

Carbon Reduction Plan

2024



Contents

Contents	3
<i>Glossary</i>	<i>4</i>
<i>Executive Summary</i>	<i>5</i>
<i>Introduction</i>	<i>6</i>
Commitment - Carbon Neutrality	6
Commitment - Net-Zero	7
Approach.....	7
<i>Overview of GHG Assessment (2023)</i>	<i>8</i>
<i>Emissions Breakdown</i>	<i>9</i>
Intensity Ratio	10
<i>Action to Date</i>	<i>11</i>
<i>Planned Action</i>	<i>12</i>
Scope 1 - Mains Gas	12
Scope 1 - Vehicles	12
Scope 2 - Electricity	14
Scope 3 - Purchased goods and services	16
<i>Conclusion</i>	<i>18</i>
<i>Sign Off</i>	<i>18</i>

Glossary

Selected relevant terms and abbreviations are defined below:

Term / Abbreviation	Description
CarbonNeutral®	Certification status achieved through offset of calculated emissions as per the Carbon Neutral Protocol
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: Corporate net-zero target validation service
1.5C warming	Global warming threshold for climate science targets
CRP	Carbon Reduction Plan [this document]
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
Scope 1	Direct GHG emissions that a company is responsible for
Scope 2	Indirect GHG emissions from the generation of purchased electricity, steam, heating, and cooling
Scope 3	All other indirect GHG 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

Gamma is pursuing 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.

Gamma has approved near- and long-term science-based emission reduction targets with SBTi.

The group's overarching net-zero target is to reach net-zero greenhouse gas (GHG) emissions across the value chain by 2042.

In order to meet SBTi validated targets, Gamma will need to continue to undertake targeted emissions reduction activity across the business.

To date, Gamma has taken effective action to reduce Scope 1 & 2 emissions beyond the required near-term net-zero trajectory. Energy efficiency measures, switching to an electric fleet via hybrid and capping / removing mains gas boilers, have all contributed to the following trend:

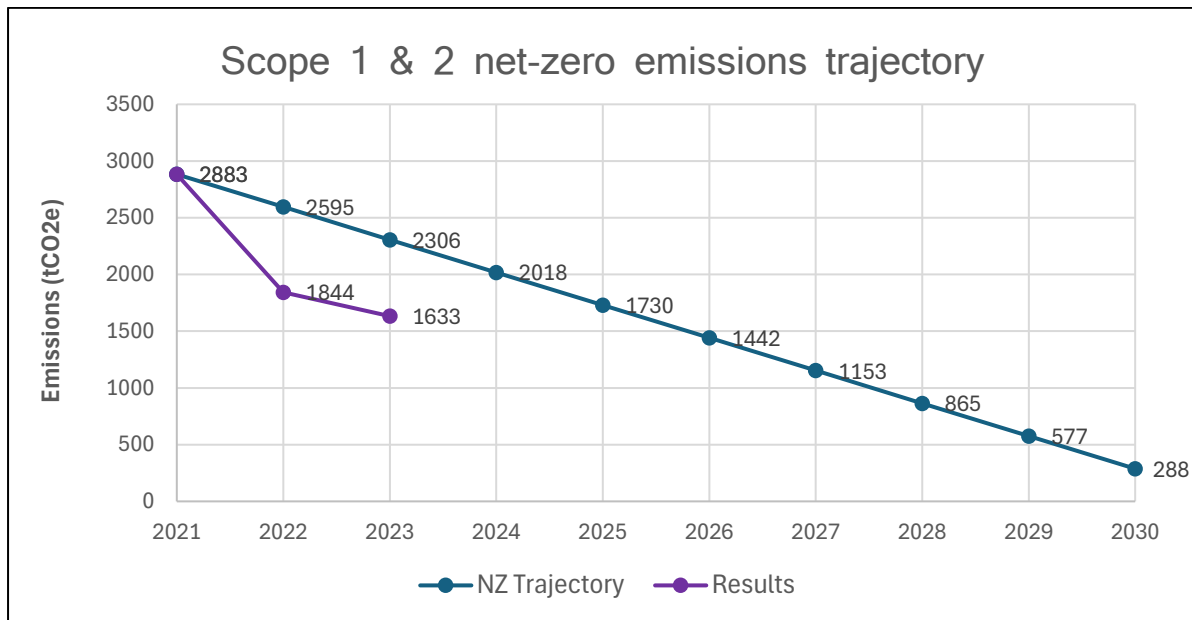


Figure 1: Gamma Scope 1 & 2 net-zero emissions trajectory (2021-2030)

Additional measures such as implementation of a sustainable facilities strategy, optimising the management of refrigerant gas units and datacentre optimisation will all be required in order to ensure this trend is continued and the near-term Scope 1 & 2 target is met by 2030.

Gamma is lagging its overall net-zero target trajectory due to the scale of purchased goods and services in its value chain emissions profile (see page 17).

In 2023, purchased goods and service emissions increased. Given that ~90% of Gamma emissions come from suppliers, there is a significant challenge in decarbonising the Gamma supply chain and across the telecoms sector in general. This is consistent with reported GHG profiles in the sector.

