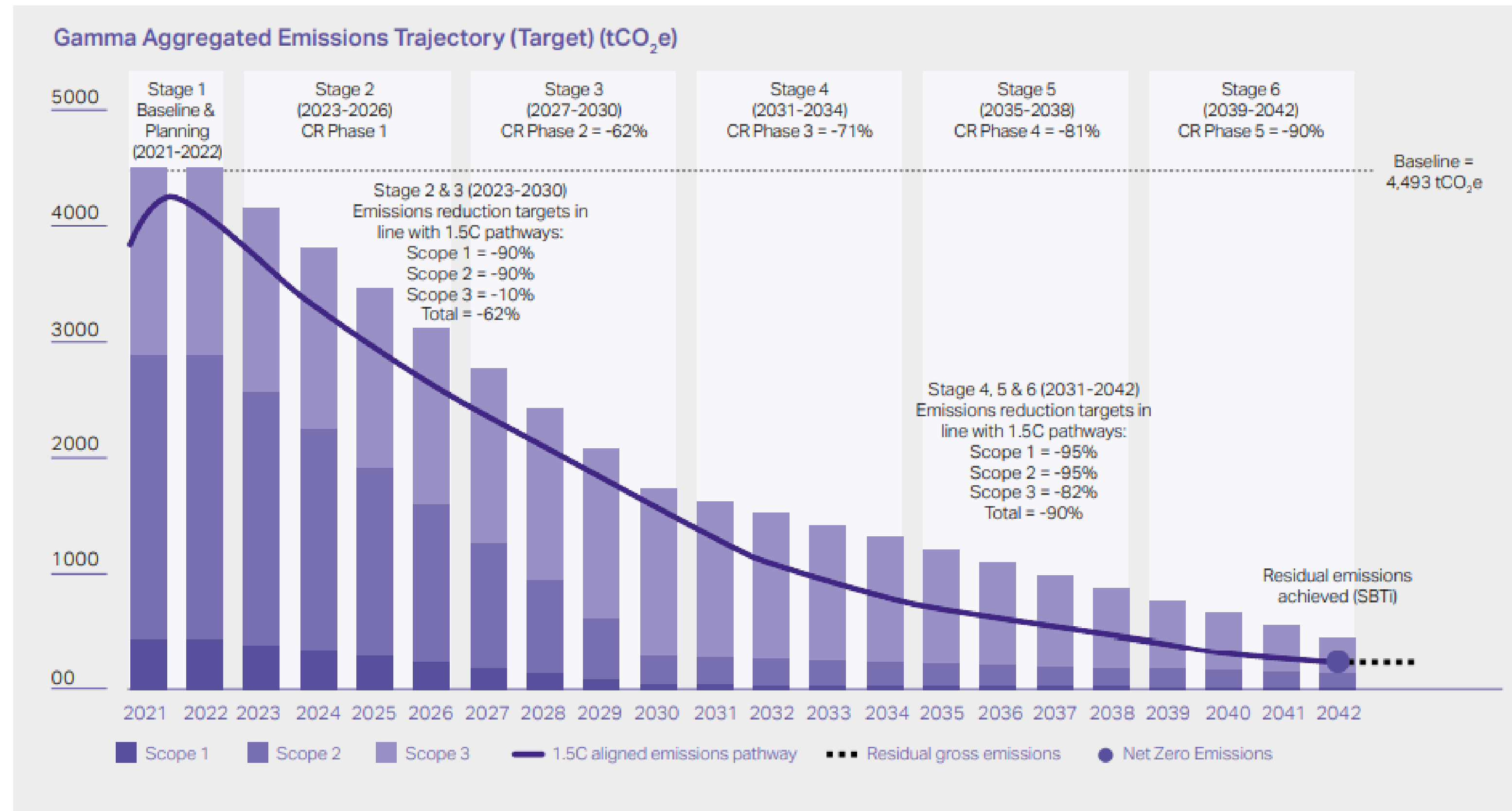
Interim Target Approach

Having rebaselined, the development of an interim target approach allows us to complement the key principles of SBTi; in doing so, setting quantitative targets for each phase of the net zero plan

Phase	Year	Total	Scope 1	Scope 2	Scope 3
Baseline & Planning	2021	4493.30t	439.90t	2443.20t	1610.20t
Carbon Reduction Stage 1	2026	-31%	-45%	-45%	-5%
Carbon Reduction Stage 2	2030	-62%	-90%	-90%	-10%
Carbon Reduction Stage 3	2034	-71%	-92%	-92%	-34%
Carbon Reduction Stage 4	2038	-81%	-94%	-94%	-58%
Carbon Reduction Stage 5	2042	-90%	-95%	-95%	-81%

Net emissions trajectory

The following net emissions trajectory will be required in order to meet an SBTi approved short and long term target:



This indicative emissions trajectory will be used to plan for net-zero emissions by 2042.

