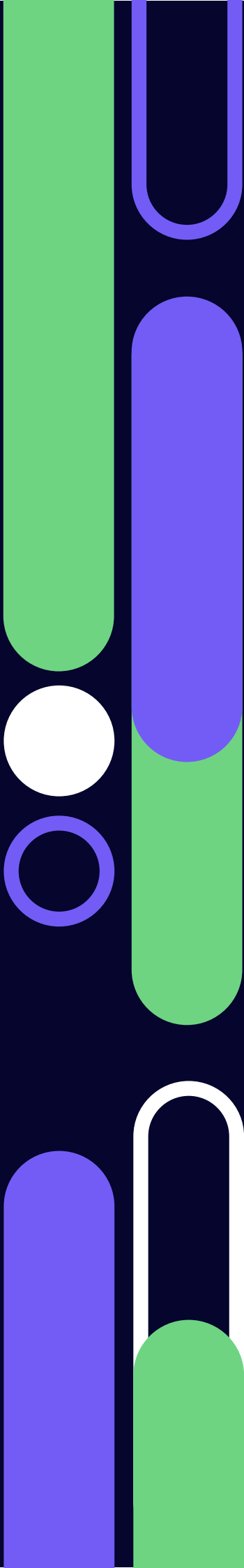


wifinity



FY21 Net Zero Report

Findings and
Recommendations

10.01.2023

Net Zero Reduction Plan

Executive Summary

"Wifinity's purpose is to improve our customers' lives by keeping them connected to the things they love. As we strive to provide the best possible service for customers, we also know we are responsible for doing so in a sustainable way. Climate change is a critical issue and all of us at Wifinity are committed to doing our part to make a difference.

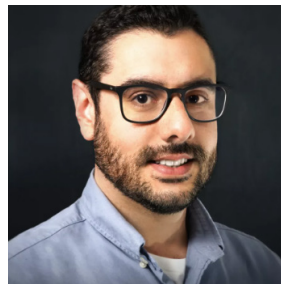
As a technology company, our use of energy and resources is significant. We understand how important our role is in helping to limit global temperature rise to 1.5 degrees. And the sooner we all make positive changes, the better chance we have of meeting this target. We won't have a second chance at this.

So not only are we committed to reach Net Zero by 2030, as a business we are also challenging ourselves to think differently, every day, to find new ways of working to minimise our impact on the environment.

We've already started our journey by embracing flexible working, reducing unnecessary travel and finding ways to reduce our energy consumption within our core network. We choose to work with partners and suppliers who share our commitment to our planet. There's a lot of work still to do but we know we have the right team and spirit to be able to make a big difference.

Finally, I want to make it clear that we understand that while our Net Zero 2030 commitment is an important step along our sustainability journey, we acknowledge that there is still more to do – particularly in the wider ESG agenda.

Wifinity will continue to invest in delivering more sustainable practices and reducing our energy consumption so that we play our vital part as custodians of our planet for future generations. I truly believe we will achieve a significant positive change and I am pleased to endorse the commitments outlined in this report and pledge."



C Demetriou

Costas Demetriou, CEO

About us

Founded in 2007, Wifinity has become a trusted and established Internet Service Provider supplying the Defence, Leisure, Retail & Education sectors. We take the complexity out of connectivity. We design, install, and manage enterprise connectivity for both corporate customers, and organisations such as Ministry of Defence (MOD) and the NHS ,but enabling their customers, be they guests, visitors, tenants, or residents, to get online.

We help to connect people wherever they are, but especially in places where 'normal' broadband doesn't reach or doesn't make sense. Be it students in their halls, new recruits on base or families on holiday, we provide a home-from-home broadband experience. Customers can pay for what they need without hefty penalties or long contract terms with our Pay As You

Go (PAYG) broadband service , or with our Network As A Service (NaaS) model operators can provide connectivity as an included amenity. Wifinity maintains a market lead by using the latest technology to deliver a fast and reliable service tailored specifically for our customers' needs.