The following tables surmise the key carbon reduction activities planned in the near-term:

Scope 1 - Mains Gas (Page 12)

Accounted for 5% of Scope 1 & 2 emissions (location) in 2023.

Aim for zero emissions from mains gas by 2030 by capping or removing existing gas boilers and ensuring any newly acquired businesses / offices are not supplied by mains gas, or if they are, take action to initiate capping as soon as possible.

Scope 1 - Company Vehicles (Page 12)

Accounted for 15% of Scope 1 & 2 emissions (location) in 2023.

Complete transition to fully electric fleet by 2030 at the latest (PHEV in the interim). Implement a uniform policy whereby the group provides Company vehicles to employees consistently, e.g. for field engineers

Scope 2 - Electricity (Location) - (Page 14)

Accounted for 76% of Scope 1 & 2 emissions (location) in 2023.

Exploit energy efficiency opportunities in facilities, particularly dedicated datacentre which accounts for the majority of the group's consumption.

Scope 2 - Electricity (Market) - (Page 16)

Accounted for 20% of Scope 1 & 2 emissions (market) in 2023.

Continue to directly purchase high quality renewable energy contracts. Ensure landlords are procuring renewable energy for smaller / shared facilities and seek to influence where this does not take place

Scope 3 - Purchased Goods and Services - (Page 16)

Accounted for 91% of value chain emissions (location) in 2023.

Seek more product-specific information with a view to improving data methodology. Monitor sustainability credentials of key suppliers in order to inform the environmental principles of the ethical procurement policy.

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, aligned to SBTi.

Introduction

Commitment - Carbon Neutrality

Gamma made a commitment to reduce the carbon footprint of the Company 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 CarbonNeutral® certified for the past 17 years.

While Gamma remains committed to maintaining CarbonNeutral® business status, we recognised the need to take additional abatement action in support of UNSDG Goal 13.

As such, a decision was made to pursue net-zero emissions via significant reduction in GHG emissions while continuing to offset emissions as per the Carbon Neutral Protocol in the interim.

Commitment - Net-Zero

In early 2022, Gamma committed to set near- and long-term company-wide emission reduction targets aligned to the Science-Based Target initiative (SBTi). In early 2024, the SBTi approved Gamma's net-zero targets.

The group's overarching net-zero target is to reach net-zero GHG emissions across the value chain by 2042.

This incurs the following absolute reduction targets:

- Reduce absolute Scope 1, 2 & 3 emissions 90% by 2042 from a 2021 base year
- Reduce absolute Scope 1 & 2 emissions 90% by 2030 from a 2021 base year
- Reduce absolute Scope 3 emissions 50% by 2030 from a 2021 base year

Approach

Gamma's approach will align to SBTi validated net-zero targets.

Interim targets will be useful to Gamma and its stakeholders in monitoring progress as outlined below:

Phase	Year	Total / Target	Scope 1	Scope 2 (I)	Scope 3
Emissions (tCO ₂ e)					
Reporting Year / Baseline	2021	34,041.9	439.9	2,443.2	31,158.8
Reporting Year	2022	36,828.2	573.2	1,270.4	34,984.6
Most Recent Year	2023	43,780.2	389.2	1,244.0	42,147.0
Carbon Reduction Stage 1	2026	24,954.9	242.0	1,343.8	23,369.1
Carbon Reduction Stage 2	2030	15,867.7	44.0	244.3	15,579.4
Carbon Reduction Stage 3	2034	11,713.2	44.0	244.3	11,424.9
Carbon Reduction Stage 4	2038	7,558.7	44.0	244.3	7,270.4
Carbon Reduction Stage 5	2042	3,404.2	44.0	244.3	3,115.9

Table 1: Gamma transition to Net Zero

The above outlines linear abatement targets, however, we recognise that some environmental aspects such as purchased goods and services incur a lag (see page 16), and therefore may increase in the near-term before falling in the run up to 2030.

Overview of GHG Assessment (2023)

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 2023 assessment was conducted in accordance with the reporting standards of the 'Greenhouse Gas Protocol'. 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	138	
	Direct emissions from owned, leased or directly controlled mobile sources	251	
2	Emissions from the generation of purchased electricity, heat, steam or cooling	Location	1,244
		Market	98
3	(1) Purchased goods and services	39,670	
	(2) Capital goods	163	
	(3) Fuel and energy related activities	496	
	(4) Upstream transportation and distribution	758	
	(5) Waste	3	
	(6) Business travel	514	
	(7) Employee Commuting	513	
	Total (Scope 2 location)	43,750	
	Total (Scope 2 market)	42,604	

Table 2: GHG Assessment results (2023) - SBTi aligned.

Scope		tCO ₂ e
Voluntary	Homeworking	138
	Gamma Ball Rally	251
	Total Voluntary	389

Table 3: GHG Assessment results (2023) - Voluntary Emissions.

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, 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	Supplier emissions, Capital goods / IT equipment, upstream energy inc.T&D losses, business travel, private commuting, waste[water]

Voluntary – Other indirect GHG emissions	Other emissions not aligned to SBTi / net-zero targets	Charity events (Gamma Ball Rally), emissions arising from homeworking
--	--	---

Table 4: Application of GHG Protocol to Gamma net-zero plan

Emissions Breakdown

Gamma's GHG emission profile is dominated by Scope 3 sources. In particular, emissions arising from purchased goods and services are responsible for ~90% of Company emissions in a given year.

