Net Zero Annual Report

Reporting Period: Jan' – Dec' 2024

• 2025 – 2026

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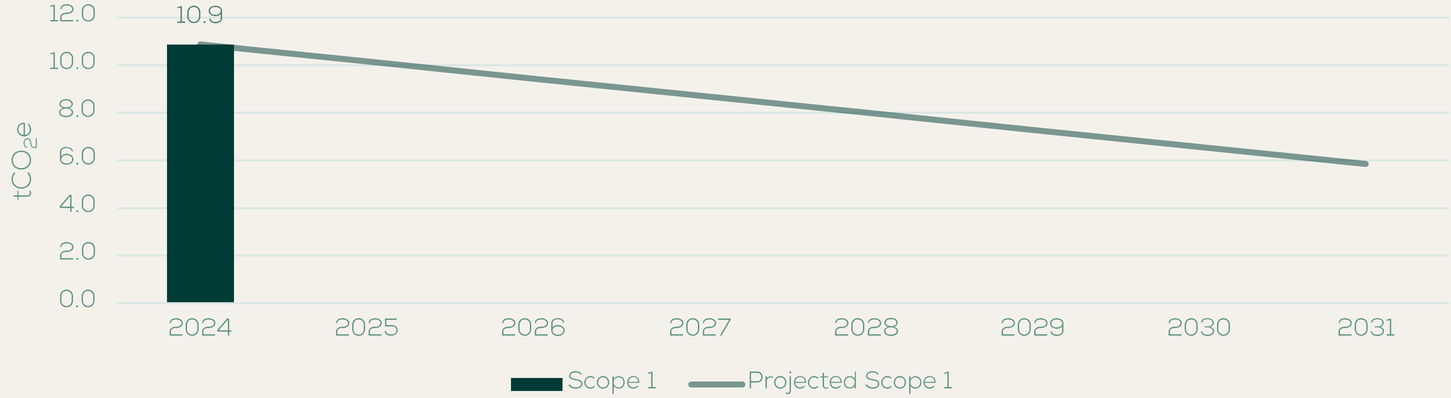
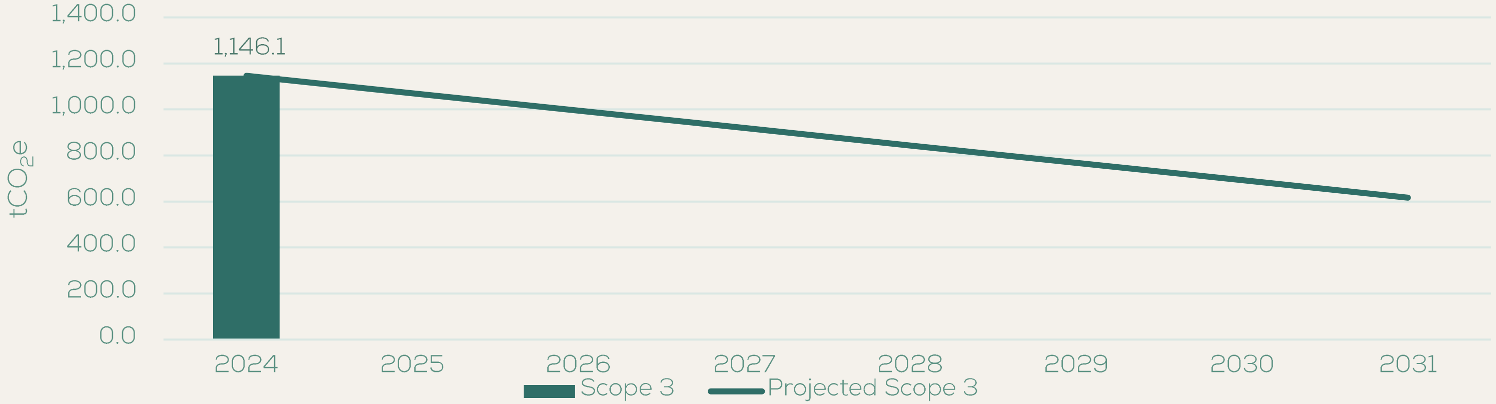
Executive summary.