While we offer market leading technology solutions, tailored for our customers' needs, at our heart, we're a people business. Our success is down to the passion our teams bring every day, working together – along with our partners – to act decisively, make things happen and always strive to be better than yesterday. This extends to the planet on which we all live in, and therefore we are fully embracing our journey to reach Net Zero by 2030, backed by an ambitious and robust carbon reduction plan.

Commitment to Net Zero

Wifinity is committed to ensuring that we play our role in working alongside other UK organisations to achieve the UK Government's Net Zero target of at least a 100% reduction in the net UK carbon emissions by 2050 (based on 1990 levels) for our UK Operations.

Wifinity is committed to taking action to reduce our annual emissions and achieving Net Zero emissions by 31st December 2030. This goal places us 20 years ahead of the recommendations put forward by the IPCC and the UK government's target, demonstrating our leadership and ambition.

We will also be submitting our Scopes 1, 2 and 3 emissions reduction targets to the Science Based Targets initiative (SBTi) this year (FY23), to formally validate that our GHG emissions targets are consistent with the levels required to keep global warming below 1.5 degrees.

We will aim to reduce our emissions year-on-year and will achieve:

- 30% reduction in our Scope 1 and 2 emissions by 2026
- Offsetting our residual Scope 1 and 2 emissions in FY23 to become carbon neutral via high quality verified offsets
- 63% overall reduction in all Green House Gas (GHG) emissions across Scopes 1, 2 and 3 by 2030, offsetting any residual emissions via high-quality nature based or direct air capture projects and becoming Net Zero

To achieve these goals, Wifinity are taking the following actions:

1. Appointed an external specialist carbon consultancy to advise Wifinity on this journey, collate and verify data through to calculating the carbon emissions and helping advise on carbon reduction options.
2. Set the base year (January 2021 – December 2021) and calculate the carbon footprint in line with GHG protocol¹ for the base year:

Scope 1

- i. Transport, Gas and Refrigerants

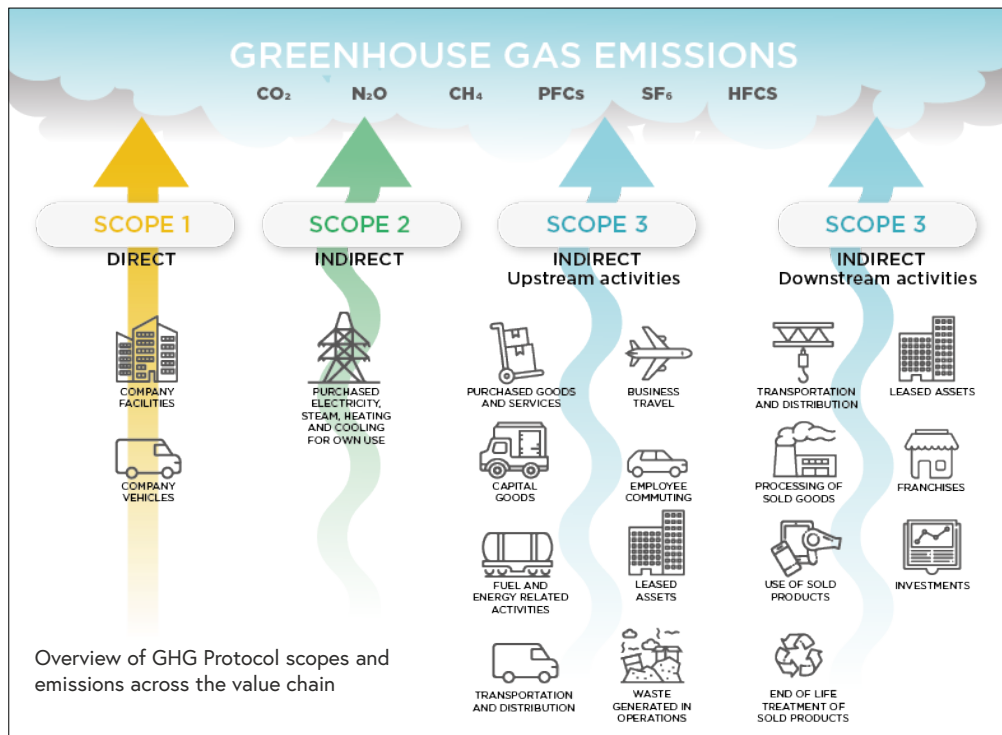
Scope 2

- i. Electricity

Scope 3

Selected categories from the below based on materiality:

