# Sustainability report

April 2024 - March 2025

neosnetworks.com

enquiries@neosnetworks.com

# Contents

# Getting to know Neos Networks

Neos Networks is a leading UK B2B connectivity provider that delivers reliable, high capacity, critical networks for the government and businesses nationwide – from telecoms, energy and emergency services to media and banking.

With over 600 points of presence and 90 data centres nationwide, Neos makes connectivity work for emerging technologies like AI, 5G and IoT, enabling the UK's digital future.

Our recently updated ESG Framework aligns closely to our updated company values, which define our culture, drive performance, and differentiates us from the market.

**We find solutions**
We're innovative, flexible and adaptable. Working as a team with customers, we use our expertise to solve complex problems, making connectivity work.

**We do what's right**
We're proactive, responsive and reliable. We always do what we say – what's good for customers and good for Neos.

**Making connectivity work, sustainably**

**We care**
We look after our people, our customers and our planet. We welcome everyone and strive to ensure their well-being, safety and security for a sustainable future.

## We do what's right
### the "E" in ESG

We're proactive, responsive, and reliable. We do what's good for our customers and what's good for Neos. It's right to reduce our environmental impact on the planet and leave it as we found it, if not better. We're committed to doing just that through offsetting any negative impact.

We've committed to be Net Zero reaching net zero for our Scope 1 and 2 emissions by 2030. We're reducing our carbon emissions while continuing to review and improve our end-to-end energy consumption. We have also continued to identify processes for re-purposing and recycling old equipment, reducing waste, and protecting the environment.

## We care
### the "S" in ESG

This is all about people – we look after our employees, customers, suppliers and the wider community. We welcome everyone and ensure their well-being, safety and security is fit for a sustainable future.

We understand how impactful our support in the wider community can be, which is why we offer our colleagues two days of volunteering to support local charities. Neos Networks also supports a national charity, Mental Health UK, and hosts multiple fundraising events during the year. Moreover, we strive to always offer the best products at fair prices, while delivering outstanding customer service. We are proud to achieve an average NPS score of +85 in 2024, above the industry average.

## We find solutions
### the "G" in ESG

This value is about how we operate as a business, what our practices are and how we define our corporate governance. We are innovative, flexible and adaptable. Working as a team with customers, we use our expertise to solve complex challenges. This means that our best practice is underpinned by sustainable governance that considers current and future goals.

This includes our supply chain. Our procurement and assurance teams monitor suppliers, seeking evidence of strong sustainability credentials, including managing the risk of modern slavery, reducing carbon emissions, keeping employees healthy and safe, and building an inclusive workforce.

