Nasstar Carbon Reduction Plan

Estates

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1.0	13/05/2022	David Hirst, Ainstyrisk	First Draft
2.0	16/05/2024	David Hirst, Ainstyrisk	Update for 2023
3.0	22/09/2026	David Hirst, Ainstyrisk	Update for FY2025 and FY2026 projections
3.1	16/10/2026	Shannon Huxley, Head of Risk & Compliance	Governance, strategy and quality review updates.
3.2	22/10/2026	Shannon Huxley, Head of Risk & Compliance	Board feedback amendments
3.2	30/10/2026	David Senior, CFO	Sign-off for publishing

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1 Overview

In 2019, the UK Government amended the Climate Change Act 2008 to require at least a 100% reduction in greenhouse gas emissions from 1990 levels by 2050. This is the UK's 'Net Zero' target.

Central government departments, executive agencies and non-departmental public bodies must conduct procurements in accordance with the Public Contracts Regulations 2015. Since 30 September 2021, new procurements have also been subject to Procurement Policy Note (PPN) 006, 'Taking Account of Carbon Reduction Plans in the Procurement of Major Government Contracts'. This requires in-scope organisations to consider suppliers' Net Zero Carbon Reduction Plans when procuring major contracts.

This document sets out Nasstar Limited's ('Nasstar') Carbon Reduction Plan ('CRP'). It has been prepared in line with PPN 006 and, in addition to confirming Nasstar's Net Zero commitment, reports the Group's Scope 1, Scope 2 and the specified Scope 3 emissions sources, and describes the environmental management measures in place that will be in effect and utilised during the performance of the relevant contract or contracts.

Nasstar provides integrated IT and communications services to a broad range of organisations. These include managed IT, cybersecurity, cloud, collaboration and communications systems, and self-service solutions, and managed network services. Each bidding entity, including GCI Network Solutions Ltd, relies on the Group's integrated operations to deliver the services offered.

Environmental performance is managed through a Group-wide environmental management system certified to ISO 14001:2015, which provides the governance, training, monitoring and reporting framework supporting the commitments in this Plan. As Nasstar has modernised its technology estate, the migration of workloads from legacy infrastructure and owned data centre environments to next-generation public cloud platforms has delivered significant operational efficiencies whilst reducing the carbon intensity of the Group's services. This transformation continues to reduce the greenhouse gas impact of services delivered to customers.

2 Commitment to Achieving Net Zero

Nasstar is committed to achieving Net Zero greenhouse gas emissions by 2050, as defined in this Plan. This commitment reflects our wider approach to responsible business — looking after our people, supporting our communities, putting customers first and doing our bit for the planet — with sustainability, fairness and good governance embedded in how we make decisions.

The Plan covers all wholly owned subsidiaries under Nasstar's operational and financial control, which are required to adopt and support it. Its objectives are aligned with Nasstar's strategic plans. The requirements and measures summarised in this CRP apply to the bidding entity, GCI Network Solutions Ltd, when delivering the relevant contract or contracts.

Our commitment is delivered in practice through our ISO 14001:2015-certified environmental management system, supported by training and reporting processes. Our platforms are sustainable by

design, using some of the most environmentally efficient public cloud technologies available, allowing us to reduce reliance on owned data centres.

Alongside this we have reduced office electricity consumption by 60% since 2022; we operate reuse, recycling and zero-to-landfill arrangements with our partners; we work with suppliers who share our environmental standards.

This Plan is reviewed and approved at least annually by the Board (or an equivalent senior management body). The approved CRP will be published on the Nasstar website and made available on request. It will be subject to version control, with links to previous versions publicly available.

3 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.

3.1 Baseline Year: 2021 (1st January – 31st December)

Organisational boundary considerations - Nasstar's global operations are conducted from business activities in the UK and supported (internationally) from an office in Cyberjaya Selangor (Malaysia). Nasstar's environmental commitments and targets for the business are set at a Group level. This document therefore describes the emissions data relating to Nasstar's UK and international operations.

This document covers Nasstar's full UK operational scope for the specified period including all UK legal entities within the Group who are all subject to the same carbon reduction commitments and initiatives laid out below. The carbon footprint of all legal entities is measured and included in the numbers presented below, and in general as part of the company's UK carbon footprint reporting. These subsidiaries are all subject to the same carbon reduction commitments and initiatives laid out below and includes GCI Network Solutions Limited.

Nasstar has historically acquired other companies. The acquired entities have appeared as wholly owned subsidiaries for between six months to two years after acquisition whilst the business is integrated into Nasstar. After integration is complete the entities are made dormant.