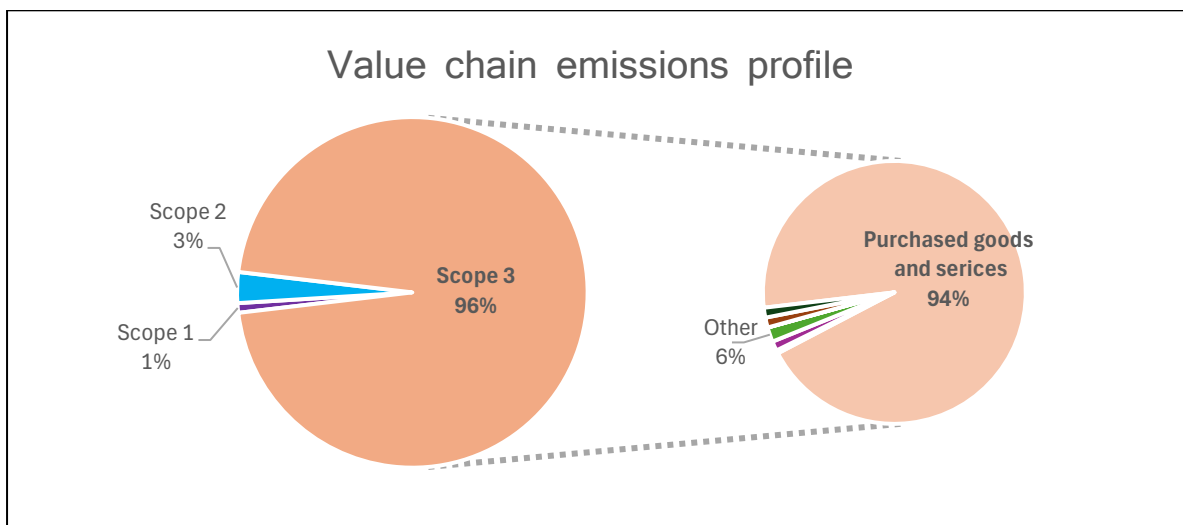


Figure 2: Gamma Value Chain Emissions Profile (2023)

With respect to Scope 1 & 2 emissions, Scope 2 [electricity] is the largest emission source using the location-based method; observed with a degree of consistency since 2021 baseline year:

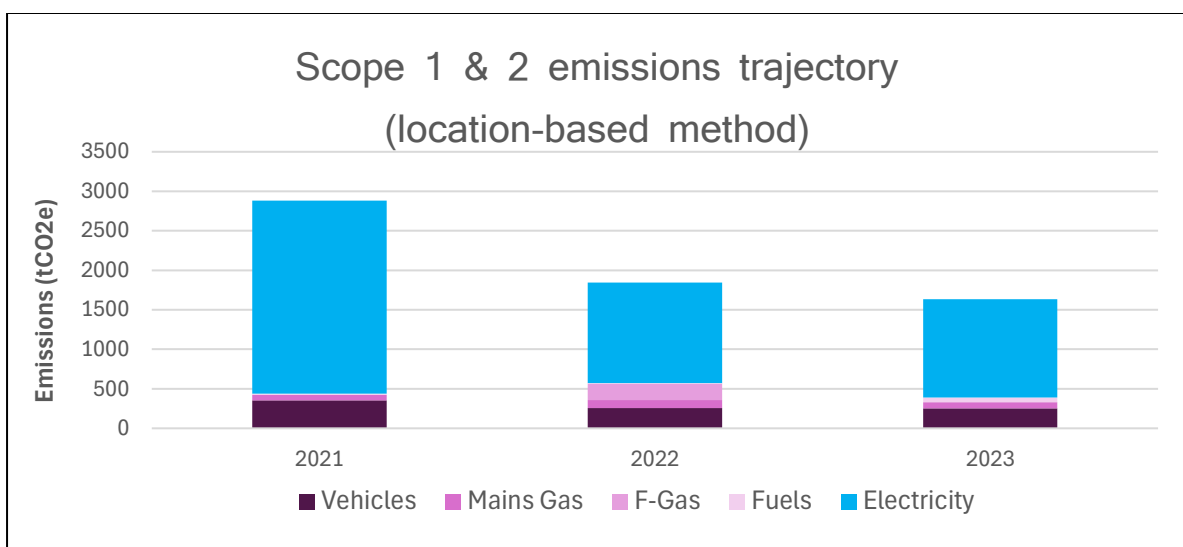


Figure 3: Scope 1 & 2 Emissions Sources (2021-2023)

Scope 1 emission sources can be variable from year to year e.g. F-Gas in 2022 and Fuels in 2023, however these sources represent far less environmental impact even when a higher-than-normal result is reported in a given reporting year.

Intensity Ratio

With respect to expressing an intensity ratio for Scope 1 & 2 emissions, Gamma reports group floorspace (m²) as an appropriate denominator. This is due to our nature as a growth business, e.g. acquiring businesses and therefore office and datacentre space in The UK and Europe. A positive intensity ratio complements Gamma's near-term net-zero targets.