- i. 6 upstream categories – Purchased goods and services, Capital goods, Other fuel and energy, Waste within operations, Business travel and Employee commuting

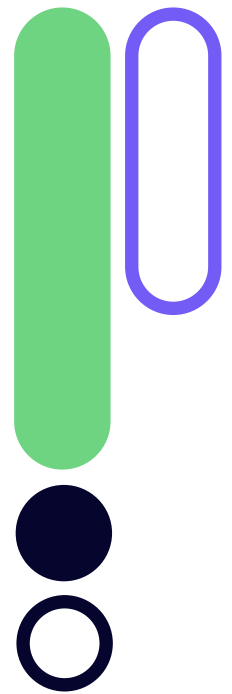


3. Created a carbon reduction plan for each scope and selected category
4. Set the net zero date
5. We will update the carbon footprint annually
 - i. December 2022 is the first year post the base year

¹ GHG Protocol <https://ghgprotocol.org/>

Source: GHG Protocol

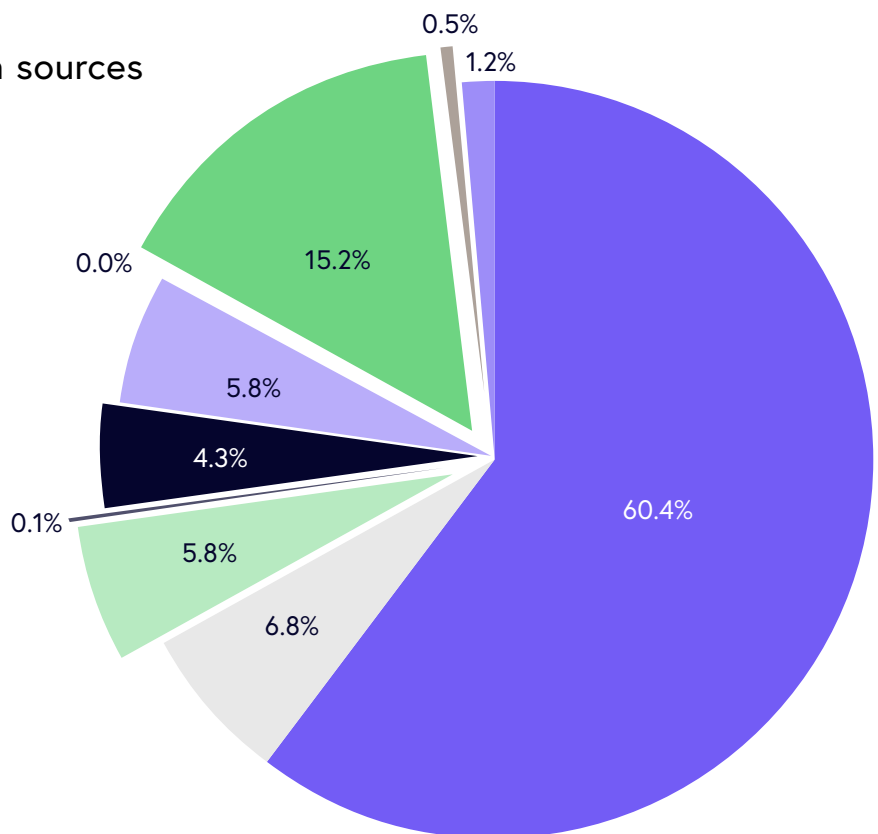
Baseline Emissions Footprint Update



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. Wifinity has chosen January 2021 – December 2021 as our baseline year. Wifinity's December 2021 baseline carbon emissions footprint is as follows:

Breakdown of GHG emission sources

- Purchased Goods & services 60.4%
- Capital Goods 6.8%
- Fuel & energy related activities 5.8%
- Waste 0.1%
- Business travel 4.3%
- Employee commuting 5.8%
- Stationary combustion (Gas) 0.0%
- Transport 15.2%
- Refrigerants 0.5%
- Electricity 1.2%