Nasstar's reporting period begins on 1 January and ends on 31 December in line with its financial year. Our baseline year for emissions was set for the financial year 2021 ("FY21"). During the baseline year Nasstar completed the acquisition of KCOM. KCOM's energy consumption and associated emission were significantly larger than GCI's. Since the initial CRP published in 2022 the baseline emissions have therefore been updated to include KCOM, and reflecting the use of 3rd party data centres in the baseline year.

This 2025 CRP is based on available data supporting the assessment of actual latest emissions, and updates outcomes from previous reports for FY 2025 (period 1 January 2025 to 31 December 2025).

Methodology

Our methodology for measuring our carbon footprint is compliant and done in accordance with the Greenhouse Gas Protocol. All emissions from greenhouse gases (GHGs), including those in the Kyoto Protocol basket of GHGs, are measured and converted into metric tonnes of CO2 equivalent (mtCO2e).

PPN 006 seeks emissions only from organisation UK based operations. However, given the nature of Nasstar operations it would not fully reflect the carbon footprint of the Groups UK operations to exclude emissions from operations in Malaysia and in Romania. For completeness these are calculated to be

- 2024 18.7 t CO2e / per year
- 2025 12.0 t CO2e / per year
- 2026 7.9 t CO2e / per year (forecast)

3.2 Details of Scope 1 and Scope 2 emissions

Emissions are reported under the GHG Protocol Corporate Accounting and Reporting Standard using the operational control approach. Scope 1 and Scope 2 emissions are calculated from invoice data and the UK Government's greenhouse gas conversion factors.

Scope 1 emissions arise from natural gas supplied to several sites and gas oil used in backup generators. All these sites, except the Salford data centre, are scheduled to close by 2027.

Scope 2 emissions arise from electricity supplied directly to office, administrative and operational sites. For 2030 onwards, we use an estimated grid carbon intensity of 150 gCO2e/kWh, based on projected actual trends, rather than the UK Government's Net Zero target of 50 gCO2e/kWh.

Where market-based information is unavailable, location-based results are used as a proxy, in accordance with the GHG Protocol.

3.3 Details of Scope 3 Emissions included

Scope 3 emissions represent up to 80% of many organisation's carbon emissions. There are 15 categories of Scope 3 emissions defined by the GHG Protocol. We describe below our approach to emissions for the five required PPN 006 In scope categories (4, 5, 6, 7 and 9 – refer to technical standard to PPN 006), and additional categories to reflect the additional emissions in other Scope 3 categories

Further details on the required Scope 3 categories plus additional category Scope 3 emissions will be included and published in future and subsequent annual reports.

Category of Emissions	**Description**
Category 1: "Purchased goods and services"	Allowance has been made for supply of electricity to third-party data centres These are directly interchangeable with emissions due to the operation of directly operated data centres and network sites. For transparency these are included. ***NOTE:*** *We have* ***not*** *included emissions attributable to "cloud computing" related services provided to the Group by MS Azure and AWS. These services replace the directly provided services and those from third party data centres.*
Category 3: Fuel- and energy- related activities not included elsewhere.	Upstream transportation and distribution losses to electricity supplied are included. (Re categorised from Category 4 - Upstream transportation & distribution)
Category 4: Upstream transportation and distribution	See fuel and energy related activities above.
Category 5: Waste generated in operations	The quantification of emissions associated with the disposal and treatment of waste generated in operations are included in this plan. These are also addressed as part of Nasstar's continuing ISO 14001 programme. Due to the site closure programme, there has been an increase over what was planned during 2025. N.B

Category of Emissions	Description
	the absence of details on waste transfer notices has required some weights and waste categories to be interpolated from available records.
Category 6: Business travel	Emissions due to the transportation of employees for business related activities during the reporting year (in vehicles not owned or operated by Nasstar) are included.
Category 7: Employee commuting	Estimated emissions are included for employee homeworking and commuting. We include the estimated emissions associated with staff working from home ("employee teleworking") to reflect the impact of the offices closure and downsizing on where the activities of the business are carried out.
Category 9: Downstream transportation & distribution	Nasstar and is a service provider and does not produce or distributes products. There is no scope 1 or scope 2 emissions from transportation providers, distributers, or retailers.