Near-term linear emissions reductions targets to 2031 are shown below. These align with Science Based Targets initiative (SBTi) guidance on the rate of reduction required to keep limit global warming to 1.5°C.





Base year emissions 1,187.3 tCO_2e

We aim to be Net Zero by 2045, 5-years ahead of global minimums and aligned with the NHS's supplier roadmap.

Our highest emitting categories in 2024 were:

- Purchased Goods & Services
- Commuting & Homeworking
- Business Travel

By 2031 we intend to:

- Electrify the company fleet.
- Procure 100% renewable electricity.
- Reduce scope 3 emissions by 46.2%.

Contents

Our why

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Why we're taking action.

At BCN we believe that technology has the power to shape a brighter future for all. Through monitoring and addressing our emissions and aligning with the latest science-based targets for reduction, we aim to create a greener future. Together we aim to redefine technology's potential, having a positive impact within our sector and the wider global community.

We are passionate about the role of transformative technology and the benefits it can bring to our customers organisations, our own business and how it can positively impact society more broadly. By partnering with BCN, customers are partnering with a company that believes in a shared, ethical vision for technology. Our commitment to Net Zero is a natural next step in leading the way toward a more sustainable technologically enabled future.

As a Microsoft solutions partner BCN have committed to the Microsoft Partner Pledge. This is comprised of five core goals focused on digital skills, sustainability, cyber security, responsible and ethical AI and diversity and inclusion. Our commitment to Net Zero and wider sustainability initiatives support various aspects of these goals, allowing us to

There is now overwhelming scientific evidence of climate change.

Greenhouse gas emissions have climbed to their highest levels in human history. We are not doing enough to respond to this crisis and limit warming to 1.5°C (the Paris Agreement's threshold to avoid the most catastrophic impacts for people and nature).

The latest climate report from the UN's Intergovernmental Panel on Climate Change (IPCC) offers a message of hope, a warning, and a challenge – and businesses have a crucial role to play in changing the course of our planet's future. The report shows that we already have solutions, in every sector, to halve emissions by 2030, in line with a 1.5°C pathway.

Risks and Opportunities

It is important that we acknowledge both the climate risks to business, and the opportunities presented by embracing environmental sustainability.

Risks

- Supply chain & data centre disruptions
- Human health risks (extreme weather and pollution)
- Evolving customer demands and industry standards
- Rapidly changing regulations
- Increased insurance costs
- Increased heating and cooling costs
- Reputational impacts

Opportunities

- Resilience to change
- Attract and retain talent and customers
- Develop innovative solutions and offerings
- Attract investment and grants
- Decrease insurance costs
- Optimise efficiencies, reduce costs
- Brand enhancement

Calculation methodology

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How we measure our footprint.

In devising a carbon reduction plan with the goal of achieving net zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our emissions are calculated:

Positive Planet has calculated BCN's greenhouse gas (GHG) emissions in line with the GHG Protocol, the globally recognised standard for carbon reporting. Emissions from relevant activities are categorised into scope 1 (direct), scope 2 (energy-related) and upstream scope 3 (indirect) emissions. Results are reported in tonnes of carbon dioxide equivalent (tCO_2e), which standardises the impact, or Global Warming Potential (GWP), of seven key greenhouse gases identified by the Kyoto Protocol. The diagram on page 10 helps to visualise where these emissions come from and how they fall within the scopes.

Calculations are based on data provided by BCN applied to UK Government issued emission factors, with spend data adjusted for inflation where needed. Where available activity-based data (e.g. energy consumption/distance travelled) has been prioritised; otherwise, a spend-based approach has been applied. Data reported to Positive Planet have undergone a high-level review but has not been completely verified to source.

For full methodological details, please refer to the Appendix.

Restating our emissions.