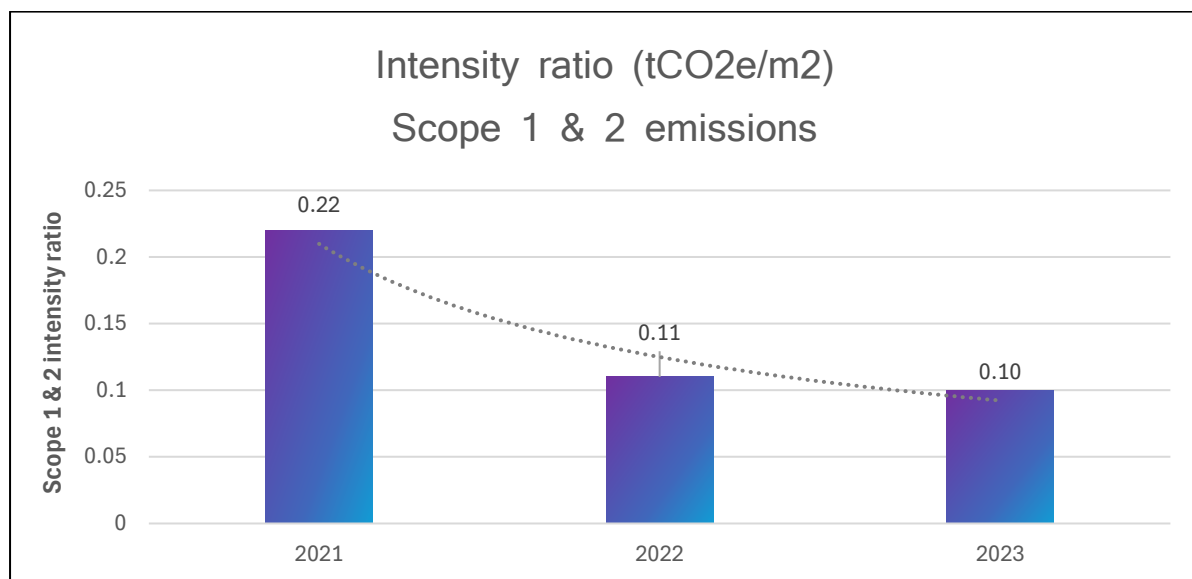


Figure 4: Scope 1 & 2 Emissions Intensity (2021-2023)

Accounting for value chain emissions, Gamma reports intensity ratio results with respect to group revenue. This is due to the fact that purchased goods and services dominate the value chain emissions profile, therefore a monetary metric is most suitable:

Intensity Ratio	2021	2022	2023
Group Revenue (£)	447,000,000	484,600,000	521,700,000
Value Chain Emissions (tCO ₂ e / £100,000)	7.7002	7.6531	8.3923

Table 5: Value Chain Emissions Intensity (2021-2023)

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 2023, results are as follows:

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	27.32	49.62	0.04	0.08	0.01	0.03	0.00	0.00
	Vehicles	73.86	174.82	0.08	0.19	0.61	1.44	0.00	0.00

2	Diesel	54.67	0.00	0.01	0.00	0.72	0.00	0.00	0.00
	F-Gas	0.00	0.00	0.00	0.00	0.00	0.00	4.52	1.18
	Electricity	1057.56	173.74	4.62	0.76	6.29	1.03	0.00	0.00
	Total	1213.41	398.18	4.75	1.03	7.63	2.50	4.52	1.18
		1611.59		5.78		10.13		5.70	

Table 6: Scope 1 & 2 breakdown by GHG (2023)

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:

- Appointment of dedicated ESG Programme Manager, focused on designing and delivering a full transition plan
- 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, aligned to and validated by SBTi
- Commitment to reducing Scope 1 & 2 emissions 90%+ by 2030
- Maintaining CarbonNeutral® Status in the transition to net-zero emissions by offsetting calculated emissions defined by the Carbon Neutral Protocol

Procurement / Working with supplier and partners:

- UK Ethical Procurement Policy launched
- Monitoring of key suppliers' environmental data, commitments and disclosures
- Completion of CDP supply chain questionnaire, achieving a grade of B-
- Supporting channel partners to measure and disclose GHG emissions

Energy Procurement & Efficiency

- Embedding environmental considerations into strategic decisions around facilities, for example office premises / consolidation
- 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, particularly in datacentres.
- Undertaking annual internal energy review
- Utilising efficient, high energy performance office spaces
- Use of energy efficient appliances in offices and installation of motion sensor LED lighting

- Regular inspection and maintenance of refrigerant units in controlled facilities

Other measures:

- Annual disclosure via the Carbon Disclosure Project (2021:B-, 2022:B, 2023:B)
- Voluntary and audited disclosure of the Taskforce on Climate-related Financial Disclosure (TCFD) within our Annual Report
- Transition from 100% fossil fuel-based Scope 1 vehicles towards electric vehicles via PHEV
- Employee salary sacrifice scheme for electric vehicles / decarbonise Scope 3 vehicles
- Waste Management procedures to reduce carbon cost of waste to landfill, including returned WEEE.
- 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 for net-zero, we have developed targets around the key Scope 1 & 2 emission sources (Scope 1 - Mains Gas & Vehicles), (Scope 2 Electricity)

Scope 1 - Mains Gas

We believe that mains gas can be eliminated as an emissions source by 2030 and are actively working towards this target.