SCOPE/CATEGORY		EMISSIONS tCO ₂ e	% OF TOTAL
Scope 1:		Total: 295.48	
Stationary combustion (Gas)	Gas consumed	0.17	0.0%
Transport	Owned and leased vehicles	285.45	15.2%
Refrigerants	HVACs	9.86	0.5%
Scope 2:		Total: 22.7	
Electricity	Purchased electricity, steam, heating & cooling for own use	22.27	1.2%
Scope 3:		Total: 1,560.68	
Cat 1: Purchased Goods and Services*	Goods and services	1,134.53	60.4%
Cat 2: Capital Goods	Capex expenditure	127.14	6.8%
Cat 3: Fuel & energy related activities	WTT (Well-To-Tank) & T&D (Transmission & Distribution losses) from electricity, gas, transport, business travel and employees commuting	109.44	5.8%
Cat 5: Waste	Waste	1.58	0.1%
Cat 6: Business Travel	Land and air travel for business purposes	79.85	4.3%
Cat 7: Employee Commuting	Employees commuting to and back from work.	108.15	5.8%
Total Gross Emissions (Location Based)		1,878.43	100%
Less renewable electricity		4.95	
Total Gross Emissions (Market Based)		1,873.48	100%
Less carbon offsets		0	
Total Net Emissions		1,873.48	

To further understand our emissions, we have also recorded them using intensity ratios as this will allow us to track our emissions as our business grows and develops.

INTENSITY RATIOS	Gross Emissions (Location Based)	Gross Emissions (Market Based)	Net Emissions
tCO ₂ e per employee	13.71	13.68	13.68
tCO ₂ e per square meters	0.86	0.85	0.85
tCO ₂ e per million £ turnover	236.21	235.58	235.58

Wifinity has selected the Operational Control method when setting our organisational boundary. The operational boundary will include all three scopes as outlined by the GHG Protocol. Wifinity's emissions are reported in tCO₂e have been calculated utilising the following formula:

$$\text{source emissions data} \times \text{conversion factor}^* = \text{total source emissions}$$

$$\text{source unit} \times (\text{tCO}_2\text{e/unit}) = \text{tCO}_2\text{e}$$

*Conversion factors are primarily derived from the latest:

- UK Government GHG conversion factors for Company Reporting
- DEFRA (Department for Environmental, Food and Rural Affairs)
- Environmentally extended input-output (EEIO) tables
 - EPA
 - Carnegie Mellon University

Emissions methodology – Inclusions within current numbers

Scope 1

Sources included in the inventory are onsite (or "stationary") natural gas combustion, mobile fuel combustion from leased and owned vehicles and fugitive emissions of refrigerant gasses from HVACs.

Scope 2

Purchased electricity was the only identified Scope 2 emissions source. However, per the GHG Protocol Scope 2 Guidance, scope 2 emissions have been calculated and reported using two separate methodologies:

- Location-based method reflecting the average emissions intensity of grids on which energy consumption occurs
- A market-based method reflecting emissions from the electricity that Wifinity has purposefully chosen via our energy procurement activities. This accounts for energy purchased from green energy suppliers

