



CARBON REDUCTION PLAN GUIDANCE

Notes for Completion

Where an In-Scope Organisation has determined that the measure applies to the procurement, suppliers wishing to bid for that contract are required at the selection stage to submit a Carbon Reduction Plan which details their organisational carbon footprint and confirms their commitment to achieving Net Zero by 2050.

Carbon Reduction Plans are to be completed by the bidding supplier entity and must meet the reporting requirements set out in supporting guidance and include the supplier's current carbon footprint and its commitment to reducing emissions to achieve Net Zero emissions by 2050.

The Carbon Reduction Plan should be updated regularly (at least annually) and published and clearly signposted on the supplier's UK website. It should be approved by a director (or equivalent senior leadership) within the supplier's organisation to demonstrate a clear commitment to emissions reduction at the highest level. Suppliers may wish to adopt the key objectives of the Carbon Reduction Plan within their strategic plans.

A template for the Carbon Reduction Plan is set out below. Please complete and publish your Carbon Reduction Plan in accordance with the reporting standard published alongside this PPN.

Carbon Reduction Plan

Supplier name: Neos Networks Ltd

Publication date: March 2023

Commitment to achieving Net Zero

Neos Networks Ltd is committed to achieving Net Zero emissions by **2030**.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2019¹		
Additional Details relating to the Baseline Emissions calculations.		
Historic baseline, which deviates from the requirements under this measure, as reporting at this time was not complete due to substantial organisational change from SSE Telecoms to Neos Networks in 2019. The baseline was completed at a time of significant growth within the network build from est. 450 points of presence to 865, some of the figures used to baseline are at a point in time averaged over the year rather than actual yearly consumption due to reporting availability.		
Baseline year emissions:2019		
EMISSIONS	TOTAL (tCO₂e)	BREAKDOWN
Scope 1	251	Back Generators<1 Fleet vehicles fuel: Petrol<1, Diesel = 250.4
Scope 2	732	Non-renewable electricity at Neos Networks owned sites (renewable energy = 71.8)
Scope 3 (Included Sources)	1,909	Business travel = 33.8 Employee Commuting = 0 (no data) Upstream/Downstream transportation and distribution = 0 (no data) ² Waste generated in operations = 0 (no data) Leased Offices and Sites = 1809.9 ³ T&D Losses = 64.8
Total Emissions	2,892	

¹ 2019 Calendar year, reported in line with GHG Protocol and using UK Gov conversions

² Creating relationships with suppliers to accommodate – targeting end FY24 for competent data

³ Network sites data uses unique points of time and measured load, calculated into yearly consumption.

Emissions Reporting Interim-period

Reporting Year: 2020 ⁴		
EMISSIONS	TOTAL (tCO ₂ e)	BREAKDOWN
Scope 1	312	Back Generators = 2.7 Fleet vehicles fuel: Petrol<1, Diesel = 309.9
Scope 2	861	Non-renewable electricity at Neos Networks owned sites (renewable energy = 84.4)
Scope 3 (Included Sources)	1,953	Business travel = 3.2 Employee Commuting = 0 (no data) Upstream/Downstream transportation and distribution = 0 (no data) ⁵ Waste generated in operations = 0 (no data) Leased Offices and Sites = 1874 ⁶ T&D Losses = 76.2
Total Emissions	3,126	

⁴ 2020 Calendar year, reported in line with GHG Protocol and using UK Gov conversions

⁵ Creating relationships with suppliers to accommodate – targeting end FY24 for competent data

⁶ Network sites data uses unique points of time and measured load, calculated into yearly consumption.