"At Neos Networks, we're committed to making a positive impact by embedding ESG principles into everything we do. From reducing our environmental footprint to fostering a responsible and inclusive culture, this report highlights the actions we are taking to drive meaningful change for our planet, our people, and our industry."
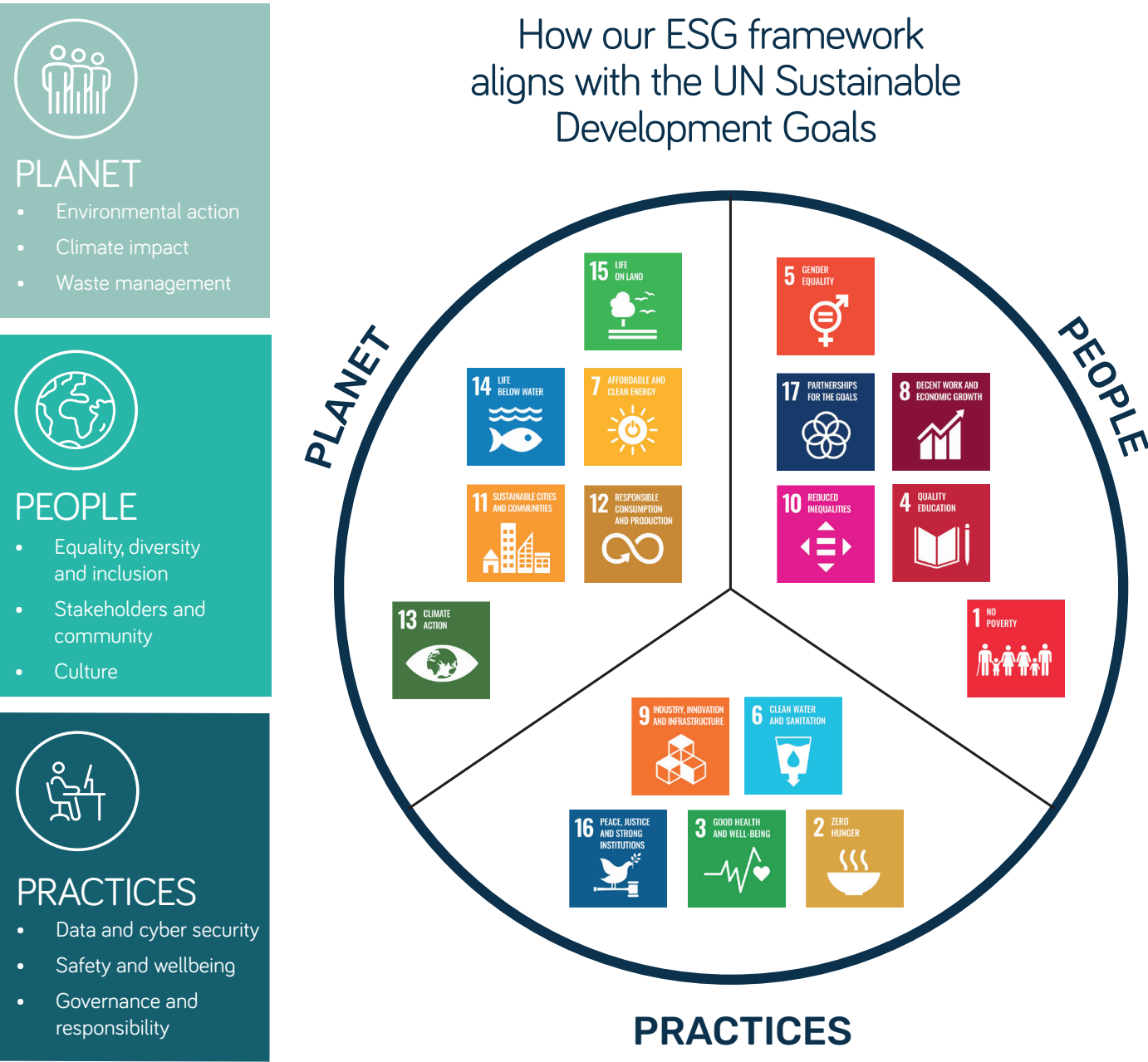
**Lee Myall,
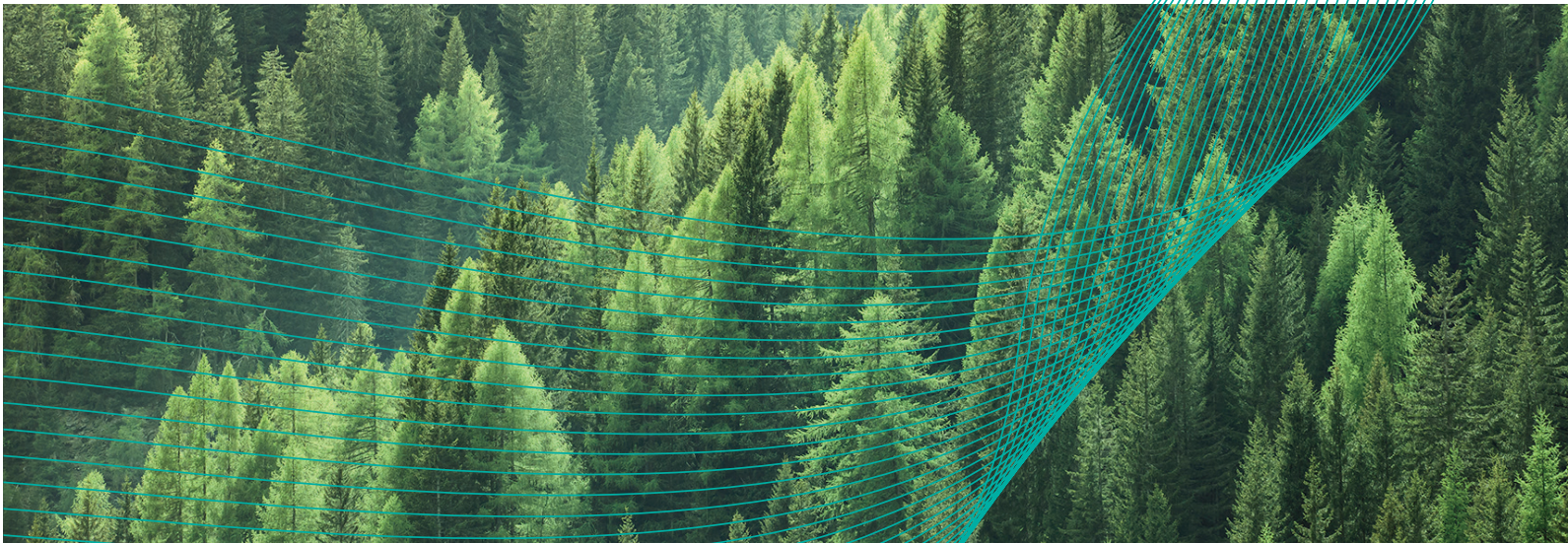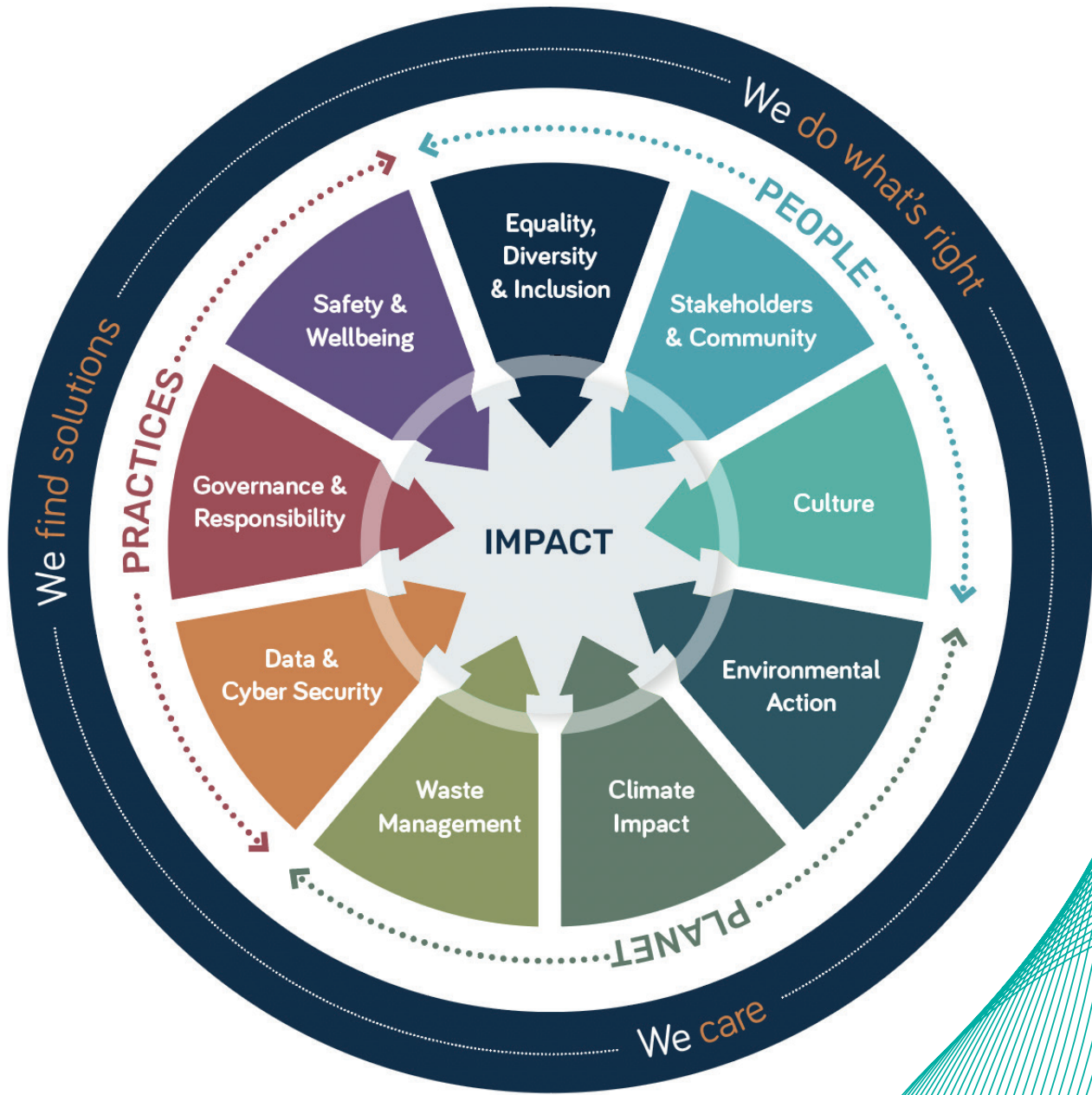CEO,
Neos Networks**

# Our ESG commitment

Neos Networks has an Environmental, Social & Corporate Governance (ESG) Framework that has been created with our past efforts and future aspirations in mind. This is aligned to the UN Sustainable Development Goals (SDGs), our company values and shareholder needs. The framework also actively aligns to various industry standards such as PPN 06/21, EcoVadis scoring, GRESB Infrastructure and various ISO standards, including ISO 14001 Environmental Management.

Our ESG framework has three main pillars: Planet, People, and Practices (Environment, Social and Governance, respectively). Under each of these pillars, there are three key focus areas. These are supported by working groups that meet regularly to identify and implement improvements to support our sustainability targets. Throughout this report, you'll see how we're linking these activities to the UN SDGs.