Scope 3

- **Category 1:** Purchased goods and services – Includes all upstream (i.e., cradle-to-gate) emissions from the production of goods purchased or acquired by Wifinity in the reporting year. We have used the average spend-based method to estimate emissions for goods and services purchased by Wifinity and applying the relevant emissions factors to the calculations
- **Category 2:** Capital goods – Includes all upstream emission from capex expenditure related to the production of goods purchased or acquired by Wifinity during the reporting year. Similar to Category 1, we have used the average spend-based method to estimate emissions from our capital expenditure
- **Category 3:** Fuel and energy related services - This relates to transportation and distribution losses, and the well to tank emissions for all fuels consumed as a result of Wifinity's operation
 - Well to tank emissions account for all the emissions related to the extraction, production, and shipping of fuels excluding only the direct combustion of the fuel. (e.g., fuel consumed by company owned or leased vehicles, employees' vehicles used for commuting, vehicles used for business travel, etc)
 - Transmission losses account for all the energy that is lost between the electricity production in the powerplant and when it is used (e.g., resistance in power lines)
- **Category 5:** Waste – Includes emissions from third-party disposal and treatment of waste generated in Wifinity's owned or controlled operations in the reporting year
 - We have utilised the Waste – type – specific method, which involves using emission factors for specific waste types and waste treatment methods
- **Category 6:** Business travel – Includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. This also includes emissions resulting from hotel stays resulting from business related trips
 - We have used a combination of the distance-based method, which involves determining the distance and mode of business trips, and average spend-based method and then applying the appropriate emission factor for the mode used where possible
 - We have used the number of nights stayed in hotels to calculate the emissions
- **Category 7:** Employee commuting - includes emissions from the transportation of employees between their homes and Wifinity's offices. Emissions from employee commuting may arise from car, bus, train, or cab travel. We have also included energy consumption and waste production which occur from employees working from home in this category
 - Where appropriate we have used the average-data method, which involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns
 - We will in future years supplement the above with employee travel surveys which collect data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and apply the appropriate emission factors for the modes used using the distance-based method



Emissions methodology – Material exclusions for FY21 baseline emissions:

- **Scope 3 Category 4:** Upstream Transportation and Distribution is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a small part of our GHG emissions however we plan to collect this data for future reporting
- **Scope 3 Category 9:** Downstream Transportation and Distribution is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a small part of our GHG emissions however we plan to collect this data for future reporting
- **Scope 3 Category 11:** Use of sold products is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a significant part of our GHG emissions and thus we plan to collect this data for future reporting
- **Scope 3 Category 12:** End-of-life treatment of sold products is excluded from the current numbers as we do not collect data on this, and it is assumed that it will be a small part of our GHG emissions however we plan to collect this data for future reporting
- **Scope 3 Category 10:** Processing of sold products is excluded from FY21 baseline emissions as we do not manufacture or process any products that is sold to customers. This category is not relevant for Wifinity
- **Scope 3 Category 13:** Downstream Leased Assets is excluded from FY21 baseline emissions, as we do not own any leased assets that we lease to other businesses. Thus, this category is not relevant for Wifinity
- **Scope 3 Category 14:** Franchises is excluded from FY21 baseline emissions, as we do not operate any franchises through which we sell a license to distribute our products and services to another company. Therefore, this category is not relevant for Wifinity
- **Scope 3 Category 15:** Investments is excluded from FY21 baseline emissions, as we do not have any investments whereby, we provide capital or offer financing as a service. Therefore, this category is not relevant for Wifinity




Emissions methodology – Other non-material exclusions for FY21 baseline emissions:

- **Scope 3 Category 8:** Upstream Leased Assets is excluded from FY21 baseline emissions, as we do not lease any assets that we operate within our business. Thus, this category is not relevant for Wifinity

