

NASSTAR



Nasstar Carbon Reduction Plan

Ver 2.0

Class 2 - General Internal Use

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Carbon Reduction Plan

Supplier name: **Nasstar Group Limited**

Includes the carbon reduction plan and associated commitments for wholly owned and fully consolidated subsidiaries.

Publication date: 16/05/2024

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1 Overview

The UK Government amended the Climate Change Act 2008 in 2019 by introducing the target of at least a 100% reduction of greenhouse gas emissions compared to 1990 levels by 2050. This is known as the 'Net Zero' Target.

All Central Government Departments, their Executive Agencies and Non-Departmental Public Bodies in conducting procurement procedures are regulated by the Public Contracts Regulations 2015. Since 30th September 2021 all new procurement is subject to the application of (PPN) 06/21, "Procurement Policy Note – Taking Account of Carbon Reduction Plans in the procurement of major government contracts". This states how, when procuring major contracts, UK Government requires in scope organisations to accounts for suppliers' Net Zero Carbon Reduction Plans.

This plan sets out Nasstar Group Limited's ("Nasstar") Carbon Reduction Plan ("CRP") and has been developed in line with PPN 06/21. This document provides the high-level information to demonstrates compliance.

Nasstar Group Ltd delivers integrated IT and communications related services to a range of organisations and businesses. These include managed IT services, cyber security solutions, cloud, collaboration and communication systems, PCI and Self-service, and managed network services.

In providing these services, each bidding entity, including GCI Network Solutions Ltd., depends on the integrated nature of Group to provide services offered. As the Nasstar Group has grown significant productivity gains have been, and continue to be achieved, through rationalisation and business efficiency improvements. These productivity gains are supporting Nasstar Groups continued improvement in reducing the greenhouse gas intensity associated with the services provided.



2 Commitment to achieving Net Zero

Nasstar is committed to achieving Net Zero emissions by 2050 as defined in this Plan. All Nasstar Group companies that are fully owned subsidiaries and are in the operational and financial control of Nasstar are included in and shall adopt and support this Plan. The objectives of this Carbon Reduction Plan are included and align with the strategic plans of Nasstar.

The requirement and measures as summarised in this CRP apply to the bidding entity, GCI Network Solutions Ltd., when performing the relevant contract(s).

The approved CRP shall be published on the Nasstar Group website, and a copy will be provided on request. The CRP shall be subject to version control and links to previous versions shall be made publicly available.

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3 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: 2021 (1st January – 31st December)

Additional details relating to the Baseline Emissions calculations

Organisational boundary considerations - Nasstar's business has operations and activities in the UK and Internationally. Environmental commitments and targets for all parts of the business are set at a Group level. For clarity, in this document, the emissions data provided relates only to Nasstar's UK operations. International emissions data is not included.

This document covers Nasstar's full UK operational scope for the specified period including all UK legal entities within the Group who are all subject to the same carbon reduction commitments and initiatives laid out below. The carbon footprint of all legal entities is measured and included in the numbers presented below, and in general as part of the company's UK carbon footprint reporting. These subsidiaries are all subject to the same carbon reduction commitments and initiatives laid out below and includes GCI Network Solutions Limited.

Nasstar has historically acquired other companies. The acquired entities have appeared as wholly owned subsidiaries for between six months to two years after acquisition whilst the business is integrated into Nasstar. After integration is complete the entities are made dormant.

Nasstar's reporting period begins on 1 January and ends on 31 December in line with its financial year. Our baseline year for emissions was set for the financial year 2021 ("FY21"). During the baseline year Nasstar completed the acquisition of KCOM. KCOM's energy consumption and associated emission were significantly larger than GCI's. Since the initial CRP published in 2022 the baseline emissions have therefore been updated to include KCOM, and reflecting the use of 3rd party data centres in the baseline year.

This updated CRP is based on the latest emissions assessed for period 1 January 2023 to 31 December 2023.