## PLANET
- Environmental action
- Climate impact
- Waste management

## PEOPLE
- Equality, diversity and inclusion
- Stakeholders and community
- Culture

## PRACTICES
- Data and cyber security
- Safety and wellbeing
- Governance and responsibility

## How our ESG framework aligns with the UN Sustainable Development Goals

PLANET

15 LIFE ON LAND
5 GENDER EQUALITY
14 LIFE BELOW WATER
7 AFFORDABLE AND CLEAN ENERGY
17 PARTNERSHIPS FOR THE GOALS
8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
10 REDUCED INEQUALITIES
4 QUALITY EDUCATION
13 CLIMATE ACTION
1 NO POVERTY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
6 CLEAN WATER AND SANITATION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
3 GOOD HEALTH AND WELL-BEING
2 ZERO HUNGER

PEOPLE

**PRACTICES**

## Our ESG wheel

We do what's right

We find solutions

We care

PEOPLE

PLANET

PRACTICES

- Equality, Diversity & Inclusion
- Stakeholders & Community
- Culture
- Environmental Action
- Climate Impact
- Waste Management
- Data & Cyber Security
- Governance & Responsibility
- Safety & Wellbeing

IMPACT

# April 2024 - March 2025: progress and achievements

# Planet

# Climate impact
## Neos Networks' commitment

In accordance with PPN 06/21, we have've developed a Carbon Reduction Plan and published our Net Zero Pledge. Neos Networks has committed to be Net Zero by 2030 for our Scope 1 and Scope 2 emissions, with a target to improve reporting over the five key areas of Scope 3. Overall, we're on track to achieve our goal.

We continue to secure renewable energy guarantees of origin (REGO) certificates for energy consumed at sites owned and occupied by Neos Networks, meaning that our Scope 2 market-based emissions are already net zero (tCO2e).

**We are certified to ISO 14001 Environment Management (IMS)**

For our Scope 3 leased offices and sites, we have continued to push towards our transition to renewable energy sources from those we lease, collaborating further with our supply chain.

"As a leading telecoms provider, we have a responsibility to minimise our environmental impact and drive sustainable innovation. At Neos Networks, we're committed to reducing our carbon footprint, improving energy efficiency, and making smarter, greener choices in everything we do. Our Planet focus is not just about meeting targets – it's about creating a lasting, positive impact for future generations."
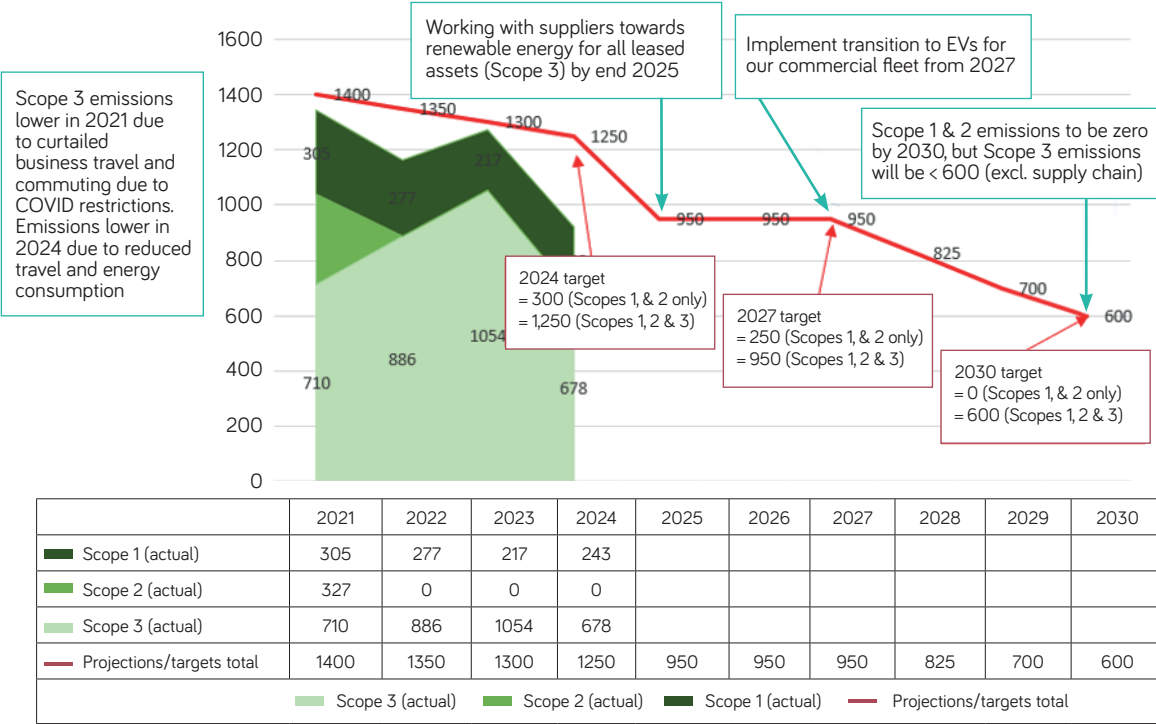
Matt Rees,
CTOO,
Neos Networks

Neos also offers a hybrid working benefit, and to help our colleagues reduce their emissions, we've introduced a car leasing scheme in partnership with Octopus. Colleagues can more affordably switch to an EV car to help bring down our Scope 3 commuting-related emissions.

During FY25 we continued our work on identifying our supply chain emissions, including securing more reliable data on operational activity. We also plan to engage with our suppliers about their emissions through a new supplier area accessible via our HR platform, Workday, making data sharing easier and more efficient.

| Reporting year: April 2024-March 2025 | | |
|---|---|---|
| **Emissions** | **Total (tCO$_2$e)** | **Breakdown (tCO$_2$e)** |
| Scope 1 | 706.32 | Back generators= 0<br>Fleets vehicles fuel: Petrol= 1.86, Diesel= 225.11, Oil Fuel= 0, Fugitive gas= 479.05 |
| Scope 2 | 0 | Non-renewable electricity at Neos Networks owned sites (renewable energy = 679.73) |
| Scope 3 (Included sources) | 747.69 (only incl. non-renewable energy) | Business travel = 226.37 (including EV distance travelled in 90642.99 kms, 56322.93 miles (10.76 tCO2e))<br>Employee commuting = 124.88 (estimated)<br>Upstream/downstream transportation and distribution = 0 (no data)<br>Waste generated in operations = 0.53<br>Water = 0.19<br>Leased offices and sites = 1345.24 (renewable energy), 212.803 (Non-renewable energy), 19.84 (Gas)<br>T&D losses = 60.08<br>Well-to-tank (WTT) = 55.36 |
| Total emissions | 1454.01 | 3478.98 (full emissions) subtract renewable energy emissions 679.728 (Scope 2) and 1345.24 (Scope 3) |

### Scopes in tCO2e – market-based
### (ie. excluding renewable energy and fugitive gas)
(assumes nil network growth to 2030)



Scope 3 emissions lower in 2021 due to curtailed business travel and commuting due to COVID restrictions. Emissions lower in 2024 due to reduced travel and energy consumption

Working with suppliers towards renewable energy for all leased assets (Scope 3) by end 2025

Implement transition to EVs for our commercial fleet from 2027

Scope 1 & 2 emissions to be zero by 2030, but Scope 3 emissions will be < 600 (excl. supply chain)

2024 target = 300 (Scopes 1, & 2 only) = 1,250 (Scopes 1, 2 & 3)

2027 target = 250 (Scopes 1, & 2 only) = 950 (Scopes 1, 2 & 3)

2030 target = 0 (Scopes 1, & 2 only) = 600 (Scopes 1, 2 & 3)

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|---|---|---|
| Scope 1 (actual) | 305 | 277 | 217 | 243 | | | | | | |
| Scope 2 (actual) | 327 | 0 | 0 | 0 | | | | | | |
| Scope 3 (actual) | 710 | 886 | 1054 | 678 | | | | | | |
| Projections/targets total | 1400 | 1350 | 1300 | 1250 | 950 | 950 | 950 | 825 | 700 | 600 |

Scope 3 (actual)  Scope 2 (actual)  Scope 1 (actual)  Projections/targets total

# Environmental action

We're vigilant about our environmental impact and report any incidents that occur. We see all activity in this area as a high priority and take learnings to educate colleagues within Neos, as well as third-party contractors, on the importance of mitigating environmental incidents.