3.4 Baseline Year Emissions: 2021 (adjusted for acquisitions)

EMISSIONS	TOTAL (tCO_2e)
Scope 1	235.1 [Gas used in offices]
Scope 2	2,633.2 [Electricity used for operations & in offices]
Scope 3 **(Included Sources)**	21,1 [Business related travel] 1,125.5 [Third party data centres] 209.1 [Electricity T&D losses]
Total Emissions	4,224.0

4 Current Emissions Reporting - Reporting Year FY 2025 (1st Jan – 31st Dec 2025)

EMISSIONS	TOTAL (tCO_2e)
Scope 1	19.5 [Gas used in offices, gas-oil for back up gensets]

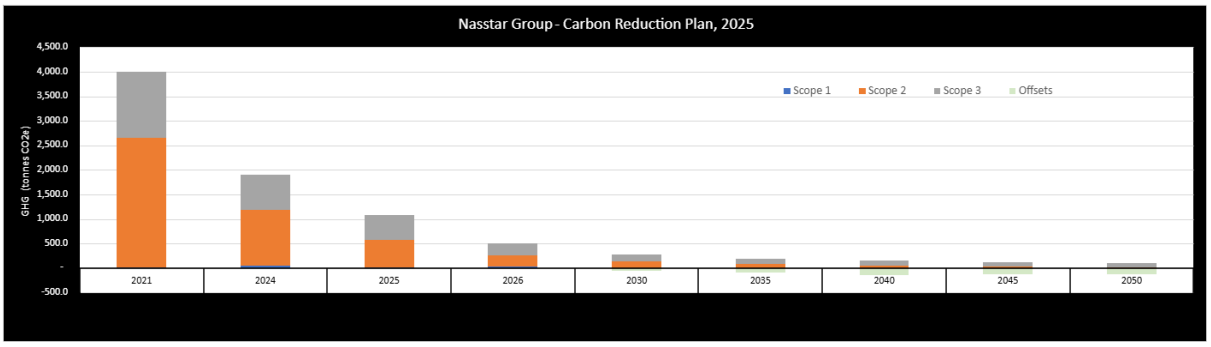
EMISSIONS	TOTAL (tCO_2e)
Scope 2	548.7 [Electricity used for operations & in offices]
Scope 3 (Included Sources)	80.1 [Category 6 - Business related travel] 295.7 [Category 1 - Third party data centres] 57.4 [Category 3, upstream Electricity T&D losses] 33.5 [Category 5 - Waste] - current estimate, data under review. Increased from 2024 and above forecast due to site closures. 36.4 [Category 7 - Employee commuting] - includes home teleworking and home to office commute.
Total Emissions	**1,071.3 t CO_{2e}**

5 Emissions Reduction Targets

Nasstar aims to achieve Net Zero emissions from UK activities by 2050. Our carbon reduction strategy, driven by a targeted rationalisation plan through 2030.

We now calculate 2025 in-scope greenhouse gas emissions at **1,071** tCO2e—down from the previously baseline target of **2,035** tCO2e. This reduction has been driven by the continued modernisation of our technology estate, migration to more energy-efficient cloud platforms, optimisation of our national network infrastructure, and improvements in operational efficiency.

The company's roadmap includes interim annual targets. After reducing emissions as far as practicable, we will use voluntary offsets to achieve Net Zero. Maintaining progress after the substantial reductions achieved to date will require a shift from the previous emphasis on site closures and operational rationalisation towards further targeted reduction measures.



The planned and forecast total in scope emissions are:

2025 **1,071** **tCO_2e** (actuals)

2026 **505** **tCO_2e** (projected, based on year-to-date actuals & current run rate)

2027 **382** **tCO_2e** (forecast)

2028 **320** **tCO_2e**

The forecast reduction between FY2025 and FY2026 is principally attributable to the final stages of network decommissioning, continued site rationalisation activity and associated reductions in electricity consumption.

6 Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented within Nasstar prior to the end of FY 2025.

- Progress continued on the decommissioning the KCOM long distance network.
- The Group continued its ISO14001 certification, with a reduced scope to sites remaining post network decommissioning.
- Electricity supplied to Salford DC has been confirmed as attributable to low-carbon sources. Contract runs to June 2027.
- The planned employee commuting and homeworking survey was deferred to allow organisational transformation activities to complete before reassessing working patterns and associated emissions.
- Existing halogen lighting no longer required was removed to ensure it could not be accidentally switched on
- Worked with third-party data centres service providers to rationalise the activities carried out on our behalf.

7 Future Carbon Reduction Programme (2026-2028)

Having achieved substantial emissions reductions through technology modernisation, network transformation, migration to cloud-based services and infrastructure optimisation, Nasstar's carbon reduction strategy will now focus on optimising remaining operations, improving emissions data maturity and embedding sustainability considerations within business decision-making.

Future reductions are expected to be delivered through four strategic workstreams: energy management, cloud and technology optimisation, supplier engagement, and operational sustainability.

7.1 Environmental Management System Maturity

Nasstar will continue to develop its Environmental Management System (EMS) to support the effective delivery of its carbon reduction objectives and broader sustainability commitments.

Key initiatives include:

- Transitioning and maintaining certification to the latest version of ISO 14001 following publication of ISO 14001:2026.
- Reviewing and enhancing environmental objectives, performance measures and governance arrangements as part of the transition programme.
- Ensuring environmental risks, opportunities and compliance obligations continue to be identified, assessed and managed through the EMS.
- Enhancing environmental awareness and competence across the organisation through targeted training and engagement activities.
- Leveraging the EMS to drive continual improvement in environmental performance and carbon reduction initiatives.