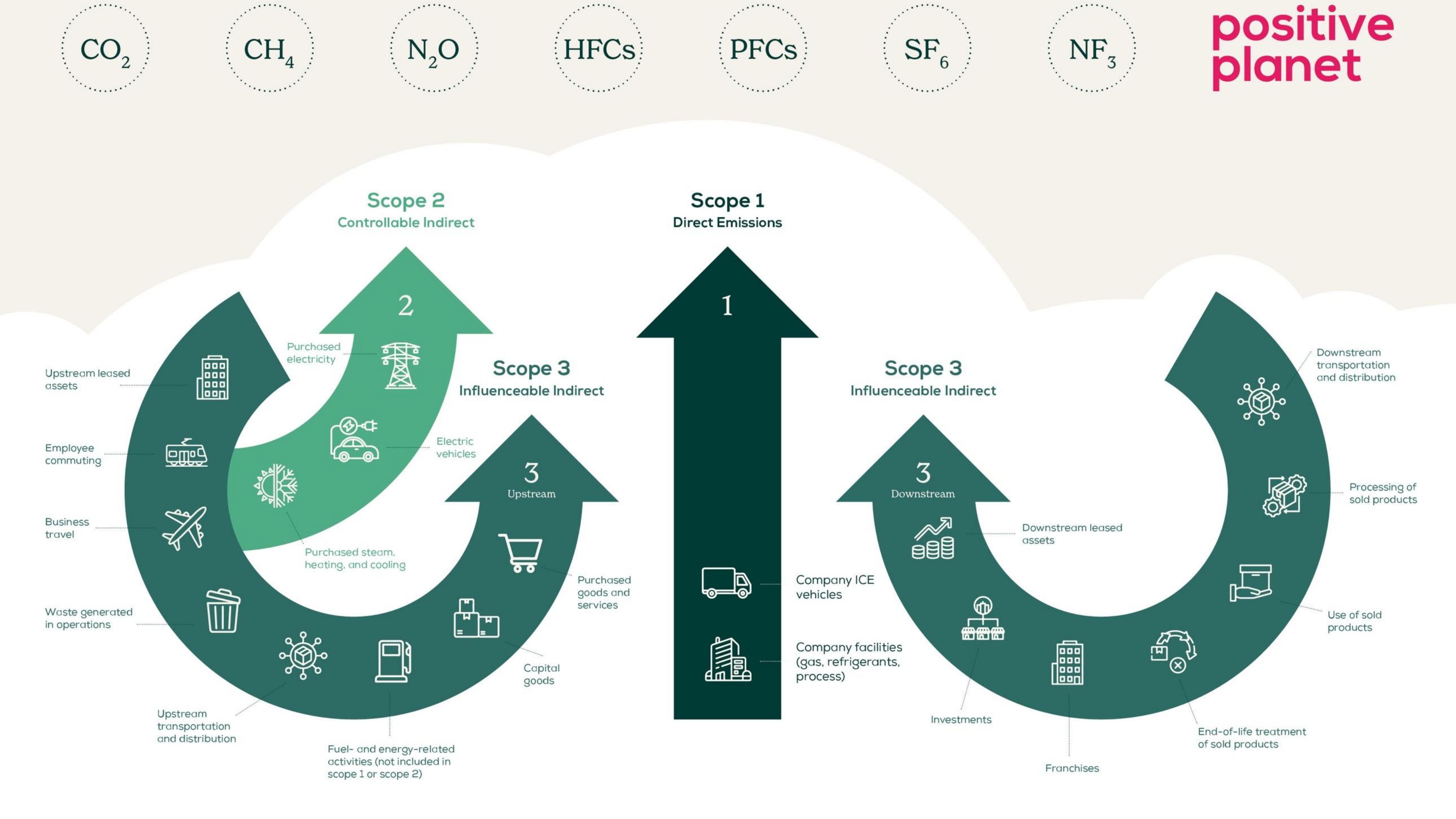
To ensure comparability between our 2024 base year, which future emissions reductions will be assessed against, and future reporting years it may become necessary to restate our base year emissions in line with changes to organisational structures, data availability, methodologies or emission factors.

Ensuring comparability:

Carbon accounting guidance and emission factors provided by external bodies such as DEFRA/DESNZ and the GHG Protocol may be subject to periodic change due to improvements in data availability, calculation methods and industry best practices. These changes are outside our control, however, we may need to remeasure and restate base year emissions occasionally to ensure comparability and alignment with current standards, maintaining the accuracy of reported emissions and the integrity of reported progress towards our Net Zero targets. This may also be necessary when organisational changes occur that have a significant (+/-5%) impact on our historic emissions.