In the last year, we've worked directly with contractors to improve their reporting and incident prevention processes. An example of this includes the recent testing of fire extinguishers at our sites. A contractor accidentally released gas, which despite being harmless, meant that current processes and documents were in need of updating. Neos supported the process by helping to update documentation, site maps and training materials.

## 0

**Reportable environment incidents in FY25**

# Waste management

Neos Networks has its own waste management framework to ensure we're accountable for sustainable waste disposal, mitigating waste needlessly going to landfill.

This has also been used as part of 'Project Obsolete', where we look at how we can reuse, repurpose and resell any equipment that we must replace as part of our network upgrades.

Our waste management framework is supported by our sustainability and our environmental management policies.

## Achievements within 'Planet' workstream Project Obsolete

We've reduced our waste by working with external companies who reuse and resell our expired equipment to reduce our carbon footprint and landfill contribution. Over the last 12 months, our procurement and project management teams have worked with our partner Multimessage to reuse or resell 78 items, equating to a monetary saving of around £84,000. This reselling of items not only benefits Neos Networks financially but also allows these items to be fully recycled and repurposed, reducing manufacturing levels for brand new products.

## Charity donations to support learning on a global scale

We recently donated 32 laptops to TeT. Once the laptops are securely cleansed, they're repurposed and gifted to the charity Camara Education.

Camara Education works hard to open new schools to help support learning and development for children in Africa. They train and provide teachers with IT equipment to help children get online to improve their education. We're proud to be part of such an impactful initiative.

# People

# Equality, diversity and inclusion
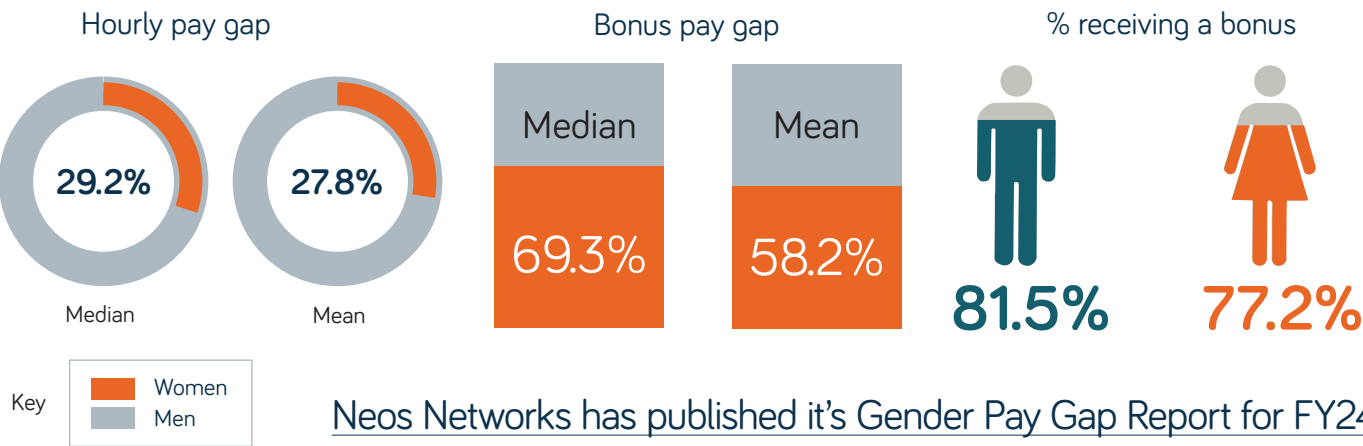
## Neos Networks' achievements

Equality, diversity and inclusion aren't just about how things look on paper. We know actions speak louder than words, and that is why we have the following initiatives in place to contribute to a culture of respect, understanding and openness:

• Awareness days and interest groups

• EDI resources to support neuro diversity

• We're members of Inclusive Employers

"At Neos Networks, our people are at the heart of everything we do. We believe that fostering a diverse, inclusive and supportive workplace is key to driving both individual and business success. By investing in employee wellbeing, development, and engagement, we create an environment where our people can thrive, innovate and contribute to a more sustainable future. Our commitment to ethical and responsible people practices ensures that we not only attract and retain top talent but also empower them to make a meaningful impact."

**Vicky Bori, HR Director**

## Our gender pay gap report

| Hourly pay gap | | Bonus pay gap | | % receiving a bonus | |
|---|---|---|---|---|---|
| 29.2% | 27.8% | Median | Mean | | |
| Median | Mean | 69.3% | 58.2% | 81.5% | 77.2% |

Key
■ Women
■ Men

Neos Networks has published it's Gender Pay Gap Report for FY24

## Celebrating International Women's Day 2025

Below is a snapshot of Neos Networks celebrating International Women's Day 2025. Neos Networks is proud to have many talented women in a variety of roles across the business. This year we interviewed inspiring women leaders supporting this year's theme: "Accelerate Action". We wanted to showcase how women within Neos have overcome barriers during their career, recognise their success and offer guidance to aspiring female talent.

Recognising this day is important to everyone within Neos Networks and demonstrates how important it is to empower both men and women within our business and sector.

**Marking International Women's Day** with advice from our leaders

Steph Reid

Jolene Needham
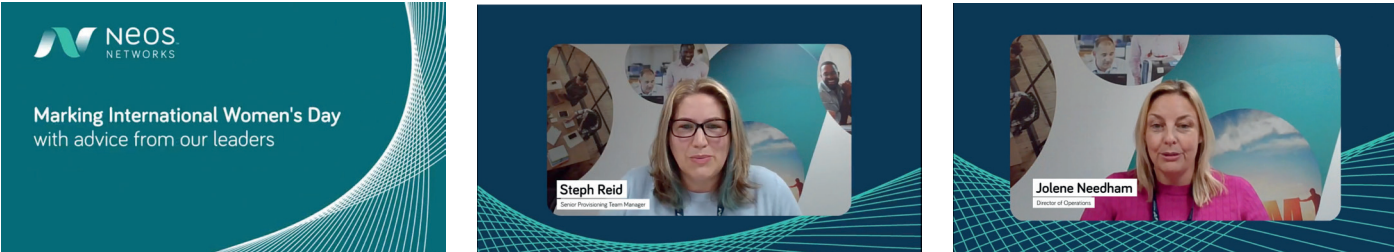
## Work placement opportunities

At Neos Networks, we support different approaches to working that make it more accessible for all. One example is a work placement that Neos Networks hosted for a young student looking at career prospects. Throughout the placement, stakeholders from across the business were able to talk about what their role is within Neos, how we work together and to look at the different processes within our business. Our dedicated HR team, who organised the process, highlighted considerations such as ADHD, sensory needs and autism, enabling a rewarding experience for all. Conversations were conducted either in person or online to provide a real-life working environment. The whole experience was an eye-opener and really helped the student to learn and understand the corporate world, something they never thought they'd get to experience so early with such ease.

## Fairness, inclusion and respect

In September, our people managers participated in a comprehensive training session on Neurodiversity awareness and managing neurodiverse teams, delivered by Genius Within. The training covered key aspects of recognising neurotypes such as Dyslexia, ADHD, and Autism, and provided practical strategies for fostering an inclusive work environment. The session identified the strengths and challenges associated with neurodiversity and equipped our managers with the tools to support and leverage the unique talents of neurodiverse employees effectively.

