

wifinity

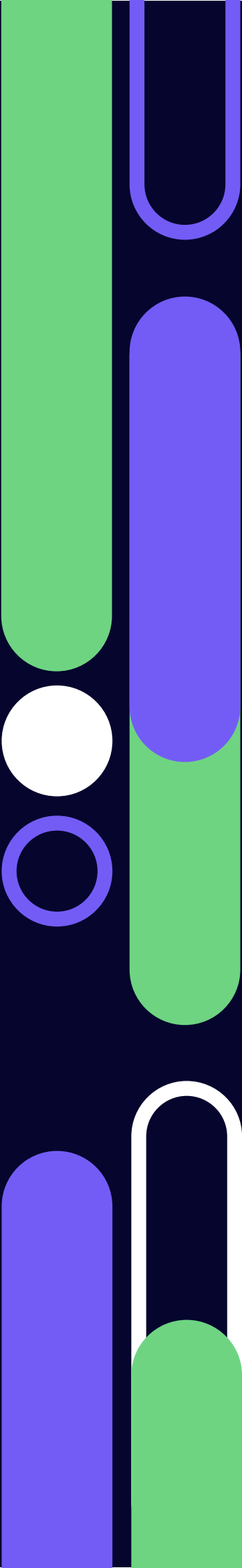
Net Zero Report

Carbon Reduction Plan

FYE 2022



wifinity



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Executive Summary



Costas Demetriou,
CEO

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°C. 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



About Us

Founded in 2007, Wifinity has become a trusted and established Internet Service Provider supplying the Defence, Leisure, Specialist Accommodation, Offshore, Corporate & Public 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 greenhouse gas (GHG) 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 aim to reduce our emissions year-on-year and will achieve:

- 34% reduction in our Scope 1 and 2 emissions by 2026
- Offsetting our residual Scope 1 and 2 emissions in FY25 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. We have appointed an external specialist carbon consultancy to collate and verify data, calculate GHG emissions and help advise on carbon reduction options.
2. Set the base year (1st January 2021 – 31st December 2021) and calculated our carbon footprint in line with the GHG protocol for that base year:

Scope 1

- i. Gas, Transport and Refrigerants

Scope 2

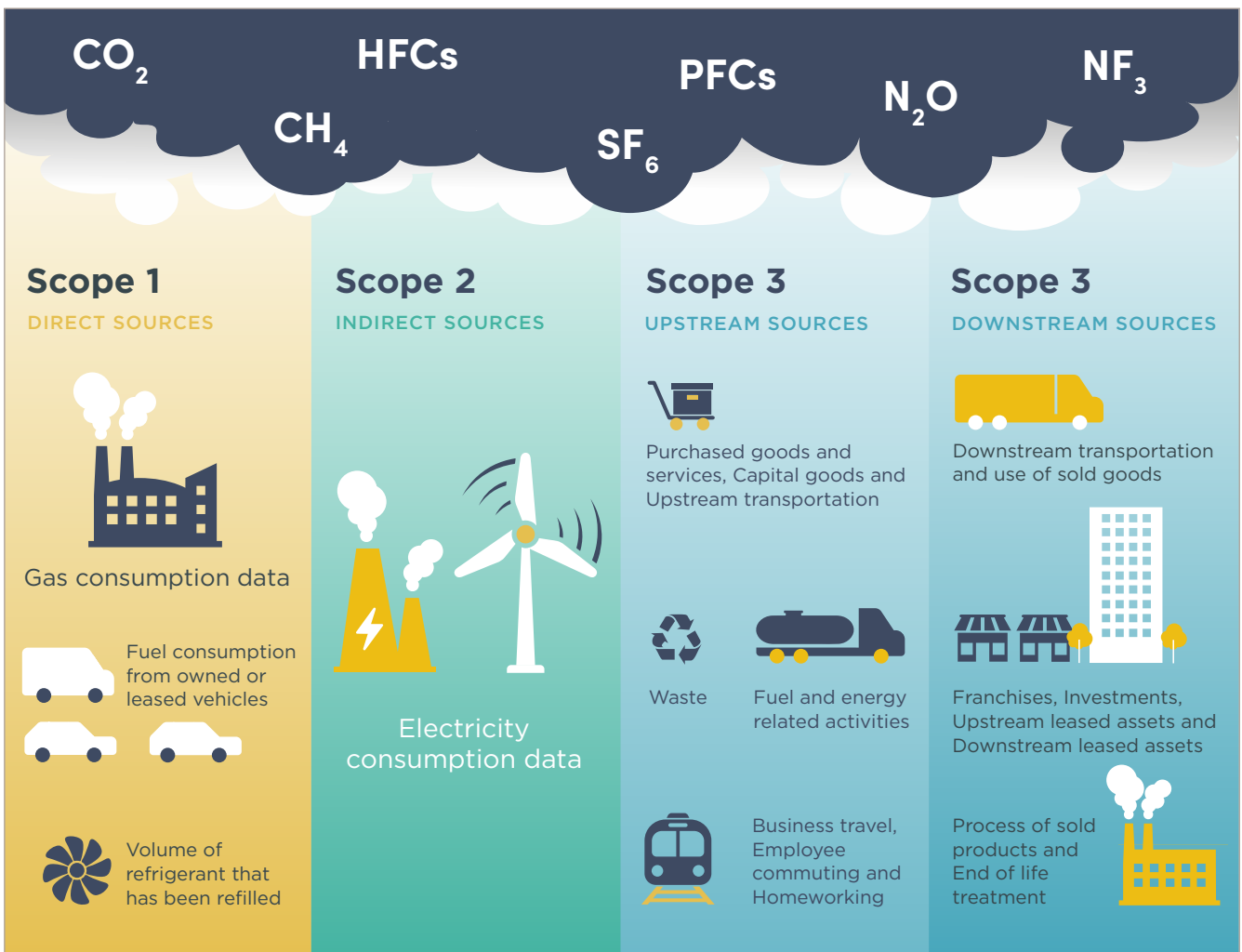
- i. Electricity

Scope 3

3. Of the 15 Scope 3 categories (8 upstream and 7 downstream) we have selected the following based on materiality:

- i. Category 1 – Purchased Goods and Services
 - ii. Category 2 – Capital Goods
 - iii. Category 3 – Fuel and Energy
 - iv. Category 4 – Upstream Transportation
 - v. Category 5 – Waste
 - vi. Category 6 – Business Travel
 - vii. Category 7 – Employee Commuting and Working from Home
4. Created a carbon reduction plan for each Scope and category
 5. Set the Net Zero date
 6. Committed to updating our carbon footprint annually
 - a. FYE 2022 is the first year post the base year