Target: Eliminate mains gas as an emissions source by 2030

In 2023, mains gas boilers were capped / removed at two facilities in the UK, contributing to a year on year decrease of 23tCO₂e (30% of Mains Gas emissions in 2023).

This action should be prioritised above energy efficiency measures in the near-term.

In addition to existing facilities, rapid action should be taken at any facilities acquired through M&A activities that use mains gas in alignment with plans for our current estate.

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 decarbonise the UK fleet. Below, shows the g/km of our UK vehicles compared to DEFRA average emission factors.

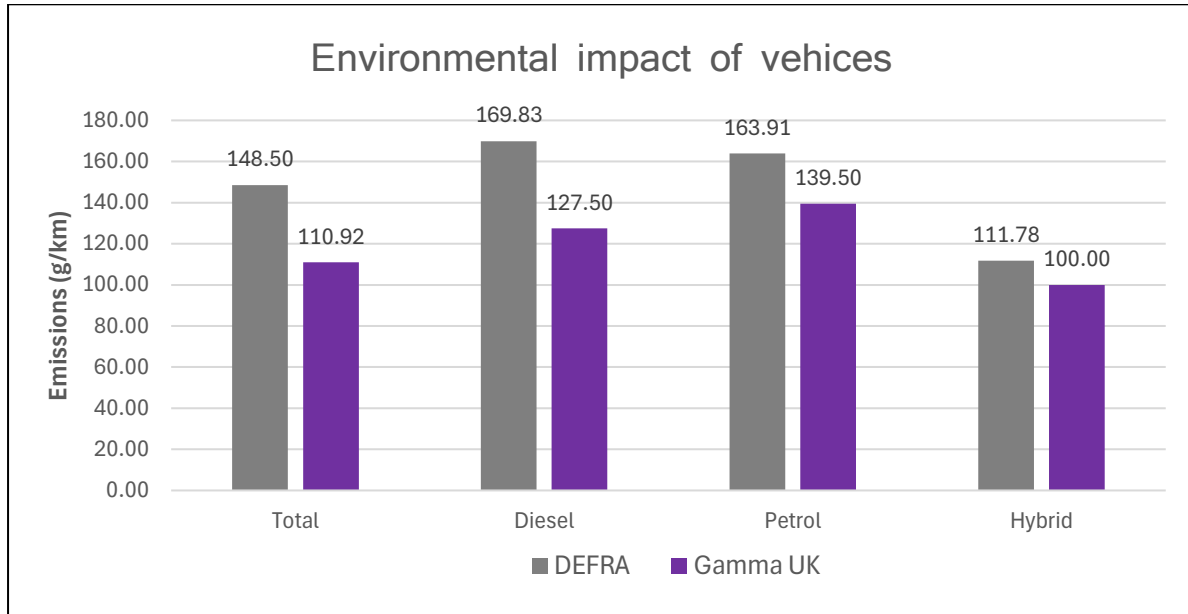


Figure 5: Gamma UK vehicles V DEFRA conversion factors (2023)

In every category, Gamma vehicles carry less environmental impact than the national average (Figure 5).

While a small number of fuel-based vehicles remain in the Company fleet, a full transition to electric via hybrid is underway.

In 2023, over 85% of mileage was undertaken using a PHEV (up from 70% in 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).

Just like in The UK, Gamma will endeavour to ensure that European businesses in the group transition to an all-electric fleet by the end of the decade.

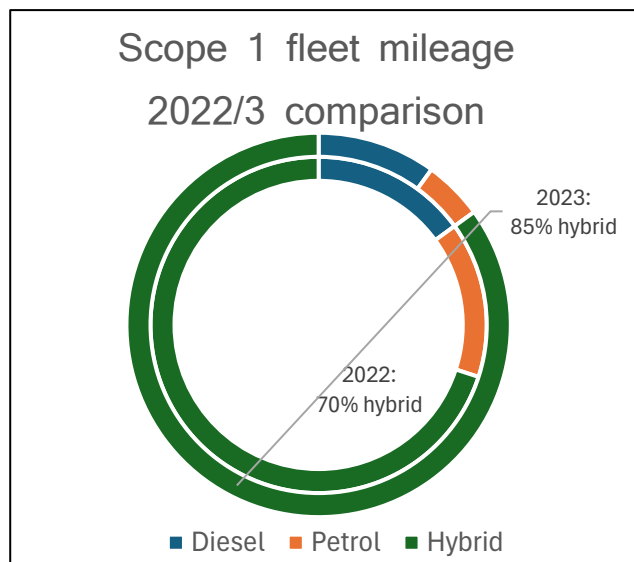


Figure 6: Proportion of Scope 1 Vehicles by fuel type (2022-2023)

This will be required in order to fulfil our near-term net-zero target of 90% reduction in Scope 1 & 2 emissions by 2030.