Emissions Reporting – Interim period

Reporting Year: 2021 ⁷		
EMISSIONS	TOTAL (tCO ₂ e)	BREAKDOWN
Scope 1	295	Back Generators = 6.8 Fleets vehicles fuel: Petrol = 1.54, Diesel = 286.4
Scope 2	267	Non-renewable electricity at Neos Networks owned sites (renewable energy = 640.4)
Scope 3 (Included Sources)	1,731	Business travel = 41.4 (including EV distance travelled in 11294 kms, 7017.77 miles (1.1 tCO ₂ e)) Employee Commuting = 5.8 (estimated) Upstream/Downstream transportation and distribution = 0 (no data) ⁸ Waste generated in operations = 0.2 Leased Offices and Sites = 1609.85 T&D Losses = 73.2
Total Emissions	2292.544	2932.944 (full emissions) - 640.4 (renewable energy emissions)

⁷ 2021 Calendar year, reported in line with GHG Protocol and using UK Gov conversions

⁸ Creating relationships with suppliers to accommodate – targeting end FY24 for competent data

Current Emissions Reporting

Reporting Year: 2022 ⁹		
EMISSIONS	TOTAL (tCO ₂ e)	BREAKDOWN
Scope 1	285.73	Back Generators= 17.6 Fleets vehicles fuel: Petrol= 1.3 Diesel= 265.18, Oil Fuel= 1.6
Scope 2	0	Non-renewable electricity at Neos Networks owned sites (renewable energy = 716.29)
Scope 3 (Included Sources)	1877.04	Business travel = 147.97 (including EV distance travelled in 18244 kms, 11336.3 miles (0.9 tCO ₂ e) Employee Commuting = 4.16 (estimated) Upstream/Downstream transportation and distribution = 0 (no data) ¹⁰ Waste generated in operations = 0.22 Leased Offices and Sites = 1590.95 T&D Losses = 65.52
Total Emissions	2162.78	2879.06 (full emissions) – 716.29 (renewable energy emissions)

⁹ 2022 Calendar year, reported in line with GHG Protocol and using UK Gov conversions

¹⁰ Creating relationships with suppliers to accommodate – targeting end FY24 for competent data

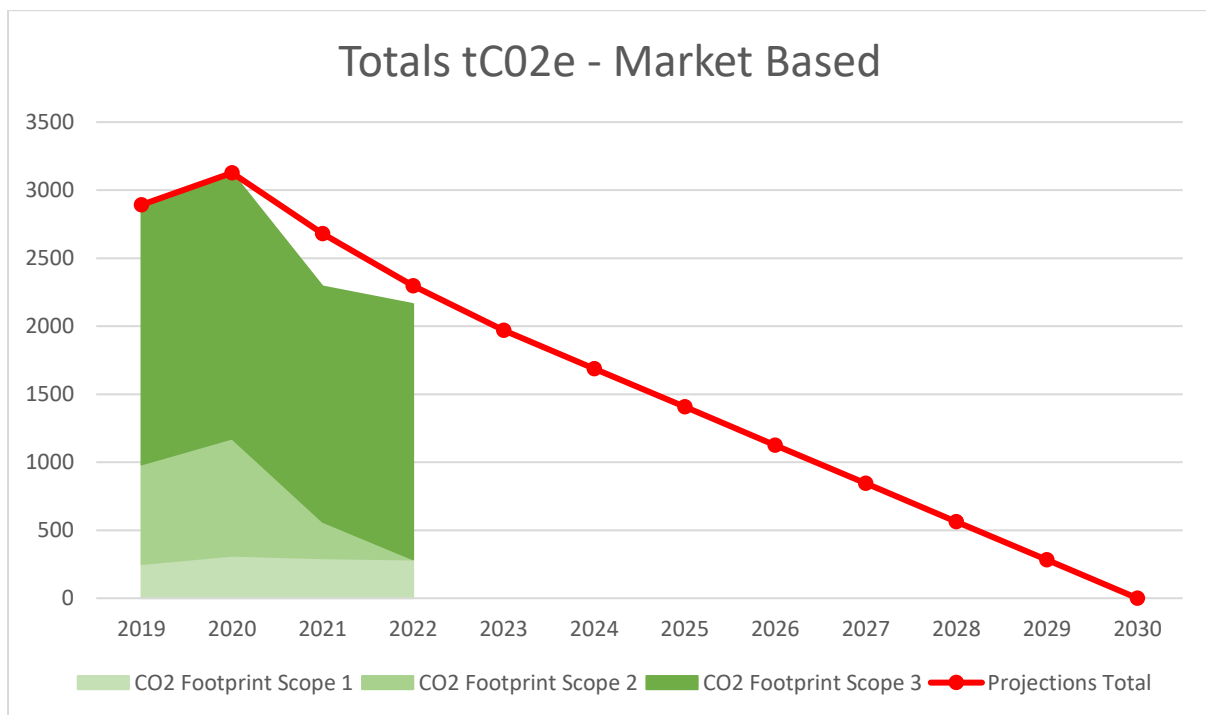
Emissions reduction targets

Neos Networks aims to meet Net Zero by **2030** and to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