Overview of GHG Protocol Scopes and Emissions Across the Value Chain

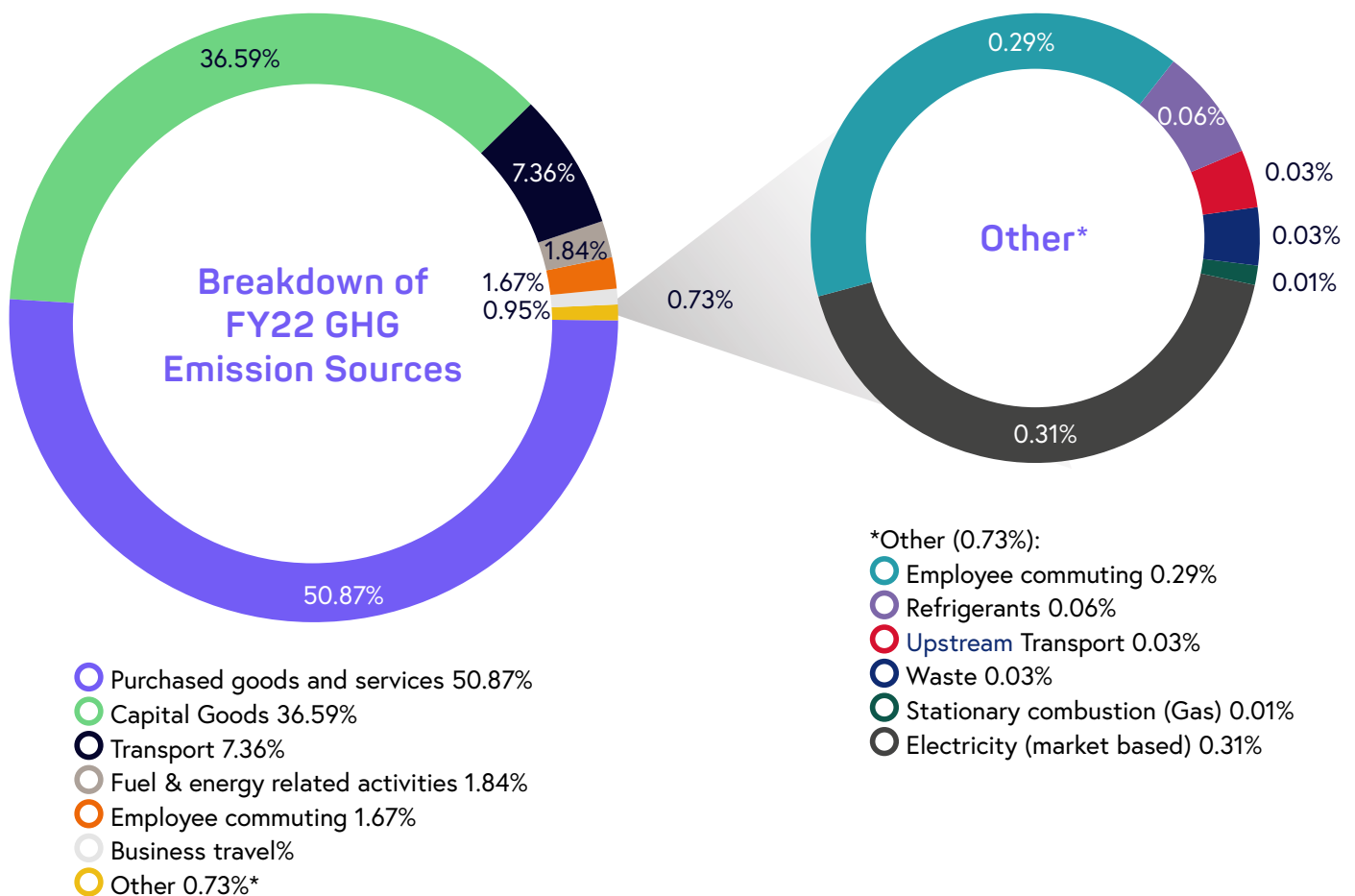


Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that were produced in a previous FY21 year before the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. Wifinity have chosen January 2021 – December 2021 (FY21) as our baseline year.

This is our second year calculating our GHG emissions. As such, this is the first time we are able to assess how we are progressing towards our reduction targets against our baseline year emissions. Baseline emissions are a record of the greenhouse gases that were produced in a previous year prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured. This year we have re-baselined FY21 data for data improvements in two categories: Purchased Goods and services and Capital Goods. Re-baselining has allowed us to achieve a more accurate emissions and calculations for FY21 and improve the coverage of our calculations.

By comparing our emissions each year to our baseline year, it will allow us to see how far we have come on our journey to Net Zero and allow us to identify which areas we are succeeding in, as well as which areas need more focus. Wifinity's FY22 GHG emissions footprint is as follows:



Below is an itemised breakdown showing the amount of GHG emissions (tCO₂e) produced by each Scope and category, comparing emission from FY22/23 to our baseline year calculation

Scope / Category	Item	Total tCO ₂ e (FY21)	Total tCO ₂ e (FY23)	FY22 GHG Footprint % makeup	% change FY21 - FY22
SCOPE 1					
Stationary combustion (gas)	Gas consumed	0.17	0.51	0.0%	203.4%
Transportation	Owned and leased vehicles	285.45	409.27	7.4%	43.4%
Refrigerants	HVAC's	9.86	3.16	0.1%	-68%
SCOPE 2					
Electricity (location-based) ¹	Purchased electricity, for own use (grid average)	22.27	17.11	N/A	-23.1%
Electricity (market-based) ²	Purchased electricity, for own use (specific contract)	17.32	17.11	0.3%	-1.2%
SCOPE 3					
Category 1: Purchased goods & services	Goods and services	2,188.52 [†]	2827.29	50.9%	29.2%
Category 2: Capital goods	CapEx expenditure	245.26 [†]	2033.52	36.6%	729.1%
Category 3: Fuel & energy related activities	WTT ³ & T&D losses ⁴ from electricity, stationary combustion of fuels and transport	109.44	102.01	1.8%	-6.8%
Category 4: Upstream transportation	Transport between tier 1 suppliers or paid transport for goods (upstream & downstream) WTW ⁵	-	1.79	0.0%	N/A
Category 5: Waste generated in operations	Waste	1.58	1.52	0.0%	-4.0%
Category 6: Business travel	Land and air travel and hotel stays for business purposes	79.85	52.64	0.9%	-34.1%
Category 7: Employee commuting	Employees commuting to and back from work WTW	108.15	16.07	0.3%	-0.6% ⁶
Category 7: Employee commuting	Employees working from home	-	92.7	1.7%	-6%
Total gross emissions (location-based)		3,050.53	5,557.59		
Less emissions avoided by procurement of renewable electricity		4.95	(0)		
Less emissions avoided by production of renewable electricity		(0)	(0)		
Total gross emissions (market-based)		3,045.58	5,557.59		
Less carbon offsets		0	(0)		
Total net emissions		3,045.58	5,557.59		