The Environmental Management System will continue to provide the governance framework through which environmental performance, carbon reduction activities and associated risks are monitored, reviewed and improved.

7.2 Energy and Facilities Management

Nasstar will continue to reduce emissions associated with its occupied sites through enhanced energy management and procurement activities.

Key initiatives include:

- Transitioning remaining occupied facilities to renewable electricity contracts where operationally feasible.
- Working with landlords and facilities providers to increase the use of renewable energy sources within shared and serviced locations.
- Implementing enhanced monitoring of electricity consumption to identify further energy efficiency opportunities.
- Conducting periodic reviews of site energy performance and consumption trends.

These activities are expected to contribute to the continued reduction of Scope 2 emissions whilst improving the organisation's overall energy efficiency.

7.3 Cloud and Technology Sustainability

As Nasstar continues its transition to cloud-based services, a greater emphasis will be placed on understanding and reducing the environmental impact of technology services.

Key initiatives include:

- Developing improved visibility of emissions associated with cloud service providers and hosted environments.
- Working with strategic technology partners to obtain supplier-specific emissions information where available.
- Incorporating sustainability considerations into technology architecture and infrastructure decisions.
- Identifying opportunities to optimise cloud resource utilisation and reduce unnecessary consumption.

This work will improve the maturity of Scope 3 reporting and support the effective management of technology-related emissions.

7.4 Supplier Engagement and Sustainable Procurement

Supplier emissions are expected to represent an increasingly significant proportion of Nasstar's carbon footprint as direct operational emissions continue to reduce.

To address this, Nasstar will:

- Engage strategic suppliers on sustainability performance and carbon reduction commitments.
- Encourage suppliers to establish and maintain their own carbon reduction targets.
- Consider environmental performance and sustainability commitments as part of supplier selection and review activities.
- Improve the collection and analysis of supplier emissions information to support future Scope 3 reporting.

These activities will help strengthen supply chain sustainability and provide a more complete understanding of Nasstar's indirect emissions.

7.5 Operational Sustainability and Employee Engagement

Nasstar recognises that employee awareness and operational practices play an important role in supporting long-term carbon reduction goals.

Key initiatives include:

- Promoting sustainable travel practices and reducing unnecessary business travel where appropriate.
- Supporting responsible use of technology and equipment throughout its lifecycle.
- Raising environmental awareness through employee engagement and communications activities.
- Encouraging sustainable working practices across business operations.

Whilst individually these initiatives may deliver relatively small reductions, collectively they support a culture of sustainability and continuous improvement.

8 Governance and Monitoring

Executive accountability for delivery of this Plan sits with the Chief Financial Officer. Operational oversight is delegated to the Head of Risk & Compliance, supported by relevant business stakeholders including Estates, Procurement, Technology and People teams. Progress against objectives, targets and key initiatives is reviewed periodically through Nasstar's management governance framework and reported to senior leadership as appropriate. The Carbon Reduction Plan and associated performance will be reviewed annually and submitted to the Board for approval.

Carbon emissions data is collected and validated through Nasstar's Environmental Management System. Data quality, calculation methodologies, assumptions and reporting outputs are subject to management review prior to publication. The effectiveness of environmental controls and reporting processes is monitored through the ISO14001 management review process and periodic internal audit activities where applicable.

During the planning period, Nasstar will undertake the transition to ISO 14001:2026 to ensure its Environmental Management System remains aligned with evolving environmental management best practice and supports the continued delivery of its carbon reduction commitments. Progress against transition activities and environmental objectives will be monitored through established management review and governance processes.

9 Expected Outcomes

Through delivery of this programme, Nasstar aims to:

- Continue the reduction of direct operational emissions.
- Improve visibility and reporting of indirect emissions, particularly across cloud and supplier services.
- Strengthen environmental considerations within procurement and technology decision-making.
- Enhance carbon reporting maturity and governance oversight.
- Maintain progress towards the organisation's long-term Net Zero objectives.

This strategic approach reflects the transition from large-scale infrastructure and estate rationalisation activities to a longer-term focus on operational optimisation, supply chain engagement, and sustainable business practices.

10 Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006, the associated guidance and the technical standard for completion of Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[1] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[2].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[3].

This Carbon Reduction Plan has been reviewed and signed off by a member of the board of directors:

Name & Role	David Senior, Chief Financial Officer
Date	30/10/2026

11 Appendices

[1] https://ghgprotocol.org/corporate-standard

[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

[3] https://ghgprotocol.org/standards/scope-3-standard