Should restatement of emissions be necessary in the future, our approach will be to remeasure the base and penultimate year alongside the current reporting period.

For full methodological details, please refer to Appendix I.



CO_2
CH_4
N_2O
HFCs
PFCs
SF_6
NF_3
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Scope 2
Controllable Indirect
2
Purchased electricity
Electric vehicles
Purchased steam, heating, and cooling
Scope 1
Direct Emissions
1
Company ICE vehicles
Company facilities (gas, refrigerants, process)
Scope 3
Influenceable Indirect
3
Upstream
Upstream leased assets
Employee commuting
Business travel
Waste generated in operations
Upstream transportation and distribution
Fuel- and energy-related activities (not included in scope 1 or scope 2)
Capital goods
Purchased goods and services
Scope 3
Influenceable Indirect
3
Downstream
Downstream leased assets
Investments
Franchises
End-of-life treatment of sold products
Use of sold products
Processing of sold products
Downstream transportation and distribution

Our Net Zero targets

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What does Net Zero mean?

To achieve Net Zero best practise is to reduce emissions in line with science-based targets (SBTs). These align with the reductions needed to keep global temperature rises below 1.5°C, as per the Paris Agreement, and have been developed by the Science Based Targets initiative (SBTi).

Current guidance from SBTi states that **most businesses should reduce their total emissions across all scopes by 90%** by 2050 at the latest. Carbon removals should then be used to neutralise the residual emissions. Our Net Zero targets include all material business activities organised across scopes 1, 2 and 3.

Scope 1 Emissions

Direct greenhouse gas emissions that occur from sources owned or controlled by a company, such as emissions from combustion of fuels in on-site boilers, furnaces, or vehicles.

Scope 2 Emissions

Indirect greenhouse gas emissions that result from the generation of purchased electricity, steam or other forms of energy consumed by a company.

Scope 3 Emissions

All other indirect greenhouse gas emissions that occur in an organisation's value chain, including emissions from upstream and downstream activities.

What's the difference?

Net Zero

When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon Neutral

A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero Emissions

When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our near-term Net Zero targets.

To validate Net Zero targets SBTi requires organisations set near-term targets 5-10 years from the year of submission, this helps keep companies on track with the rate of reduction required to achieve long-term goals. We have set near-term absolute emissions reduction targets 5 years from the date of submission for validation by SBTi. Our 2nd target is set for 2030 in line with SBTi guidance around setting near-term targets for procuring renewable energy.

1. Reduce scope 1 emissions by 46.2% by 2031.
2. Procure 100% renewable energy across occupied offices and data centres by 2030.
3. Reduce scope 3 emissions by 46.2% by 2031.

Our emissions

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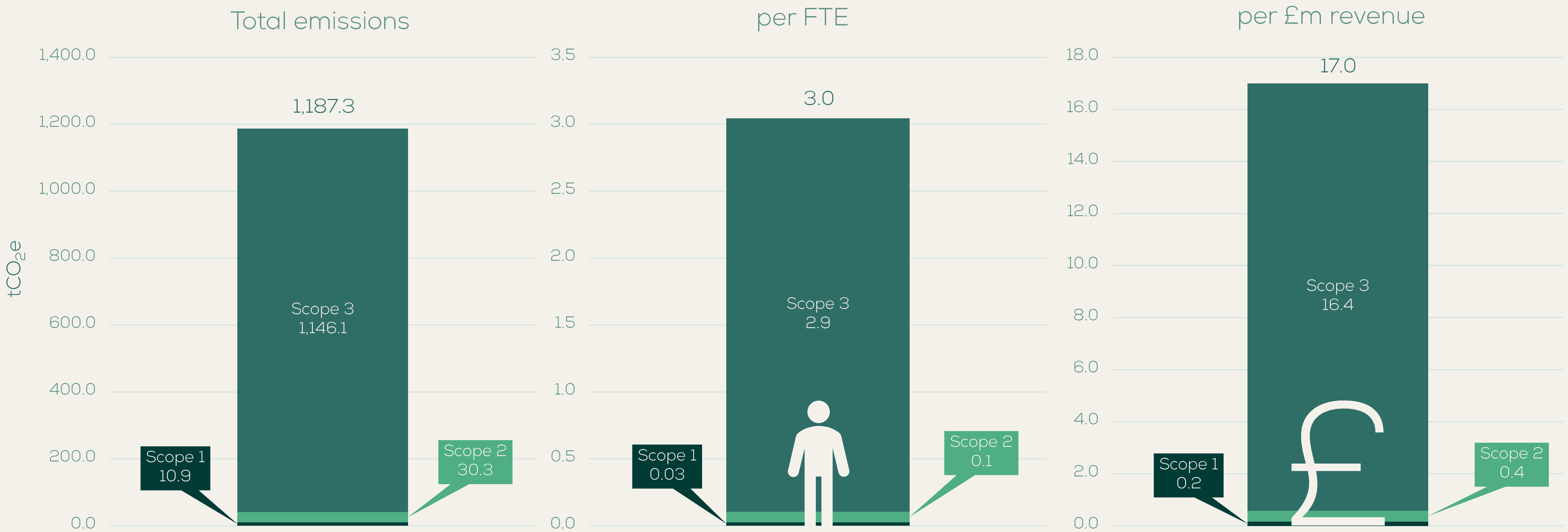
Base Year Emissions: Jan-Dec 2024