¹ Location based represents emissions from electricity consumption based on grid average emissions

² Market based represents emissions from electricity consumption based on specific energy contracts

³ Well-to-tank emissions. Emissions associated with the extraction, refinement, and transport of fuels before consumption

⁴ T&D losses – Transmission and distribution losses. Emissions associated with the energy lost during the transmission of electricity through the network

⁵ WTW – Well-to-wheel emissions. Includes emissions associated with the extraction, refinement, transport, and consumption of fuels

⁶ Emissions from employee commuting has fluctuated substantially due to a poor response rate from the employee commuting survey and therefore calculations have been based on average statistical data

[†] These categories have been re-baselined as new information has been shared within this category, this has increased accuracy of the glidepath and comparison against last years information

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	
	FY21 (Year 1) [†]	FY22 (Year 2)	FY21 (Year 1) [†]	FY22 (Year 2)	FY21 (Year 1) †	FY22 (Year 2)
tCO ₂ e per employee (start of year)	22.27	35.97	22.23	35.97	22.23	35.97
tCO ₂ e per M ²	1.39	5.20	1.39	5.20	1.39	5.20
tCO ₂ e per million £ turnover	383.59	202.83	382.97	202.83	382.97	202.83

When calculating carbon emissions, the GHG Protocol Corporate Accounting and Reporting Standard states that a company must set its organisational boundaries.⁷ This can be done either by an "Equity Share" or "Control" approach. The Equity Share approach reflects a company's economic interests and percentage ownership of companies or subsidiaries to assign GHG emissions. The Control approach can follow two routes and defines the boundary by looking at either how much Financial or Operational Control a company has. To fully cover all of its operations and subsidiaries, Wifinity has selected the Operational Control method when setting our organisational boundary which will cover 100 percent of the GHG emissions over which it has operational control. The Operational boundary will include all three Scopes as outlined by the GHG Protocol. Wifinity's emissions are reported in tCO₂e and 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