Methodology

Our methodology for measuring our carbon footprint is compliant and done in accordance with the Greenhouse Gas Protocol. All emissions from greenhouse gases (GHGs), including those in the Kyoto Protocol basket of GHGs, are measured and converted into metric tonnes of CO₂ equivalent (mtCO₂e).

Emissions data is reported in line with the GHGP Corporate Accounting and Reporting Standard under the 'Operational Control' approach. Scope 2 emissions are calculated using the invoice data and Government conversion factors for company reporting of greenhouse gas emissions. Per the GHGP, where market-based information is not available, location-based results have been used as proxy.

NASSTAR

Details of Scope 3 emissions included

Scope 3 emissions represent up to 80% of many organisation's carbon emissions. There are 15 categories of Scope 3 emissions defined by the GHG Protocol. We describe below our approach to emissions for the five required categories (4, 5, 6, 7 and 9) as detailed in the technical standard to PPN 06/21.

Scope 3 category 1 – "Purchased goods and services" - allowance has been made for upstream supply of services in the form of third-party data centres. These are directly interchangeable with emissions due to the operation of directly operated data centres and network sites. For transparency these are included.

Further details on the required Scope 3 categories plus additional category Scope 3 emissions will be included and published in future and subsequent annual reports.

Category 4: Upstream transportation & distribution	Upstream transportation and distribution losses to electricity supplied are included.
Category 5: Waste generated in operations	The quantification of emissions associated with the disposal and treatment of waste generated in operations has been included for the first time in this plan. This is also addressed as part of Nasstar's continuing ISO 14001 programme.
Category 6: Business travel	Emissions due to the transportation of employees for business related activities during the reporting year (in vehicles not owned or operated by Nasstar) are included.
Category 7: Employee commuting	Due to working patterns changing following Covid-19 and extensive site rationalisation post-acquisition emissions from employee commuting and homeworking have not been assessed or baselined at this stage. This will be included in future updates.
Category 9: Downstream transportation & distribution	Nasstar and is a service provider and does not produce or distributes products. There is no scope 1 or scope 2 emissions from transportation providers, distributors, or retailers.

Baseline year emissions: 2021 (adjusted for acquisitions)

EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	235.1 [Gas used in offices]
Scope 2	2,633.2 [Electricity used for operations & in offices]
Scope 3 (Included Sources)	21.1 [Business related travel] 1,125.5 [Third party data centres] 209.1 [Electricity T&D losses]

NASSTAR

Total Emissions	4,224.0
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NASSTAR

4 Current Emissions Reporting

Reporting Year: FY 2023	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	124.8 [Gas used in offices]
Scope 2	1652.6 [Electricity used for operations & in offices]
Scope 3 (Included Sources)	51.0 [Category 6 - Business related travel] 677.2 [Category 1 - Third party data centres] 141.0 [Category 4, upstream Electricity T&D losses] 0.1 [Waste]
Total Emissions	2,646.7