SUPPLY CHAIN SUSTAINABILITY SCHOOL

FIR Ambassador
Fairness, Inclusion and Respect in construction

# Community engagement

Neos has a dedicated social value team who support several of our stakeholders and deliver activity to benefit local community needs.

## Volunteering days

Volunteering is a powerful way for us to support our local communities, using our dedicated days to give back and make a real impact. By participating in various events and initiatives throughout the year, we witness the incredible work happening around us and help raise awareness for smaller charities. Volunteering also promotes good mental health and strengthens team bonds by bringing teams together outside of usual work routines.



**73** — This year we have carried out over 73 days in total of volunteering

**£1,273** — This year Neos Networks and its colleagues have donated £1,273 to Mental Health UK

## Our chosen charity

This year we selected Mental Health UK as our chosen company charity. Working in support of Mental Health UK, we've been able to host a number of events raising £1,273. This charity aligns with our three core values: we care, we do what's right and we find solutions. This was voted by our colleagues as our chosen charity, highlighting it's significance.

We'll continue to support Mental Health UK throughout the next year.

In support of
**Mental Health UK**

## Matched funding and charitable donations

Matched funding is offered to all our employees to contribute to individual charitable efforts. This reporting year we donated £700 to a number of individual charities.

Neos also allows employees to donate to their chosen charity via the Payroll Giving scheme. This scheme allows our employees to support their chosen charity from their salary, tax free. This year our employees donated around £8,000 to various charities of their choice.

## Our STEM activity

We have a growing team of science, technology, engineering and mathematics (STEM) ambassadors across our business. All STEM ambassadors are fully trained through the official STEM learning training program. The team have also helped to build training packs and has started delivering workshops in Scotland. We have also taken part in the Aberdeen Science Festival at Kirkcaldy High School in Scotland. Students learnt about the world of telecoms and the importance of our industry in everyday life, and discussed how to break down barriers by sharing personal journeys into STEM-related careers.

Offering hands-on experience and work experience opportunities for the next generation is another way we support our local communities. Over the past year, we've supported nine students from schools and universities to undertake work experience with us, all with high levels of success for both the students and the business.

One work placement involved four students from Portsmouth University as part of their final year business degree, working directly with our network orchestration team. The work represented 30% of their third and final year marks, a huge contribution to their degree finals. Work included touring the NOC and conducting reviews with staff, including the CEO.



"To support this, I spent extra time on some of our projects where I might not have otherwise, which I actually found to be beneficial to me as well as the students."

Phil Smith, Development Operations Release Manager

# Social value commitments delivered through our bids

During the delivery of our public sector programmes, our social value team work with our customers to look for ways we can support the local community. This may be by upskilling their learning opportunities, supporting those who might be digitally excluded and helping empower the next generation in STEM-related careers.

## Our work with Oxfordshire County Council

Neos Networks has recently completed the installation of 192 new telecoms connections across Oxfordshire. Since 2021, when the project began, we wanted to play an active role within the local communities to promote stronger communication networks, enabling residents to get the best out of online resources.

As part of our social commitment, we've donated £20,000 to Oxfordshire City Council to invest in state-of-the-art equipment in public spaces to help upskill the community and remove any barriers to career and learning opportunities.

This year, we also supported Age UK Oxfordshire during one of their community-based schemes to help reduce digital exclusion. During the event, held in Goring, Berkshire, a few Neos employees supported residents with basic IT guidance, assisting older residents with day-to-day enquires such as how to use NHS booking apps, BBC Sounds and other online services.

# Our work with Nottinghamshire County Council

Our social commitment across the two-year contract was to provide STEM-based workshops across a number of schools in the Nottinghamshire area. This includes providing a levelling-up scheme to help improve the future for children in the surrounding areas.

Due to the location, Neos outsources the STEM workshops to a fantastic charity called EDT (eTrust), whose Patron is His Majesty King Charles III. The scheme aims to increase diversity and inspire young people through industry-based experiences to become part of the workforce of the future.

The four workshops were delivered to over 188 primary school-aged students across Nottinghamshire. They provided a hands-on approach, allowing students to build their confidence with STEM skills and understand the types of roles available to them. Skills developed include:

- **Communication**
- **Teamwork**
- **Problem-solving**
- **Confidence**
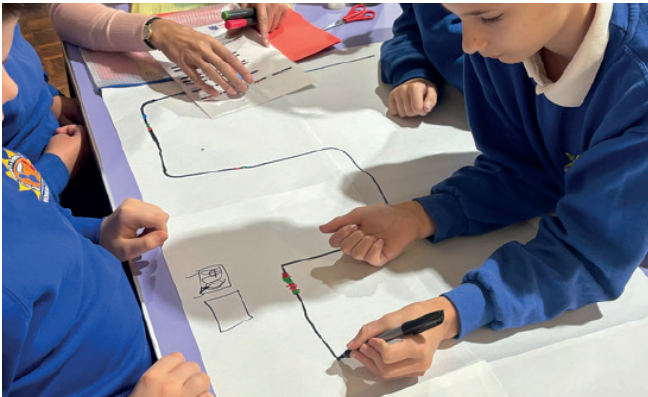
"This fantastic opportunity allowed them (the students) to ask questions and find out about real jobs within the STEM sector, which teachers praised for being an invaluable experience for their students."
Amy Coughlan, Head of Programmes Development & Delivery - EDT Teacher

Neos was also a proud sponsor of the Nottingham Festival of Science and Curiosity, which took place across the city in February 2025.

The event was a fantastic opportunity for students to get involved in STEM-based events, helping to educate them in subjects not typically delivered within their educational settings.

**87%** of students said that this workshop has given them the confidence that anyone can have a STEM career if they want to

**87%** of students said that they would now consider studying STEM in the future
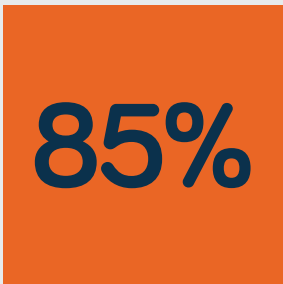
**85%** of students said that the workshop improved their teamwork skills

**77%** of students said that the workshop improved their communication

# Culture

## "Get to know our network" days

We regularly invite employees from across the business to attend different sites to help widen all employees' understanding of how Neos Networks operates. In the summer, we held several events where colleagues could spend some time "getting to know our network".

We hosted two tours, one at a commercial data centre and the other at a site owned by Neos Networks. During the visits, several demonstrations took place, and employees were walked through how our network is run and how this impacts day-to-day activity. Colleagues also got the opportunity to meet each other in a different environment and across different departments.



## Learning and development

This year we're funding eight employees undertaking external qualifications through our apprenticeship levy (approximately a £31,000 investment).

We've also spent £148,000 on internal and external training, including external learning platforms such as LinkedIn Learning, CBT Nuggets, Articulate and iHASCO courses.

# Practices

# Data and cyber security

As the world evolves through periods of rapid technological change, our data and cyber security teams have been working hard to ensure our systems are secure – an increasingly important element of sustainability.