⁷ <https://ghgprotocol.org/corporate-standard>

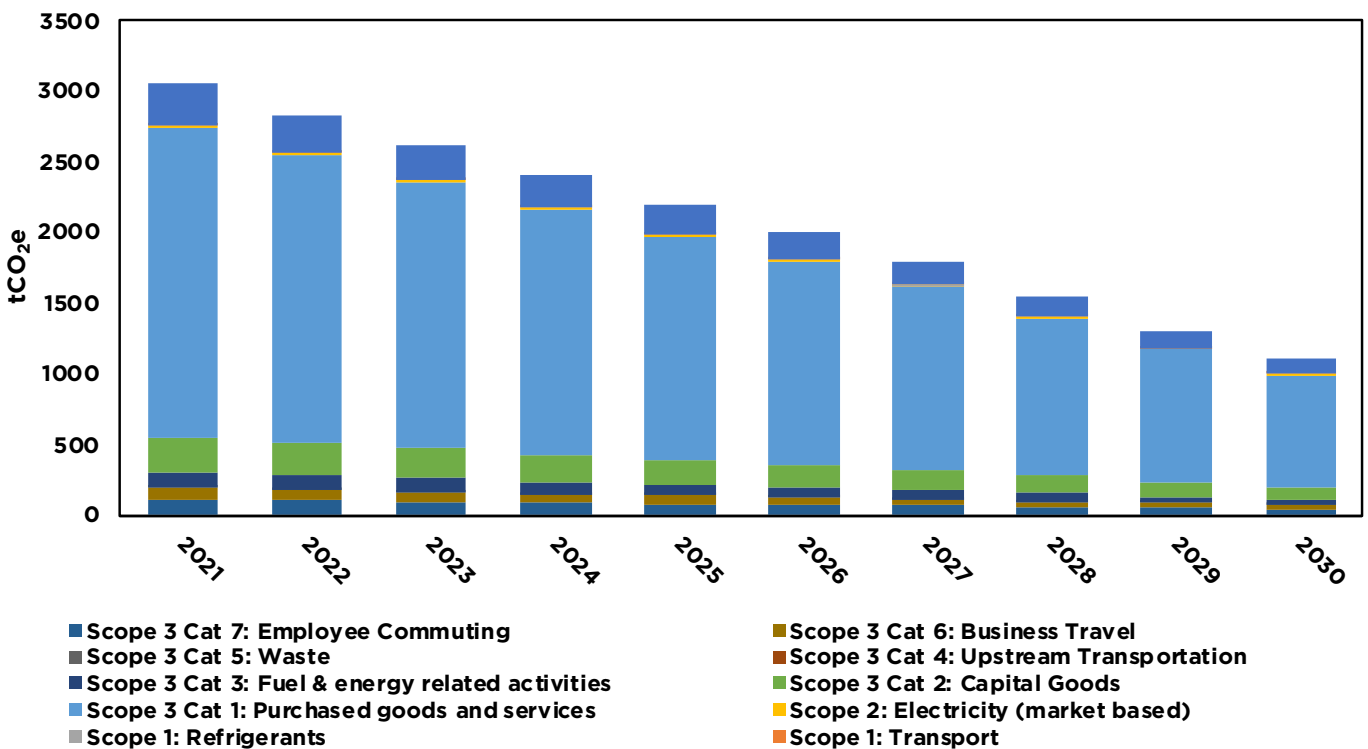


Emission Reduction Targets

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

- ✓ 28% absolute reduction in emissions by 2025 from 2021 baseline levels
- ✓ 42% absolute reduction in emissions by 2027 from 2021 baseline levels
- ✓ 64% absolute reduction in emissions by 2030 from 2021 baseline levels

Wifinity Net Zero Glidepath



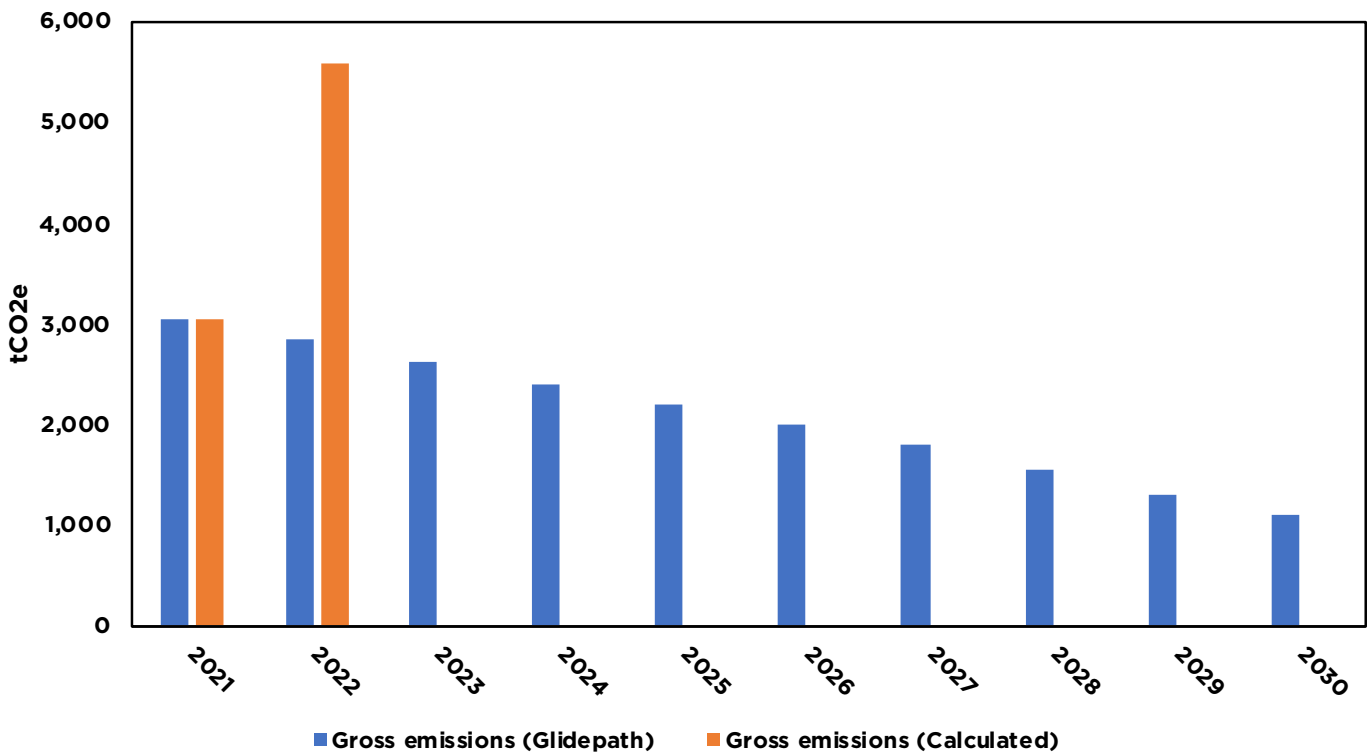
Wifinity's approach is to always focus our efforts on reducing our emissions, with significant planning and finances set aside to do this. However, a large proportion of our carbon emissions lie within scope 3, it is difficult to reduce these emissions within the short term as these are within our supply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

