

Carbon Reduction Plan

2022



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Glossary

Relevant terms and abbreviations are defined below:

Term / Abbreviation	Description
Carbon	A chemical element
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 Performance Indicator (EnPI)	Measure or unit 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
Energy use	Application of energy
GHG	Greenhouse Gas
Net-Zero	State at which balance is achieved between the carbon emitted into the atmosphere, and the carbon removed from it
OPI	Opportunity for improvement
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
tCO ₂ e	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 undertake continuous targeted emissions reduction activity across the business.

We have decided to pursue net-zero through a science-based target approach, (which aims to limit global warming to 1.5C), and we will therefore need to ensure a total reduction of at least 90% emissions against the baseline year (2021) by 2042 and at least 50% (targeting 62%) by 2030.

Gamma is progressing a net-zero target across Scope 1, Scope 2, and Scope 3 of GHG emissions.

To demonstrate our commitment, we have signed up to the SBTi Net-Zero Standard and joined the Business Ambition for 1.5°C campaign - the world's largest and fastest-growing group of companies that are aligning with 1.5°C by helping to halve global emissions by 2030.

Based on the GHG assessment for the 2021 reporting year, two priority items emerge with respect to carbon reduction in the short term:

Electricity

Accounts for 54% of total emissions

In order to reduce Scope 2 emissions by 45% by 2026, and 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.

Scope 1 Vehicles

Accounts for 17% of total emissions

In order to reduce Scope 1 emissions by 45% by 2026, and 90% by 2030, action will need to be taken to upgrade Company vehicles, improve travel policies and influence personal behaviours.

Our approach to achieving net-zero requires the prioritisation of emissions reduction from Scope 1 & 2 aspects in the short-term (2023-2026), (2027-2030), while simultaneously increasing engagement with our value chain to allow for targeted indirect emissions action after 2030.

The objectives set out in this Carbon Reduction Plan (CRP) relate to improving the quality of environmental data in the next 12 months. We will then develop more detailed plans and targets around key Scope 1 & 2 aspects (such as electricity and vehicles) in the CRP for the first carbon reduction phase (2023-2026).

As such, in 2022, the first internal energy and carbon review will take place (to be continued annually) and will inform future carbon reduction plans.

This approach will ensure accountability in driving emissions reduction to fulfil our net zero ambition.

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 UNSDG #13.

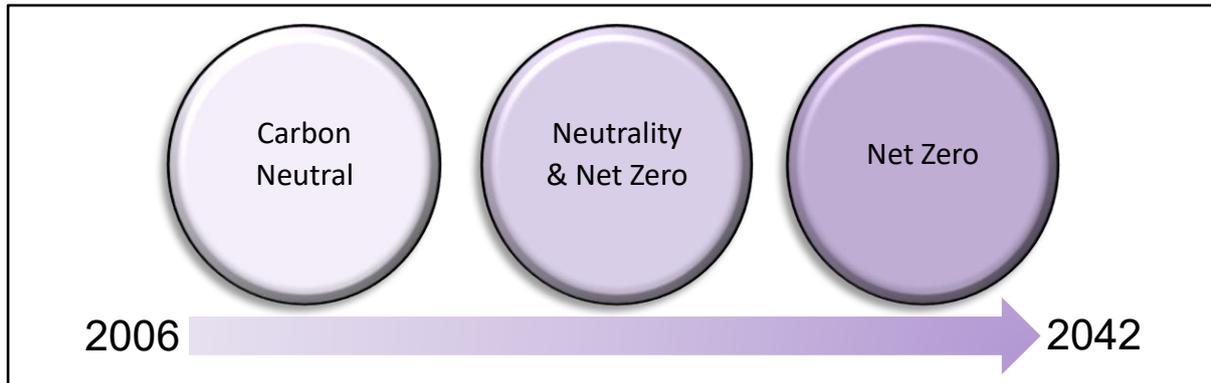


Figure 1: Gamma transition to Net Zero

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.

Upon collation and publication of baseline year results, a required net emissions trajectory was developed based on the interim targets shown in Figure 2.

Phase	Year	Total	Scope 1	Scope 2	Scope 3
Baseline & Planning	2021-2022	4,493 tCO ₂ e	439.9 t	2,443.2 t	1610.2 t
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%