Neos Networks fell in scope of the Telecoms Security Act (TSA), which is governed by Ofcom. To date, Ofcom has been satisfied with our responses against 67 code of practice measures that included, 184 unique questions. An ongoing security improvement program is in progress to further support our continued effort to maintain our security posture and uphold the TSA. By complying with the TSA, Neos Networks continues to assist the UK's critical national infrastructure and its customers.

Neos Networks was also recently successful with certification against the latest ISO 27001:2022 framework: Information Security.

Security awareness training is a continuous program within our business. Phishing exercises are completed regularly throughout the year. This is augmented with regular communication and education on the importance of cyber security to protect Neos Networks and our customers. A recent phishing simulation showed that 11% of our business didn't spot basic signs that an email was a phishing attempt, 17% of our business reported, 28% deleted, whilst 44% did nothing at all. These exercises highlight where understanding is growing and the need to continue  to improve our awareness.

**0**

Reportable data privacy incidents last financial year

**0**
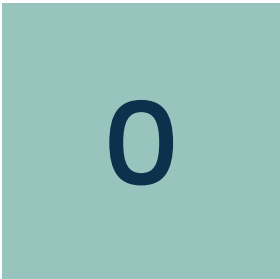
Reportable cyber security incidents last financial year

**CYBER ESSENTIALS**

**CERTIFIED**

# Governance and responsibility
## Compliance and assurance

### Audits we have successfully completed this year

**ISO 9001:2015**
Quality Management System

**ISO 14001:2015**
Environmental Management System
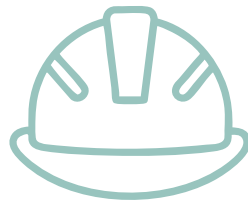
**ISO 45001:2018**
Occupational Health and Safety

**ISO 45003:2021**
Psychological Health and Safety Management System

**ISO 27001:2022**
Information Security Management System

Neos Networks, like many other businesses within our industry, has undertaken an organisational restructure in the last year.

Our Employee Consultation Forums (ECFs) played a crucial role during this time, providing support and advice to all colleagues.

The ECFs represent all employees, with volunteers standing for election and members chosen by the employees themselves. The elected members alongside our Trade Union partner ensure everyone has a voice and is appropriately represented to senior management. They've worked hard to identify and shape new roles within the business, supporting retention and redeployment where possible.

"At Neos Networks, strong governance and responsible business practices are at the core of how we operate and grow. We believe that effective ESG governance is not just about compliance – it's about driving long-term success through transparency, accountability and ethical decision-making. By embedding sustainability into our business strategy, we create lasting value for our stakeholders, uphold the highest standards of integrity and ensure we remain resilient, responsible and ready for the future."

**Craig Forrester, CFO**

# Safety and wellbeing

Our policies outline our commitment to manage and safeguard the safety and mental wellbeing of all stakeholders.

We continue to rigorously maintain our Safety, Health and Environment (SHE) Management Systems, and in October 2024 secured ISO certification as an Integrated Management System (IMS) for SHE across:

**ISO 14001**
(Environmental Management)
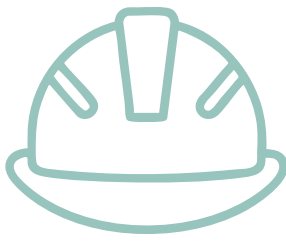
**ISO 45001**
(Occupational Health and Safety)

**ISO 45003**
(Psychological Health and Safety)

Our Integrated Management System and framework are underpinned by our goals: zero harm, zero net carbon & and zero compromise, putting safety, health and the environment first.

We recognise the key to building a strong health and safety culture is providing appropriate instruction and guidance, together with ownership and accountability. To achieve this, we use several forms of employee engagement, including training, briefings and surveys. We also regularly carry out personal Display Screen Equipment (DSE) checks for our office, remote, and field workers to prevent work-related accidents, injuries or ill health.

We recently introduced The Safety Hub, a safety management system, that makes logging information easier. It's designed to simplify our safety processes, providing us with a platform more suited to our operations. This can be used by everyone in the business and is tailored to exactly what we need, adapting to the changing landscape of our industry. It also helps us stay compliant with important safety certifications like ISO 45001, ROSPA, and the Contractors Health and Safety Assessment Scheme (CHAS), and ensures we meet all legal requirements.
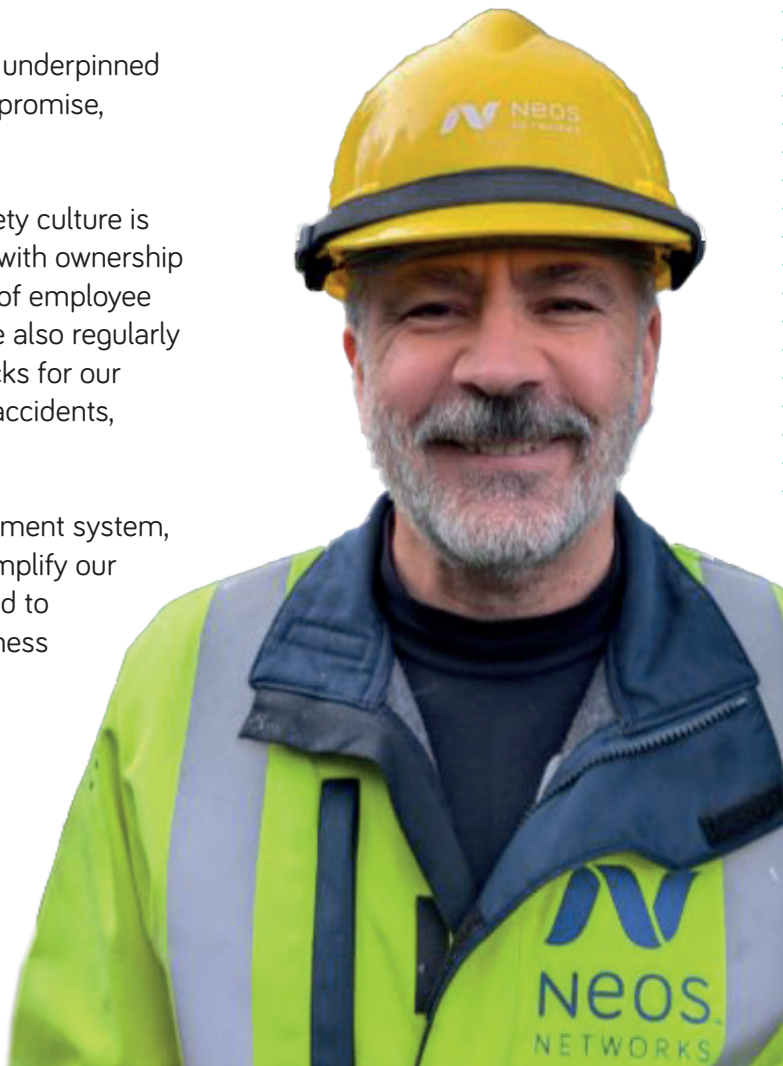
## Mental health and wellbeing

Physical health is important, but so is mental health. All employees have access to our EAP (Employee Assistance Programme) services. We've also invested in training and support, and we have several mental health first aiders within our workspaces. We run regular workshops internally for managers and employees to gain a better understanding of mental health and, for managers, how to support and signpost employees to the right services. This is supported by regular brew Monday sessions where all are welcome to join and connect.

We now have an internal Hatha Yoga instructor who hosts weekly lunchtime yoga sessions. These are based on balancing the body and mind and uses gentle stretches, poses and breathing techniques. Employees have enjoyed many health benefits through these sessions, including better awareness of our mental health and the present moment. Hatha Yoga is an inclusive routine as it can be practiced in all environments and is suitable for all levels.