The interim target approach is illustrated on the graph through five, clearly defined carbon reduction periods.

By taking this approach we will be able to track progress and be held accountable against our short and long-term targets

Our first Carbon Reduction Plan (CRP) will be published in 2022, with each subsequent phase having an updated CRP.

In the interim, and to support this plan, Gamma will undertake its first internal energy review in 2022. This annual exercise will support and substantiate all future environmental disclosures.



Challenges

Scope 3 Emissions

Indirect emissions are complex to calculate for all organisations. While we will estimate emissions relating to consumables and upstream transportation / distribution for the first time in 2022, it would not be unexpected for our Scope 3 emissions profile to continue to grow into the first carbon reduction phase due to emerging regulation / guidance, collaboration with supply chain, improved data insights and methods.

To account for this challenge, we have deliberately set ambitious Scope 3 targets post 2030, with a short-term focus on direct emissions. In this period, we will however be focused on undertaking targeted supply chain assessments and encouraging carbon reduction initiatives throughout our value chain.

Reporting Methodology

Scrutiny will increasingly be placed on all organisations to report emissions and carbon reduction plans against best practice frameworks. We will need to be adaptable to advances in reporting methods.

The good news is that we currently subscribe to the GHG protocol, in doing so calculating both location and market based emissions for business operations.

In 2022 Gamma will commence the process of seeking validation of its Net Zero plan through SBTi. To give added assurance, we aim to seek further data validation in the first Carbon Reduction Period, for example ISO 14064 or equivalent.

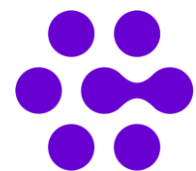
Growth Business

Gamma will continue to consider acquisitions in the UK and Europe in the short-term, and as such, is considered a growth business.

Adding significant operational scope to the annual GHG inventory is likely to cause a short-term nominal increase in tCO₂e reported.

Gamma acknowledges this risk, and will undertake environmental assessments prior to making further acquisition in order to evaluate the potential to affect emissions trajectories, and subsequently, the net zero plan.

We remain committed to carbon reduction of at least 90% by 2042, and believe strongly that this can be achieved whilst maintaining our growth ambitions.



Key Milestones

Baseline & Planning

Support of UNSDG #13
CarbonNeutral business status maintained (2006-)
Rebaseline of energy and emissions (2021)
First Carbon Disclosure Project (CDP) submission (2021)
First energy review (2022)

Carbon Reduction Phase 1

Publish Carbon Reduction Plan for CRP 1 (2023)
Net Zero plan validated by SBTi (2024)

Reduce baseline emissions by: (2026)
Total: -31%
Scope 1: -45%
Scope 2: -45%
Scope 3: -5%

Carbon Reduction Phase 2

Publish Carbon Reduction Plan for CRP 2 (2027)
Report on fulfilment of short-term science based target (2030)

Reduce baseline emissions by: (2030)
Total: -62%
Scope 1: -90%
Scope 2: -90%
Scope 3: -10%

Carbon Reduction Phase 3

Publish Carbon Reduction Plan for CRP 3 (2031)
Accelerated action on Scope 3 (indirect) emissions

Reduce baseline emissions by: (2034)
Total: -71%
Scope 1: -92%
Scope 2: -92%
Scope 3: -34%

Carbon Reduction Phase 4

Publish Carbon Reduction Plan for CRP 4 (2035)
Residual Scope 1 & 2 emissions achieved

Reduce baseline emissions by: (2038)
Total: -81%
Scope 1: -94%
Scope 2: -94%
Scope 3: -58%

Carbon Reduction Phase 5

Publish Carbon Reduction Plan for CRP 5 (2039)
Net Zero emissions declared by Gamma (2042), based on:

Reduce baseline emissions by: (2042)
Total: -90%+
Scope 1: -95%
Scope 2: -95%
Scope 3: -81%