Figure 2: Interim Targets based on baseline year data

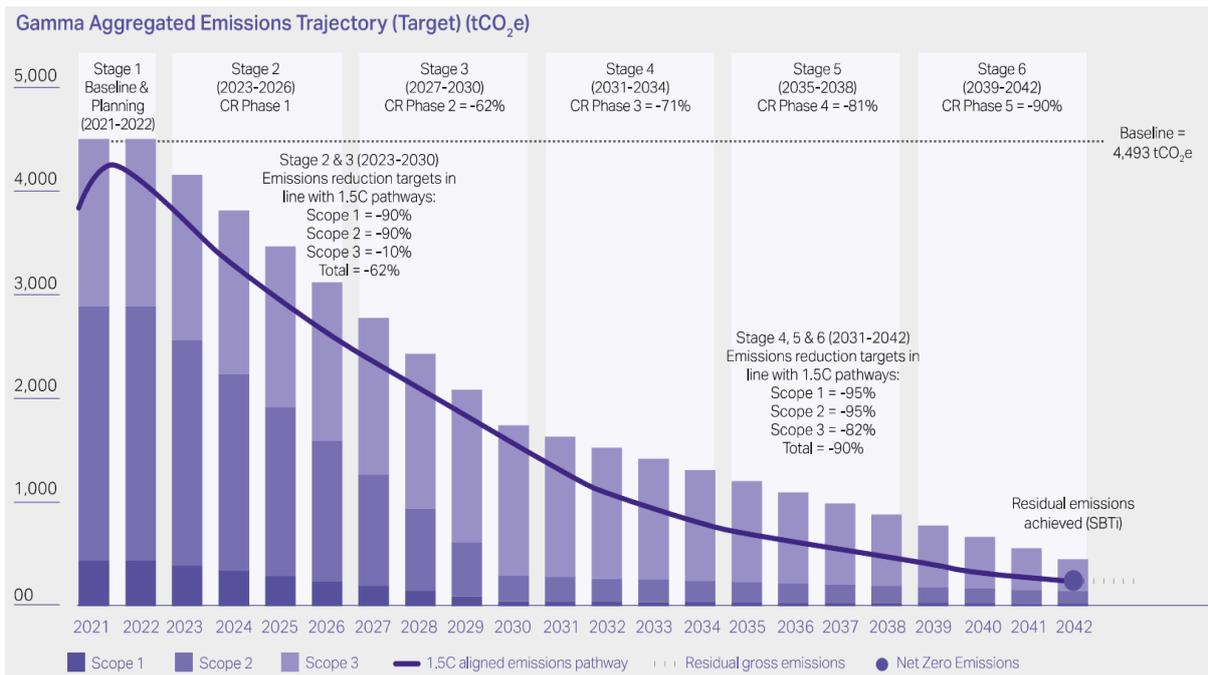


Figure 3: Required net emissions trajectory

In order to stay on track for required abatement, emissions will need to fall by a total of 31% over the 2023-2026 period, with a focus on Scope 1 & 2 emissions (-45% respectively) reduction in particular.

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.

The assessment was conducted in accordance with the reporting standards of the 'Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard' (GHG Protocol, 2011). The results were:

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	87.6
	Direct emissions from owned, leased or directly controlled mobile sources	352.3
2	Emissions from the generation of purchased electricity, heat, steam or cooling	Location 2,443.2
		Market 993.1
3	Water	2.1
	Capital Goods	15.1
	Upstream emissions from purchased electricity and fuels	781.2
	Transmission and Distribution (T&D) losses	200.4
	Waste	6.4
	Wastewater	3.9
	Business Travel	71.9
	Hotel Accommodation	20.5
	Employee Commuting	129.9
	Homeworking	378.8
Total (Scope 2 location)		4493.3
Total (Scope 2 market)		3043.2

Figure 4: GHG Assessment Results (2021)

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

Scope	Description	How this applies to Gamma
Scope 1 – Direct GHG emissions	CO ₂ e 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, fleet
Scope 2 – Indirect GHG emissions	Greenhouse gases released into the atmosphere from the consumption of purchased electricity, steam, heat and cooling	Electricity
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 5: Application of GHG Protocol to Gamma operation

Baseline Emissions

Given that the reporting year is the same as the baseline year, the following results for 2021 should be noted as baseline results:

Scope	tCO ₂ e
1	439.9
2	2443.2
3	1610.2
Total	4493.3

Figure 6: Gamma baseline emissions (location)

Scope	tCO ₂ e
1	439.9
2	993.1
3	1610.2
Total	3043.2

Figure 7: Gamma baseline emissions (market)

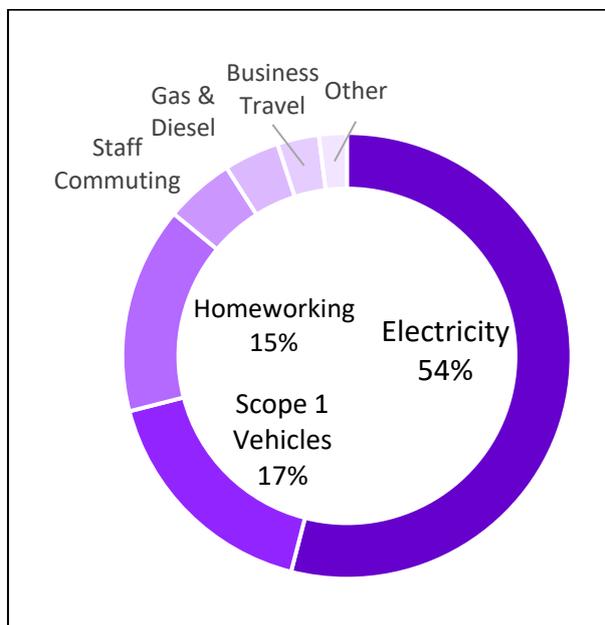


Figure 8: Gamma emissions breakdown (2021)

We have reported a consistent emissions profile over the past few years. As of 2021, Scope 2 emissions using the location-based method comprise the majority of business emissions at 54%.