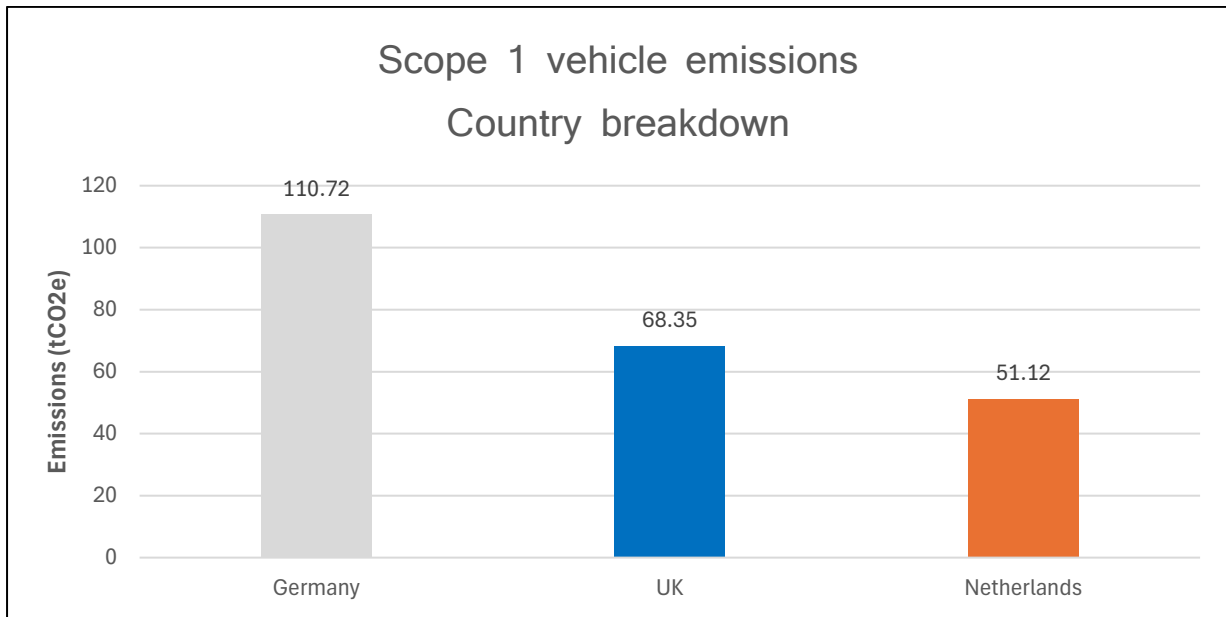


Figure 7: Scope 1 Vehicle Emissions by Country (2023)

Target: All Scope 1 [Company] vehicles to be electric by 2030

Scope 2 - Electricity

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

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

1. Reduce the power requirement of the group operation
2. Improve energy efficiency in offices and datacentres
3. Procure 100% renewable energy for electricity consumption (market-based method)

The electricity power requirement of the group operation is dominated by Gamma's dedicated datacentre in Manchester, UK. This has been consistently observed since the re-baseline of energy and emissions in 2021 – at an average of 76% per year.

Due to the scale of electricity consumption at Focal Point, a specialist energy audit was conducted in 2023, to better understand potential for site decarbonisation.

Several costed actions were identified, and Gamma will work to implement these initiatives as appropriate. Examples of suggested measures include rack consolidation, cooling optimisation, improving air flow, PIR lighting and solar panels.

Outside of these recommendations, Gamma will consider the case for moving part of the Focal Point operation to the indirect network / cloud as appropriate in the future.

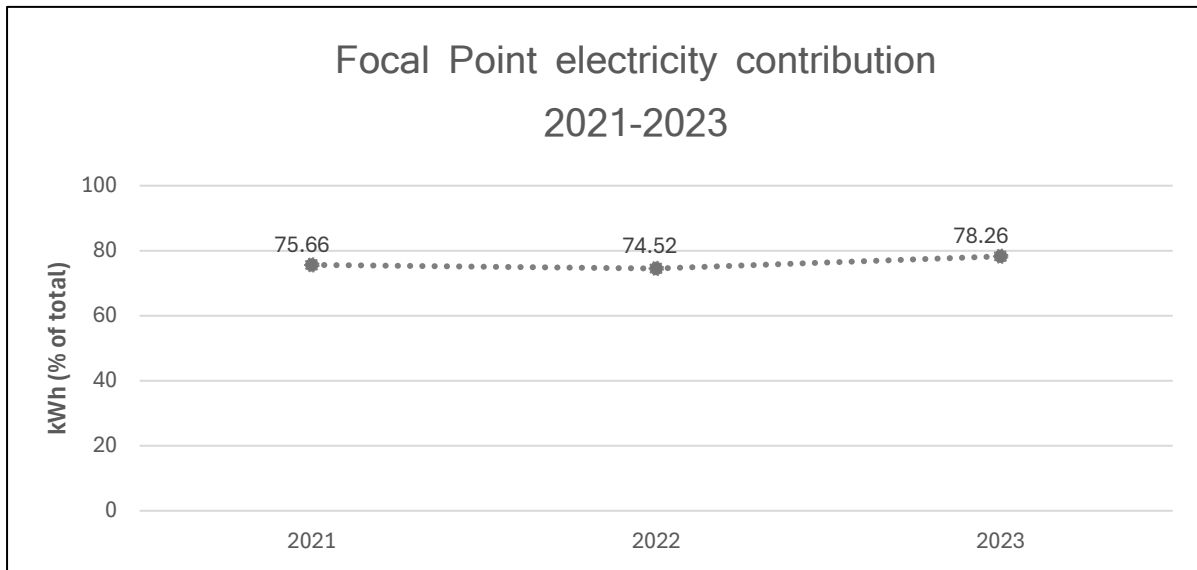


Figure 8: Focal Point Scope 2 contribution (2021-2023)

Optimising energy efficiency in offices also forms an important part of our carbon reduction plans. Office consolidation proposals are a constituent part of an emerging facilities strategy.