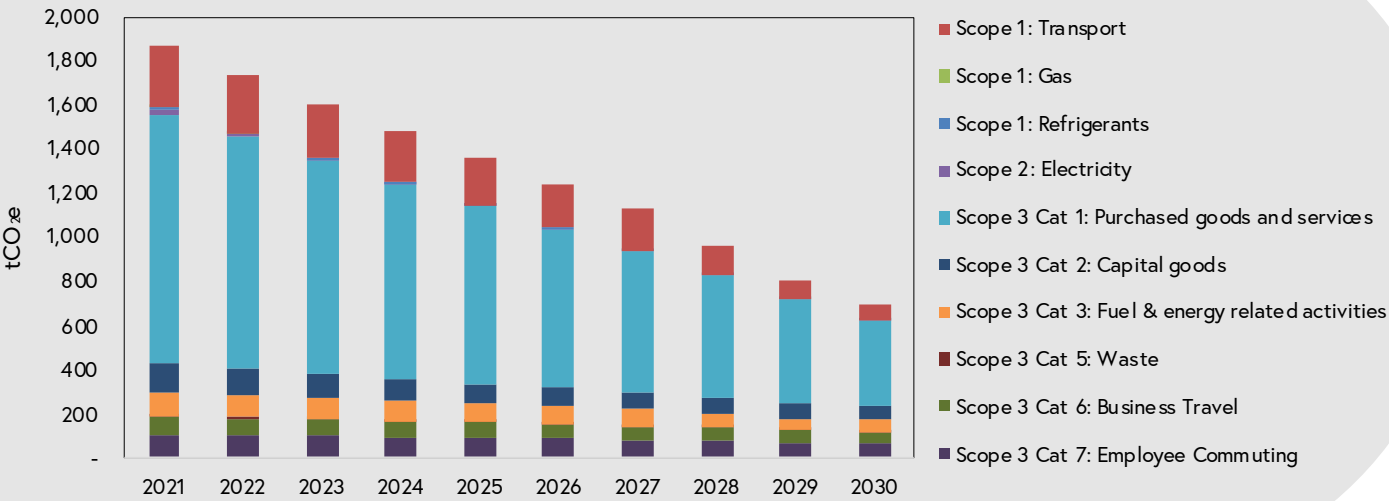


Emission Reduction Targets

In order to continue our progress to achieving Net Zero, we have mapped out and planned a number of positive actions in order to achieve the following carbon reduction targets:

-  **21%** absolute reduction in emissions by 2024 from 2021 baseline levels
-  **40%** absolute reduction in emissions by 2027 from 2021 baseline levels
-  **63%** absolute reduction in emissions by 2030 from 2021 baseline levels

Carbon Emission Glidepath tCO₂e



Wifinity's approach is to always focus its efforts on reducing our own emissions, with significant planning and finances set aside to do this. However, a large proportion of our carbon emissions lie within scope 3, it is difficult to reduce these emissions within the short term as these are within our supply chain where we have influence but not control. To try and reduce these emissions Wifinity will use our purchasing power and choice of suppliers to encourage the correct carbon reducing behaviour within our supply chain.

Environmental management measures / emission reduction plan

As a responsible business, we are keen to understand Wifinity's environmental impact by measuring our organisational carbon footprint and reducing our carbon emissions. In Q4 FY22, we engaged the services of Sustainable Advantage to advise the Wifinity Board on global best practices on carbon reduction and Net Zero. This carbon reduction plan has been developed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans. We have a detailed carbon emissions reduction plan, the key actions that are summarised below:



Scope 1: Stationary Combustion (Natural Gas)

- Reduce reliance on gas use and replace gas boilers with electrical heating systems such as air source heat pumps, infra-red panels, electric storage heaters etc. where practical
- Progressively replace brown gas consumption with renewable gas consumption
- Ensure that all our facilities use minimal heating by making sure buildings are fully insulated
- Investigate new technologies as they become available and install these where practical (e.g., hydrogen powered boilers)



Scope 1: Transport (owned and leased vehicles)

- Move diesel owned and leased vehicles to electric vehicles (EV) as soon as is practical
- Where moving to EV's is not practical switch to hybrid vehicles
- Provide driver training on how to drive more efficiently to reduce emissions
- Install telematics where feasible to gather granular data on driver performance to issue further guidance
- Install EV charging points at our sites for our vans and cars once we move our fleet to EV
- Ensure EV's are charged using green electricity sources where possible including installing charging points at our sites which are supplied with green electricity contracts



Scope 2: Electricity

Some of our electricity comes from 100% renewable energy and we are planning on switching all our other electricity contracts to green contracts as soon as it becomes feasible, in the meantime, we will endeavour to reduce our electricity consumption via the following:

- Energy efficiency guides will be issued to all site staff to facilitate positive behavioural change
- Energy champions at each site will be gathering up to date monthly energy performance data to provide feedback
- Ensure we use energy efficient systems wherever possible e.g., replacing lights with LED and using passive infra-red sensors (PIRs) where possible
- Energy surveys will be undertaken at sites consuming large amounts of electricity to identify capex opportunities, such as our warehouse
- Green champions will be appointed to gather ideas from colleagues across our organisation. These ideas will be collated and shared, and supplemented by what we consider to be best practices
- Investigate opportunities to install green energy production facilities onsite where practicable (e.g., solar panels, wind turbines)