# ESG performance
## April 2024 - March 2025

Summarising our performance
against our internal ESG objectives,
as defined in our ESG framework

# ESG objectives performance

Measuring the outcomes of our activities during the first year of Phase two of our ESG Framework objectives

| ESG Focus Areas | Targets Phase 2 (year 1) - FY24 | End of FY25 summary |
|---|---|---|
| Equality, diversity and inclusion (EDI) | • One EDI awareness activity per quarter<br>• Workday personal data increase (+25%)<br>• Review our personal data capture process during the recruitment process<br>• Review of Neos recruitment process, policies and job descriptions to support inclusivity | Awareness activities continue<br>Ongoing<br>Ongoing<br>Ongoing |
| Stakeholder & community | • Volunteer days increase<br>• Increase our social value contributions (+25%) | Volunteering days total = 72.5 days<br>Social value contributions = FY25 Delivered: £122,318.00<br>(86% increase from FY24) |
| Culture | • Embed ESG/sustainability external educational content within workforce and collaborate with suppliers, i.e. Supply Chain Sustainability School<br>• Embed ESG/sustainability external educational content within workforce and collaborate with suppliers, i.e. Supply Chain Sustainability School<br>• To complete employee survey once a year with data reviewed externally | ESG e-learning launched – 99% compliance in FY24<br>ESG requirements identified in all governance decks<br>GPTW survey < 80% |
| Environmental action | • No environmental incidents<br>• Establish carbon offsetting with biodiversity upside<br>• Embed environmental awareness training | One third-3rd party incident mitigated against for future<br>Ongoing<br>Planned for Spring 2025 |
| Climate impact | • Review climate scenario & and transition risk analysis<br>• EVs (cCommercial) and charging progress<br>• Enhance Scope 3 reporting (>5 key categories)<br>• Encourage emissions reduction/energy efficiency | Ongoing<br>Ongoing<br>Ongoing<br>Ongoing with recent improvements made to reporting |
| Waste management | • Embed WEEE recycle/reuse framework<br>• Embed supplier waste carrier notice reporting<br>• Embed office waste reporting and & waste reduction | Established and performant<br>Established and performant<br>Established and performant |
| Data & cyber security | • No ICO- reportable GDPR incidents or data breaches<br>• TSA gap analysis complete<br>• Complete business continuity | No reportable GDPR incidents or data breaches<br>TSA gap analysis complete<br>Business continuity exercises every six months, minimum |
| Governance & responsibility | • Continue to align to ISO certifications<br>• Improve ESG ratings for customer and shareholder reporting | All ISO certificates maintained<br>Ongoing |
| Safety & wellbeing | • Maintain Employee MH First Aider Awareness Training (including one fully trained employee in Field/Operations)<br>• Include Occupational Health and Wellbeing group objectives into new ESG Working groups | Eight MHFAs fully trained<br>Complete |

# Appendix
# ESG reporting

# SECR - streamlined energy & carbon reporting
## Summary of Neos Networks' assessment

In accordance with Streamlined Energy & Carbon Reporting (SECR) requirements, here's a summary of the greenhouse gas (GHG) emissions and energy data for the business during the year ending 31 March 2025.

**GHG emissions (Scope 1 and 2) (tCO2e) including renewable energy (market-based) =**

## 1386.06

GHG emissions (Scope 1 and 2) (tCO2e) excluding renewable energy (location-based) = 706.33

**Total energy consumption (GWh) of which is renewable energy =**

## 13.06

**Total energy consumption (GWh) of which is non-renewable energy =**

## 1.03

(which is reportable under Scope 3 as leased assets)

# TCFD (Task Force on Climate-related Financial Disclosure)

## TCFD report – FY25 – Page 1 of 3

Note: TCFD reporting is not yet formally required to be provided by Neos Networks, as we do not yet meet all compliance criteria. However, as part of our journey to ESG maturity, we elected to produce an initial summary and assessment for FY24, which we have revised and updated for FY25, to inform future Climate Scenario and Transitional Risk Reporting requirements.

| Item | Summary |
|---|---|
| **GOVERNANCE**<br>Governance arrangements in relation to assessing and managing Climate Scenario and Transitional Risks (Threats and Opportunities) | • Principal Business Risks are reported to, and reviewed by, the Audit, Risk & Compliance Committee (ARCC) – a subcommittee of the Neos Networks' Board. These Principal Business Risks are first developed and agreed with the Neos Networks Executive Committee.  Principal Business Risks are developed, agreed, reported and reviewed at least twice a year, ideally quarterly. The Principal Business Risks Register (PBRR) is maintained by the Director of Governance & Assurance.  The Business Safety, Health & Environment (SHE) Risks are reported to, and reviewed by, the SHE Committee – a subcommittee of the Neos Networks' Executive Committee.  These Business SHE Risks are first developed and agreed with the Head of SHE and the Director of Governance & Assurance.  The Business SHE Risk Register is developed, agreed, reported and reviewed quarterly.  The Business SHE Risk Register is maintained by the Head of SHE.<br>• The ARCC comprises four of the seven Board Members, and the ARCC reports to the Board quarterly. |
| **RISK MANAGEMENT**<br>Method of identification, assessment, and management of Climate Scenario and Transitional Risks (Threats and Opportunities) | • Neos Networks' Risk Management Framework (COR-REF-026) and Procedure (PMO-PRO-001) detail the systems and processes for Risk Management across the Business.<br>• The Neos Networks Risk Management Framework comprises three tiers, which facilitate an escalation pathway: Tier 3 – Project Risks, up to Tier 2 – Departmental Risk, up to Tier 1 – Principal Business Risks.<br>• Tier 3 Risk Registers are reviewed as required – typically at least monthly.  Tier 2 Risk Registers are reviewed as required – typically quarterly.  Tier 1 (PBRR) is reviewed twice a year.<br>• Climate Scenario and Transitional Risks are included in: the Business SHE Risk Register and the Principal Business Risk Register and are identified as key risks in the Risk Management Framework. |
| **RISK FRAMEWORK**<br>How processes for identifying, assessing, and managing Climate Scenario and Transitional Risks are integrated into the overall Risk Management Process | • Neos Networks' Risk Management Framework explicitly states within the Objectives the requirement to ensure 'due consideration and prioritisation of … Climate-change Threat Management', and within the associated Risk Appetite Statement: 'Climate-change: Neos Networks recognises the increasing threat to Network infrastructure from Climate-change.  Accordingly, Climate-change Risk Management is adopted as standard in our Risk Appetite planning and execution.'<br>• Climate-related Risks are assessed at Project (Tier 3), Departmental (Tier 2 – SHE Risk Register) and Tier 1 (PBRR).<br>• Risk Management within Neos Networks is overseen by the Director of Governance & Assurance, whose Business Assurance, SHE and PMO Teams collectively provide oversight and routine assessment of Tier 3, 2 and 1 Risk Registers. |