In addition to consolidation we are aware of additional measures that can be taken in office that we directly control such as, consolidating workers to less space, reviewing control set points and increasing ventilation and optimising cooling.

Such measures will supplement historic energy efficiency action which has caused office electricity consumption to fall slightly since baseline year 2021, despite a significant increase in floorspace / presence due to organic business growth and M&A activity (left)

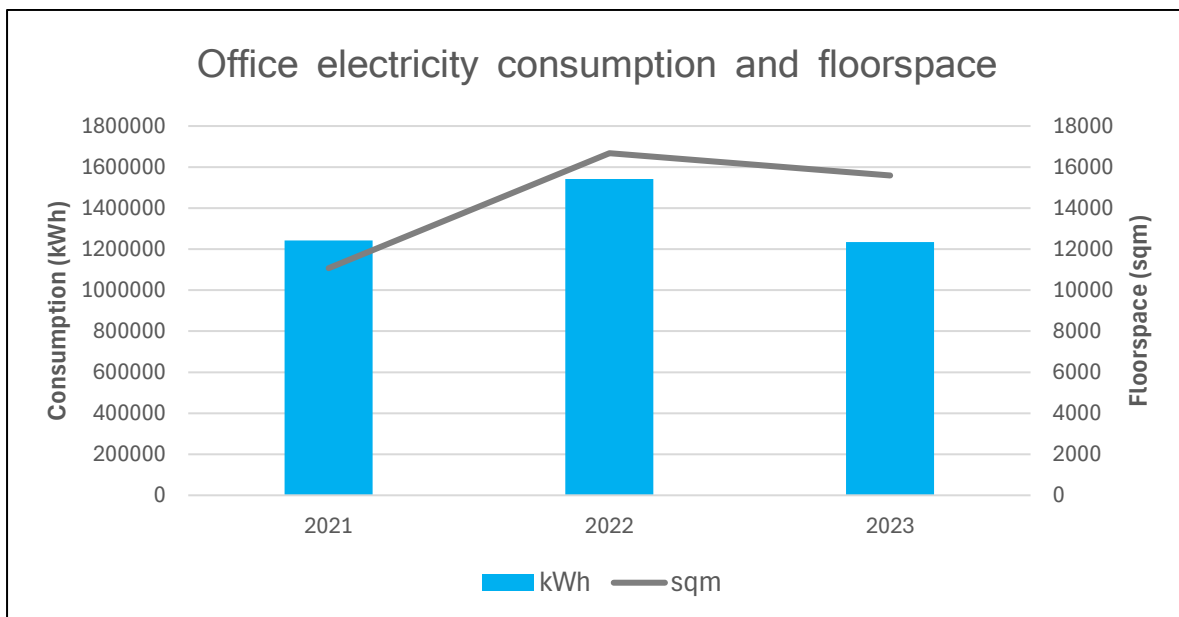


Figure 9: Office Scope 2 consumption and floorspace (2021-2023)

Using the market-based method, Gamma has for the first time reported a Scope 2 emissions result of less than 100tCO₂e in 2023. This is due to the high proportion of renewables making up the group energy mix:

Gamma has reported a 95% renewable energy mix in 2023. All energy contracts that are directly negotiated/procured by Gamma are 100% renewable.

That said, some ‘renewable’ energy sources carry very small emission factors, therefore the quality and energy sources of future renewable energy contracts should be considered with a view to reporting 0tCO₂e Scope 2 emissions in the future.

To uplift the wider group energy mix to 100%, we will need to work to ensure that landlords in smaller / shared facilities in the portfolio are committed to improving their procurement of renewable energy and sharing all relevant information with clients.

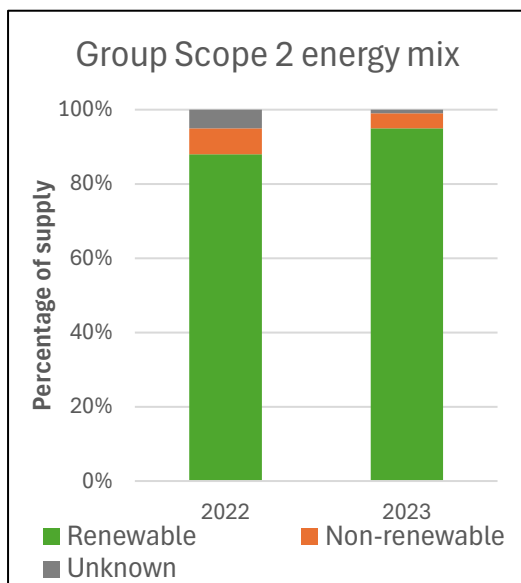


Figure 10: Scope 2 energy mix (2022-2023)