NASSTAR

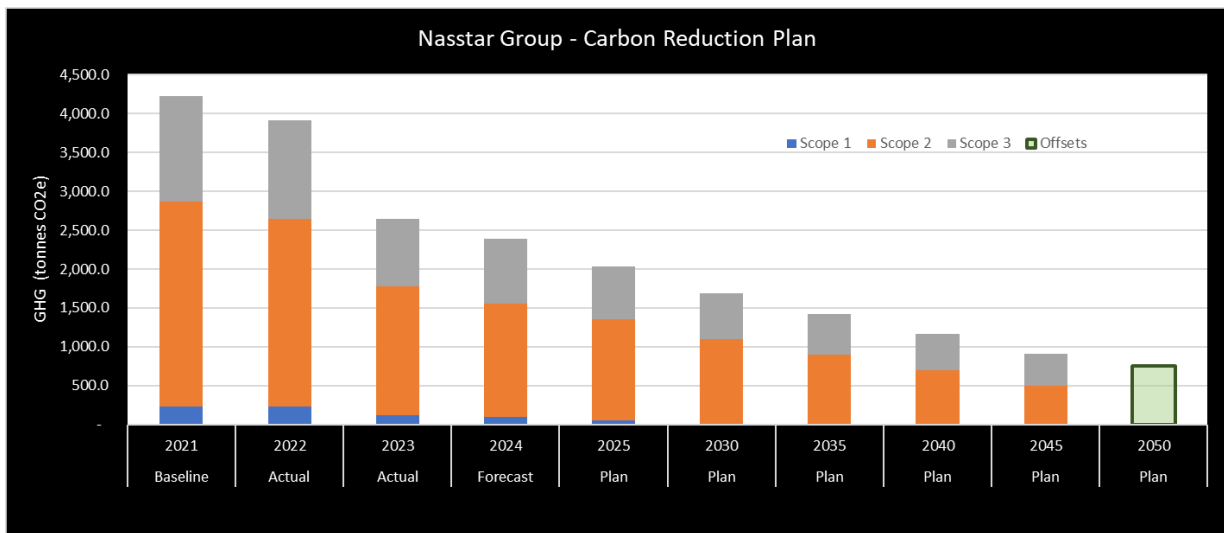
5 Emissions reduction targets

Nasstar’s emissions targets align with our strategy to protect the environment within our sphere of influence and to achieve “Net Zero” from our UK activities by 2050]

Our near-term [next 5 years] carbon reduction targets, set out below, will be delivered by the planned carbon reduction initiatives set out in the following section.

We project that greenhouse gas emissions will decrease over the next two years to **2,035** tCO₂e by 2025. This is a reduction in excess of 50% and can be attributed to the consolidation and rationalisation strategy adopted by the group.

The Companies roadmap (below) sets interim targets to reach Net Zero in its UK operations by 2050. This plan anticipates that once all ghg emissions have been reduced as far as is reasonably practical then voluntary carbon offsets will be acquired to achieve net zero.



NASSTAR

6 Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented within Nasstar prior to the end of FY 2023.

- Continued decommissioning of the KCOM long distance network.
- Development of our ISO14001 certification
- Implementation of energy efficiency measures in Alford and Salford Data Centres, and the transfer of activities from our directly operated sites from the KCOM acquisition.

Planned Carbon Reduction Initiatives

In the future we will implement further measures that include:

- Introduce reporting of staff commute and homeworking.
- Work with service suppliers (in particular the third-party data centre operators) to reduce our Scope 3 emissions,
- Procure renewable electricity for Alford and Salford data centres with zero carbon intensity.
- Complete decommissioning of the KCOM long distance network and pops
- Rationalise remaining sites, network distribution points and data centres.
- Expand our ISO14001 certification to remaining locations.
- Investigate the potential for on-site renewable energy installations and energy storage facilities.
- Extending educational awareness and training
- Additional LED lighting upgrades
- Further quantification and understanding of value chain environmental impacts.

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7 Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21, the associated guidance and the technical 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 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) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors on 16th May 2024.



Signed on behalf of the Nasstar Group Ltd by:

Paul Cosgrave,

Date: 16 May 2024

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>



8 Document Control

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Any suggested changes or amendments must be communicated through the author for consideration and inclusion if suitable.

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9 Document details and change summary

Document Name:	Nasstar Carbon Reduction Plan v2	
Document Number:	P304	
Issue:	Version 2	
Document Classification	Class 2 - General Internal Use	
Review Frequency	Annual	
Owner:	Roger Halton	
Approved by:	Position	Date
	Roger Halton	16 th May 2024
Release Date:	16/05/2024	

Issue	Change Description	Date	Created By
0.1	Draft Document Created	13/05/2022	DMH
2.0	Update for 2023	16/05/2024	DMH