To keep our target GHG emissions reduction pathway on track to reach our Net Zero goal, we will report our total emissions against our target emissions every year. By regularly assessing and reporting our emissions we can ensure that we are holding ourselves accountable to our target reductions.

Current Emissions vs Target Emission

During our Net Zero journey we are aware, that some years we will make better progress than others. We will report our total emissions against our target emissions every year. We will also use emissions intensity ratios to allow us to define our emissions data in relation to an appropriate business metric, such as tonnes of CO₂e per turnover as can be seen in the Graph GHG Emissions Intensity Glidepath Actual vs Target on page 12.

GHG Emissions Glidepath Actual vs Target

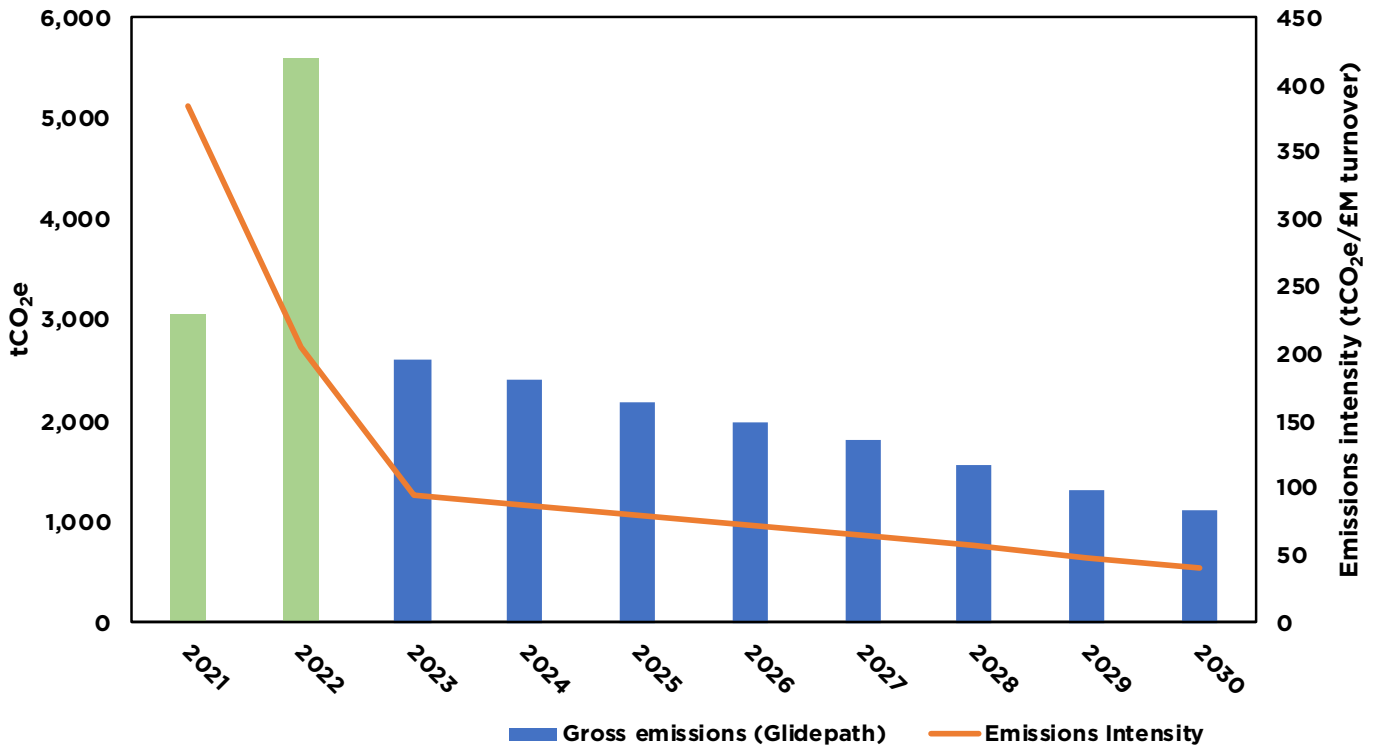


Our absolute emissions have increased by ~83% vs last year's emissions, an increase of 2541.66 tCO₂e. This is mainly a result of an increase of 729% in emissions from Capital Goods (Scope 3 Category 2), driven by an bulk stock uptake in response to business growth. This growth is reflected by an increase of 244% in turnover 2021 to 2022. This stock uptake reflects an essential business need to increase resilience and preparedness in the upcoming years.

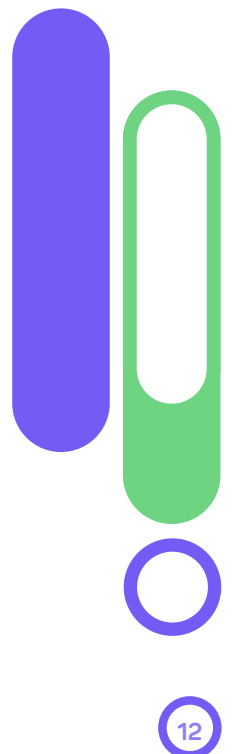
Categories where a reduction was achieved include:

- Scope 1 – Refrigerants
- Scope 2 – Electricity
- Scope 3 - Fuel and Energy related activities (C3), Waste (C5), Business Travel (C6) and Commuting (C7).

GHG Emissions Intensity Glidepath (turnover)



To further understand the impacts of the change in our operations, we've calculated the intensity of emissions per million turnover, this will allow us to track the emissions we produce as our business grows and evolves. We will report this metric each year against our targets showing how our emission reduction strategies are allowing us to decouple our business activities from emissions. Above