Scope 3: Category 1: Purchased Goods and Services and Category 2: Capital Goods



The majority of our emissions is currently within both categories, amounting to 67.2% of our total emissions. However, we also understand that GHG reductions in this category will primarily happen through our suppliers reducing their carbon emissions, by becoming more carbon aware as the UK progresses towards reaching Net Zero. However, Wifinity will not be taking a passive approach by relying on our suppliers alone, especially as it accounts for over 60% of our total emissions. We will be aiming to enact positive change from our suppliers, by putting in place a robust supplier carbon reduction program. Our approach will involve:

- Engaging with tier 1 suppliers to first understand their carbon footprint (scopes 1 and 2) by sending out carbon surveys
- Being selective about working with sophisticated carbon suppliers (where possible), and additionally, support suppliers to reduce their emissions
- Supporting our tier 1 suppliers by educating them about carbon emissions measurement, and carbon reduction activities
- And finally work closely with our suppliers to collaboratively set carbon emissions reductions targets that is in line with climate science



Scope 3: Category 5: Waste

By 2026, we will aim to be a zero waste to landfill business. Going forward, Wifinity will be implementing the waste hierarchy across our business, from our offices, warehouse to our customer-servicing teams who visit customers on sites

- We will ensure preference is always given in the following order:
 - Where possible, always aim to reduce the waste generated
 - Then re-using / recycling as much as possible
 - If there is any residual general waste, we will ensure it is incinerated (where the waste is turned into energy) to limit the volume of waste that goes to landfill
- We will develop a staff training programme to minimise waste and maximise recycling. This will be rolled out across all our locations to provide clear, consistent, and accessible training for our staff
- We will track the disposal methods of our various waste streams and only work with waste suppliers who will minimise our waste carbon footprint by not sending our waste to landfill



SCOPE 3 Category 6: Business travel

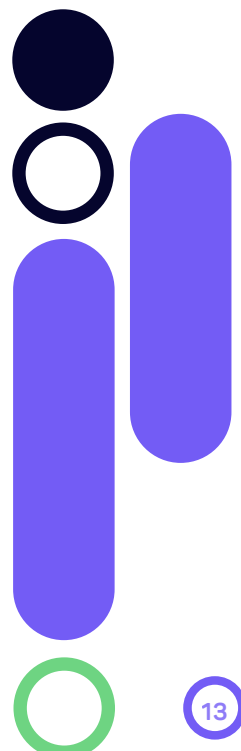
- COVID-19 has taught us that video conferencing tools such as Teams and Zoom can very effectively and successfully host meetings. We are encouraging our staff to continue to embrace this technology to minimise travel, where possible
- Where travel is required, we will prioritise low-carbon travel modes of transport, choosing rail over air and / or cars
- Pay favourable mileage reclaim rates for EV vehicles
- We will also begin collecting more granular data on business travel, such as hotel stays, and distances travelled to better calculate our GHG emissions in future years



SCOPE 3 category 7: Employee commuting

We recognise that we cannot massively influence what modes of travel our employees use. That said we need to do all we can to encourage them to join us on our sustainable journey. We will endeavour to achieve this by:

- Sending a travel survey to each one of our employees to understand how they currently get to and from work
- Putting in place initiatives to include:
 - Cycle to work schemes
 - Encouraging carpool arrangements
 - Providing information on public transport alternatives
 - Installing EV charge points at our office location
 - Paying favourable mileage reclaim rates to EV vehicles



Conclusion

Wifinity will recalculate our carbon footprint annually for each year ending 31st December with 2022 being the first year, post base year. We will track how we are performing against our targets and adjust our methods to ensure we stay on track to hit our net zero target. We will aim to consistently improve our data collection methods to ensure we have granular and high-quality data each year going forward. Wifinity will continue to do all we can to minimise our emissions and do our part to minimise the negative effects of climate change on the planet.

wifinity



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