We project that our carbon emissions will decrease over the next three years to **500 tCO₂e**, by **2025**. This is a reduction of **75%** from our current 2021 year-end tonnes of CO₂ emissions of **1,983**.

Progress against these targets can be seen in the graph below:

Carbon Reduction: Projected vs Actual



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The data we're reporting here includes the benefits of securing Renewable Energy Certificates of Origin (hereon known as REGO certificates).

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes equate to **896 tCO₂e**, a **31%** reduction against the 2019 baseline and the measures will be in effect when performing the contract.

Neos Networks has secured ISO 14001 Environmental Management System Certification, the ongoing carbon reduction plan has completed the adoption of LED/PIR lighting controls in our main offices, EV points in the car parks, the complete renewal of our IT Equipment to the highest Energy Efficient rating available at the time. Neos Network build has introduced alternative solutions to network construction which, minimises carbon emissions for network expansion. Neos Networks has Educated its employees and continues to explore employee incentives within the 'Ways of Working' HR procedures e.g., cycle to work and increased flexible home working. We have also secured various REGOs since 2019, and increasingly in 2020 and 2021, which we aim to continue obtaining as a means of building partnerships with our suppliers in working toward a net-zero future (we aspire to have secured REGOs for all our electricity consumption by 2025). Energy consumption to power network is reported between Scope 2 and Scope 3, dependent on the nature of the source (direct procurement from an energy supplier at a site we own or indirectly through a service provider at a site we lease) hence including 'Leased Offices and Sites' data in our Scope 3 reporting. Moreover, we are in the process of implementing an ESG Framework (Environment, Social and Corporate Governance) to underpin Neos Networks activities, culture and work ethos.

In the future we hope to implement further measures such as:

Neos Networks shall change all supplier Energy Tariffs for Neos Networks owned building to '100% Green Energy Tariffs' through securing Renewable Energy Guarantee of Origin Certificates (REGOs); and complete the £6m Obsolescence programme by 2025 which renews old network IT equipment to more energy efficient equipment. A complete review and change to all corporate policies resulting in a reduction in company travel, flights and commuting by car.

Currently Neos Networks' commercial vehicle fleet is diesel based. Neos Networks shall Decarbonise its commercial vehicle fleet by 2030 and provide more EV charge points at sites and offices as appropriate. Implementation of Operational EVs, for Scope 1 reporting, is forecast to be from during FY25. Neos Networks has implemented EV company car options since 2019, though data is only available July 2021 to inform Scope 3 Business Travel reporting.¹¹

Neos Networks are working more closely with our Supply Chain to reduce waste and focus on Scope 3 indirect (upstream and downstream) emissions data reporting, eg. goods and services within our network. Gathering further Scope 3 data is another priority to support reporting requirements and gain deeper understanding around our environmental impact.

Neos Networks' design policy will include impact assessments and aim to prioritise the use of alternative construction techniques in the network expansion programmes to lower carbon emissions in a developing network. Neos Networks will engage with staff, contractors, and stakeholders to expand the plan and the range of actions that help us to meet our target.

¹¹ EV distance-based approach data for company cars only available from July 2021 due to change in ERP software

Declaration and 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 standard¹² and uses the appropriate Government emission conversion factors for greenhouse gas company reporting¹³.

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) Standard¹⁴.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



Colin Sempill, CEO, Neos Networks

Date: ... 14 of March 2023.....

¹² <https://ghgprotocol.org/corporate-standard>

¹³ <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹⁴ <https://ghgprotocol.org/standards/scope-3-standard>