in our GHG Emissions Intensity Glidepath (turnover) graph is our glidepath that shows the intensity of our emissions. This graph shows our emissions intensity has fallen by ~46% from FY21 to FY22, despite our turnover increasing for £7.95m to £27.4m in a period of growth from 2021 to 2022, meaning that less pollution is being created per unit of turnover. We expect this rate of turnover growth to slow down in 2023 and beyond, resulting in emissions intensity slowly declining.



Environmental Management Measures / Emission Reduction Plan

As a responsible business, Wifinity has for many years had a focus on the environment and reducing our carbon emissions. To drive this to the next level, we engaged the services of Sustainable Advantage to advise the Wifinity Board on global best practices for carbon reduction. We have a detailed carbon emissions reduction plan, the key actions of which 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 1: Refrigerants

Whilst it is assumed fugitive emissions from refrigerant gases will remain the same due to lack of knowledge surrounding new technologies, we will endeavour to reduce our impact where possible:

- Avoid emissions through improved leak tightness; consider fitting leak-detection systems and following a regular maintenance schedule
- Ensure correct end-of-life treatment of refrigerant gases; recover and dispose of refrigerant gases correctly when maintaining, upgrading or decommissioning a system
- Substitute refrigerants with other less harmful substances e.g., refrigerant gas with zero ozone depletion potential (ODP) and low global warming potential (GWP)
- When renewing the HVAC system, choose the most efficient systems:
 - Investigate systems using the least damaging refrigerant gasses with low potential leakage
 - Installing new systems may offer energy savings as well as next generation refrigerants (HFOs (hydrofluoro-olefins) and natural refrigerants)
- Limit the use of refrigeration / air conditioning systems