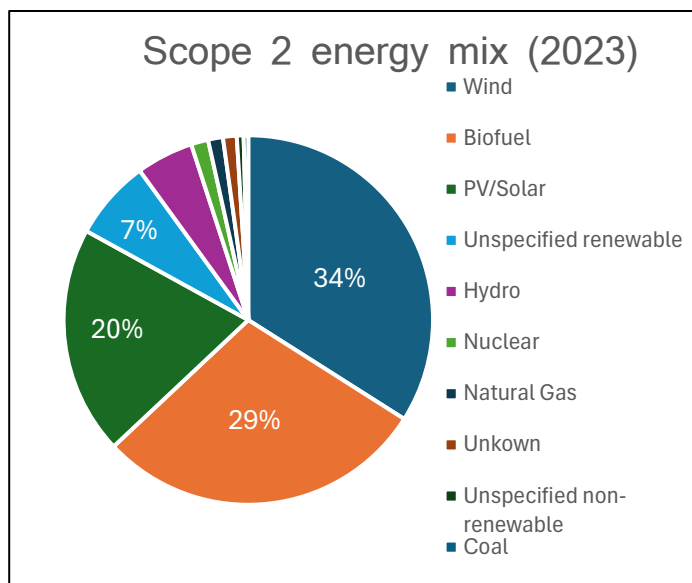


Figure 11: Scope 2 energy mix by source (2023)

Target: 100% renewable Scope 2 energy mix by 2030

Scope 3 - Purchased goods and services

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.

Due to an increase in spend relative to the rate at which our supply chain has been able to decarbonise, purchased goods and services emissions have increased every year since the baseline year of 2021.

Given the scale of this emissions source category (see page 9), this has had a negative impact on our value chain emissions trajectory relative to our long-term target of net-zero 2042:

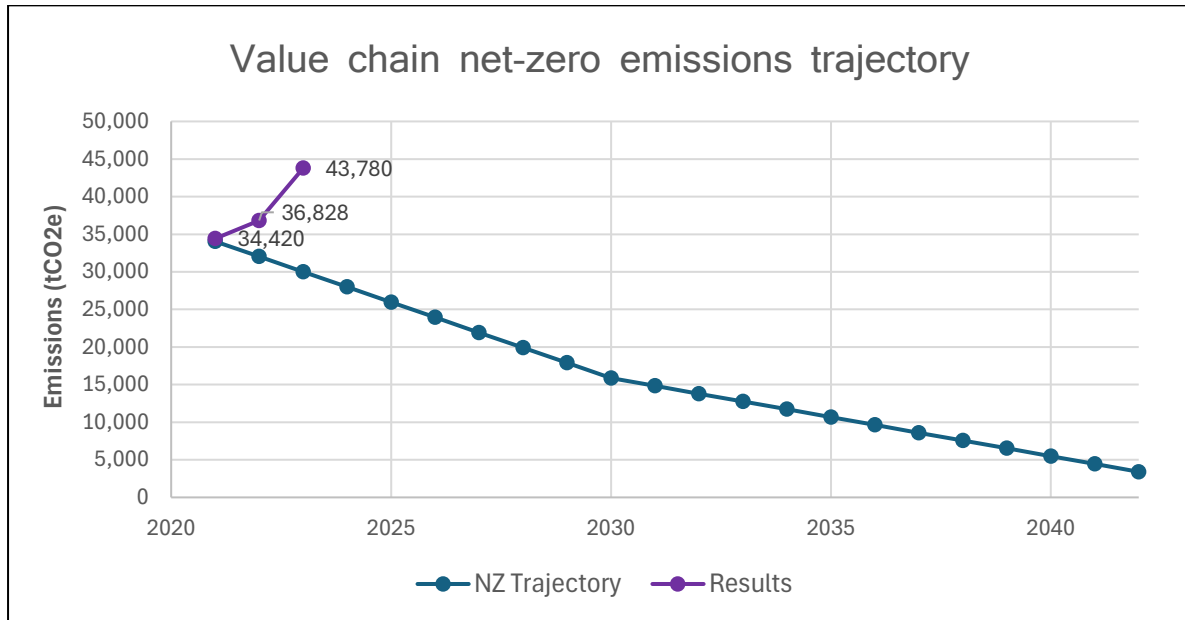


Figure 12: Gamma value chain emissions trajectory

For 2023, we examined the top 87% of supply chain by spend and found that ~80% have committed to a net-zero target date, (~70% via SBTi). This gives us confidence that we will benefit from supplier action in the coming years, and therefore believe that 2023-2024 will constitute the peak in value chain emissions.

To accelerate this forecast trend, proposed action includes:

- 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.
- Measuring carbon reduction process through annual reports and our ethical procurement policy compliance questionnaire.

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.
- Aligned to our near-term SBTi net-zero targets, Gamma have committed three clear targets in respect of Scope 1 & 2 emissions:
 - The elimination of mains gas as an emission source by 2030
 - Complete transition to all electric fleet by 2030
 - Report 100% group Scope 2 renewable energy mix by 2030
- 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. SBTi has validated data and approved our net-zero ambition.

Signed: 

30/05/2024

Signatory - Accountable	Next review date
Group Sustainability Director	May 2025