There are other significant emissions sources to consider such as Scope 1 vehicles (17%) and Homeworking (15%).

It should be noted that while these three emissions sources stand out in their contribution to Gamma's emissions; subsequent GHG assessments, particularly in the context of targeted carbon reduction programmes and fluid Scope 3 methodologies, may cause significant change to the business emissions profile.

Action to Date

Gamma has already taken action to manage its GHG emissions. Historical action includes:

- Formation of ESG committee to drive emissions reduction through leadership
- Formation of supporting ESG working and steering group
- Commitment to net zero target date of 2042
- Adhering to a science-based target emissions reduction approach, with the aim of having plans validated within 24 months
- Environmental considerations for new offices and premises
- Environmental considerations for potential mergers and acquisitions
- Maintaining CarbonNeutral® Status by offsetting calculated emissions
- Monitoring of energy / utilities data
- Utilising efficient, high energy performance office spaces
- Use of energy efficient appliances in offices
- Installation of motion sensor LED lighting
- Transition from 100% fossil fuel-based fleet
- Regular inspection and maintenance of refrigerant units
- Group Environmental Management Policy
- Business Travel Policy to reduce unnecessary travel
- Development of an ethical procurement policy
- Waste Management Procedure to reduce carbon cost of waste to landfill
- Employee environmental survey to raise awareness and refine homeworking emissions
- Environmental bulletins to raise environmental awareness
- ESG SharePoint page to engage workforce with resources
- Ongoing capital expenditure in more efficient hardware and technology in our telecoms network

2022 Objectives

To build on this historical action and in support of the required carbon reduction action, we have developed a set of objectives for 2022 which are based on predominantly primary data, providing informed insight for the 2023-2026 carbon reduction plan.

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

Objective 1 – Collate renewable energy supply data at group level

- a. 100% breakdown of renewable energy supply across all office facilities within 2022 scope
- b. Report % of network renewable energy supply data that is available for the 2022 reporting period
- c. Report group energy mix for 2022 reporting period

Scope 1 Vehicles

Emissions relating to vehicles and more widely, business transport, can be attributed into Scope 1 and Scope 3 emissions. For this reason, it is important to validate internal data prior to the first carbon reduction phase.

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

1. Reduce vehicle mileage
2. Upgrade company fleet

Objective 2 – Improve vehicle emissions data

- a. Undertake quarterly collation of data using universal template / requirements across group
- b. Propose system for automation of vehicle emissions data (also applicable to Scope 3)

Energy Review

Objective 1 highlights the need to undertake an Energy & Carbon Review, with specific reference to assessing energy efficiency in the context of electricity consumption.

Based on the GHG emissions by source breakdown, in conjunction with the need to take action on direct emissions, additional aspects need to be considered in this review:

- ◆ Business travel
- ◆ Heating Gas
- ◆ Fuels (diesel)

- ◆ Refrigerant gas
- ◆ Homeworking

Objective 3 – Undertake Energy & Carbon Review

- Analyse energy use and consumption based on measurement and other data, i.e.
 - ◆ Identify / confirm current types of energy
 - ◆ Evaluate past and current use and consumption
- Determine and prioritise OFIs relating to energy and carbon management performance, including completion of an environmental assessment of Gamma premises
- Estimate future energy use and consumption

Carbon Reduction Plan (2023-2026)

The delivery of these four objectives will enable the carbon reduction plan to better inform improvement action for Gamma's most significant energy uses and carbon aspects.

The Carbon Reduction Plan for 2023-2026 will be published following collation of data for 2022 and a third party GHG assessment.

Objective 4 – Publish Carbon Reduction Plan (2023-2026)

- Ensure carbon reduction plan is a publicly accessible document
- Ensure plan complements the requirement of procurement policy note 06/21

Conclusion

Gamma has successfully completed its rebaseline of emissions in 2021, and published key emissions data in its annual report.

This baseline data will set the requirements for our net-zero plan, both in terms of meeting short-term targets (2030) and long-term targets (2042), (see Figure 2).

This CRP acts as an interim document, to bridge the gap between the baseline of 2021 and publication of the CRP for the first carbon reduction period (2023-2026).

In doing so, we believe that this plan encompasses clear data-based objectives to support the reduction of our GHG emissions and commitment to UNSDG #13.

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: 

26/08/2022

Signatory - Accountable	Next Review date
Group Sustainability Director – Sarah Kirton	March 2023