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

Wifinity realises that much of the GHG reductions in this category will happen because of our suppliers reducing their carbon emissions and becoming more carbon aware as the UK progresses towards a Net Zero 2050. However, that does not mean that we will take a passive approach to these categories, especially as it accounts for 50.9% and 36.6% of our total emissions respectively. To try and enact positive change in our suppliers we will:

- 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 4: Upstream transportation and distribution

We recognise this category relies on third parties and thus most of our reductions will happen as our transport carriers reduce their emissions in line with the Paris agreement to reach Net Zero by 2050. We plan on working with low carbon third-party transport carriers whenever possible, especially when transporting products from global manufacturers to our warehouse in the UK. We will endeavour to:

- Undertake a data collection and storage system upgrade, to improve the quality of data for more accurate carbon emissions calculations and allow for better analysis of the upstream transportation of products. This will allow us to consider transportation options with lower emissions
- Where practical, we will reduce the number of journeys made overall



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 successfully host meetings. We are encouraging our staff to continue to embrace this technology to minimise travel
- Encourage the uptake of EV vehicles by paying favourable mileage reclaim rates and considering the installation of EV charging points at our site, where practical
- We will also begin collecting more granular data on hotel stays to better calculate our GHG emissions in future years
- Where travel is required, we will prioritise carbon-reducing travel modes, choosing rail over air and / or cars
- Implement a travel booking system to increase the ease of choosing lower carbon transport methods



SCOPE 3: Category 7: Employee commuting

What we are doing

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. Due to a low response rate in the commuter survey for two consecutive years, we will endeavour to educate and incentivise employees to complete the commuter survey
- Putting in place initiatives to include:
 - Cycle-to-work schemes
 - Encouraging carpool arrangements
 - Providing information on public transport alternatives
 - Paying favourable mileage reclaim rates to EV vehicles
- Incentivise commuter survey participation to increase response rates
- Install EV charge points at our office locations



Conclusion

Wifinity will recalculate our carbon footprint annually for each year, with this FY22 report being the first post-base year. We will track how we are performing vs our targets and adjust our methods to ensure we stay on track to hit our Net Zero target. 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.



Emissions Methodology – Inclusions within Current Numbers:

Scope 1:

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.

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:

- A 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.

Category 2: Capital goods

Includes all upstream (i.e., cradle-to-gate) emissions from the production of physical assets purchased or acquired by Wifinity in the reporting year.

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 Wifinity owned or leased vehicles)

- 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 4: Upstream transportation and distribution

Upstream Transportation and Distribution - includes the emissions which relate to products being transported by tier one suppliers or paid for by Wifinity. It includes both transport and warehouse related emissions.

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 the distance-based method, which involves determining the distance and mode of business trips 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

Category 7: Employee homeworking

Includes emissions from employees whilst working from home.

Where appropriate we have used the average-data method, which involves estimating emissions from an individual whilst at home.

Category 9: Downstream transportation and distribution

Includes the transport and warehousing of sold products, between Wifinity's operations and the end consumer (including retail). These services are not paid for by Wifinity.

Category 12: End-of-life treatment of sold products

Includes the waste disposal and treatment of products sold by Wifinity (in the reporting year) at the end of their life. We aim to provide a more complete data set to encompass this category more completely in future years.

Emissions Methodology – Material Exclusions for FY22/23:

Scope 3:

Category 11: Use of sold products

Is excluded from the FY23 emissions as we do not collect enough 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.

Emissions Methodology – Non-Material Exclusions for FY22/23:

Scope 3:

Category 8: Upstream leased assets

Is excluded from FY23 emissions, as we do not lease any assets

Category 10: Processing of sold products

Is excluded from FY23 emissions as we do not manufacture products

Category 13: Downstream leased assets

Is excluded from FY23 emissions, as we do not own any leased assets that we lease to other businesses

Category 14: Franchises

Is excluded from FY23 emissions, as we do not operate franchises

Category 15: Investments

Is excluded from FY23 emissions, as we do not have any investments whereby, we provide capital or offer financing as a service

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