# TFCD (Task Force on Climate-related Financial Disclosure)

TCFD report – FY25 – Page 2 of 3

| Item | Summary |
|---|---|
| **PRINCIPAL CLIMATE RISKS**<br>The principal Climate Scenario and Transitional Risks (Threats and Opportunities) of the business and the time periods by reference to which those risks and opportunities are assessed | • Climate-related Risks are considered against the Operational Life of an asset (typically up to 25 years), though Climate-related Scenario Modelling for our Critical National Infrastructure assets was undertaken for the scenarios on an 80-year horizon for the years 2020, 2050 and 2100 for IPCC Climate Scenarios representative concentration pathways (RCP) 2.6 (Low) and RCP 8.5 (High) (aligned to TCFD physical risk modelling methodology) across eight major climate perils.<br>• Principal Physical Climate Risks are assessed as: i) Flood (inundation caused by sea-level rise or terrestrial river overspill due to increased rainfall); ii) Storm (in particular damage to exposed structures from high wind speeds or significant winter conditions); or, iii) Fire (increased summer temperatures and aridity resulting in heightened risk of fire and damage to structures and operations).<br>• Principal Physical Climate Risk Mitigations are proposed as: i) identification of Sites at risk from Flooding, for subsequent assessment of appropriate remediation (Site-specific flood defence or relocation to lower-risk Site) – Medium- to Long-Term Risk; ii) review of structural designs, for subsequent assessment of appropriate remediation (structural strengthening or relocation to a lower-risk Site) – Medium- to Long-Term Risk; iii) review of infrastructure proximity to fire risk, for subsequent assessment of appropriate remediation (improved fire retardation/suppression or relocation to a lower-risk Site) – Short- to Medium-Term Risk.<br>• Principal Transition to Net Zero Risks are assessed as: i) Scope 1 Emissions – inability to secure adequate Commercial Fleet with appropriate EV capability – (Vans and 4x4s, Range and Charging Infrastructure) – undermining Net Zero Pledge target of 2030 or impacting Operational Business – Short- to Medium-Term Risk; ii) Scope 2 Emissions – Risk Mitigated in FY23 with securing Renewable Energy Guarantee of Origin Certificates (REGOs) – no Risk; iii) Scope 3 Emissions – a) Securing REGOs, b) Business<br>• Travel efficiency, c) Commuting logistics, and d) Supply chain (Upstream) Manufacturing and Distribution reporting maturity – Short- to Medium-Term Risk.<br>• Principal Transition to Net Zero Risk Mitigations are proposed as: i) Scope 1 – EV Strategy developed, with Fleet Tender considering FY24-FY27 (for Vans) and FY27-FY30 (for 4x4s) as Phased implementations to allow Technology (Range) and Infrastructure (Charging) to mature; ii) Scope 2 – continue/maintain REGOs; and iii) Scope 3 – a) continue to engage Supply Chain to secure REGOs, b) implement low-travel periods and migrate from flights to trains, c) support sustainable solutions, and d) engage Supply Chain and support their maturity. |
| **RISK IMPACTS**<br>The actual and potential impacts of the principal Climate Scenario and Transitional Risks (Threats and Opportunities) on the business model and strategy | • Principal Physical Climate Risks all identified as negative (threat) impact due to potential for interruption to Telecommunications Network Infrastructure or Cost to Mitigate.<br>• Principal Transition to Net Zero Risks primarily identified as negative threat due to potential to fail to deliver on Net Zero in Pledged timescales and reliance on Supply Chain to deliver, though some positive (opportunity) to reduce Operational Costs, secure Customers with strong Sustainability principles and influence (leadership) with Supply Chain. In particular:<br>   • Reduction of Water Resource usage/consumption at Offices, through implementation of appropriate measures (landlord-led). |

# TFCD (Task Force on Climate-related Financial Disclosure)

TCFD report – FY25 – Page 3 of 3

| Item | Summary |
|---|---|
| **RISK IMPACTS**<br>(Cont/d from previous) | • Efficient Buildings – reduction in energy consumption at Offices through implementation of appropriate measures (landlord-led), e.g. PIR Lighting, LED Lighting.<br>• Waste Management – reduction in waste volumes through adoption and increase in reuse and recycling<br>• Reduction/Cost – through adoption of the above measures.<br>• New Markets – review of potential new markets, leveraging strong ESG/Sustainability Principles.<br>• Physical Infrastructure relocation mitigations may impact Neos Networks owned Sites as well as Third Party owned/managed Sites. |
| **RESILIENCE**<br>Analysis of the resilience of the business model and strategy, taking into consideration of different Climate-related Scenarios (for example, percentage of global temperature increase; gradual versus immediate emissions reduction) and Transitional Risks | • Scenarios modelled to date have been for 82# Sites identified as relevant to the Critical National Infrastructure services on our Network, whether owned or leased. Further scenarios are proposed for the remainder of our Network, to be undertaken in the period FY24 to FY27.<br>• Scenarios modelled for RCP 2.6 and 8.5, for the years 2020, 2050 and 2100.<br>• Scenarios were modelled by Marsh, on behalf of Neos Networks' Shareholder, Infracapital, as part of a wider Portfolio exercise for them.<br>• Eight Physical Perils were modelled for: Coastal Inundation; River Flood; Surface Water Flood; Extreme Heat; Extreme Wind; Wildfire; Freeze-Thaw; and, Drought-driven Subsidence.<br>• Inputs considered various asset attributes: location (latitude and longitude); criticality (L/M/H); reinstatement value; archetype (low-rise or high-rise structure); type (Office, Depot, Point of Presence, Exchange or Data Centre); ownership (Owned or Leased); attributes (coastal vs inland, urban vs rural, proximity to susceptible natural features (coast, river, etc), risk (L/M/H) of flood, storm or fire).<br>• Initial analysis completed in Q4 FY23. Detailed review of outputs to be completed in Q2 FY25 to inform next stage planning and mitigations.<br>• Of the 82# Sites modelled, 1 High Risk Site was identified for RCP8.5 in 2020 and 2050. In 2100, 3 Low Risk and 2 Medium Risk sites had increased to High Risk. These Sites are being prioritise for review, assessment and mitigation (noting that although there was 1 Site identified for 2020, against RCP8.5, as High Risk, it has not experienced any negative physical harm, and no immediate (Short-Term) threat is recognised at that location). |
| **RISK IMPACTS**<br>The targets used to manage Climate Scenario and Transitional Risks and to realise Opportunities, performance against those targets, the key performance indicators used to assess progress against targets and a description of the calculations on which performance indicators are based | • Mitigation priority will be to reduce any High Risk Sites (RCP8.5 2050 and 2100) to Medium Risk, in the Medium-Term, through appropriate measures (flood defence, structural improvements or Site relocation).<br>• Performance will be measured by a confirmed Risk-reduction, by re-running the scenario analysis with Mitigations applied.<br>• Given the small number of Critical National Infrastructure (CNI) Sites identified as High Risk against RCP8.5 in 2050 and 2100, it is proposed to progress detailed assessments, review and decision for appropriate mitigation over the period FY24-FY27, and implement approved mitigations FY27-FY30.<br>• As identified in the previous section, further Climate-risk Scenario Analyses are planned for FY24-FY27 for the remainder of our Network and Sites (ie. non-CNI).<br>• Below-ground fibre routes are considered to be at Low-Risk across the Network. |

## About Neos Networks

Neos Networks has the UK's largest business-dedicated network. With over 600 points of presence and 90 data centres nationwide, Neos provides high capacity critical connectivity for businesses, from telecoms and energy to banking and emergency services.

Agile and customer-focused with almost limitless scale, Neos enables emerging technologies like AI, 5G and IoT, making connectivity work for Britain.

enquiries@neosnetworks.com

+44 (0)345 070 1997