Total emissions	Scope 1	Scope 2 (market-based)	Scope 3
1,187.3 tCO_2e	10.9 tCO_2e	30.3 tCO_2e	1,146.1 tCO_2e



2024 Emissions by Category.

GHG Category	tCO_2e	% of total
Scope 1	**10.9**	**0.9%**
Stationary Combustion	8.5	0.7%
Mobile Combustion	2.4	0.2%
Scope 2 (market-based)	**30.3**	**2.6%**
Purchased Electricity	30.3	2.6%
Scope 3	**1,146.1**	**96.5%**
Purchased Goods & Services	441.2	37.2%
Capital Goods	40.4	3.4%
Fuel- and energy-related	103.3	8.7%
Transportation and Distribution	3.3	0.3%
Operational Waste	8.6	0.7%
Business Travel	136.3	11.5%
Commuting & WFH	372.2	31.3%
Upstream Leased Assets	40.9	3.4%
Total Emissions	**3,977.7**	**100%**

The 2024 reporting period is BCN's first complete emissions measurement and will act as the base reporting year against which future emissions will be compared. Here emissions are broken down by Greenhouse Gas (GHG) category as defined by the GHG Protocol.

Scope 1 emissions are derived from gas heating at our Belfast office and fossil fuel related emissions from a single hybrid vehicle operated by BCN. Efforts to address gas emissions and improve data quality and completeness for future reporting are outlined on pages 20-22.

Scope 2 emissions are related to electric and hybrid company vehicles as well as electricity supplied to our offices, with data centre energy accounted for under scope 3 - Leased Assets. Planned premises-related energy initiatives are detailed on page 20-21, with company fleet emissions addressed on page 23.

As is commonly the case for service-based organisations scope 3 emissions make up the majority of our emissions, with supplier-related emissions contributing significantly. Efforts to move away from a spend-based approach to quantifying these emissions, and reasons to prioritise this, are outlined on page 23. Remaining hotspots are discussed throughout the following pages.

What we’ve done

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Achievements to date.

BCN has been working to foster a culture of sustainability for many years, signing the Microsoft Partner Pledge in 2022 and continuously working to be better in every aspect of our operations. Prior to establishing a GHG emissions base year we have:

Internal Resource

Before engaging with Positive Planet BCN's Green Ambassador has led the way on raising internal awareness and engagement with energy saving and recycling initiatives across our organisation. They have also worked to change processes and suppliers where opportunities for sustainability-related improvements have been identified.

Employee Engagement

EV lease (at least 25 participants to date) and Cycle to Work schemes are available for all BCN employees, supporting individual decisions to engage in more active travel and/or make the switch away from fossil fuelled vehicles. Additionally, all BCN employees are entitled to take two volunteering days each year to support a charity of their choice.

Measuring & Managing

In 2025 we committed to measuring and reporting our business' GHG emissions annually and appointed Positive Planet to support with this. Allowing us to understand where our emissions come from, take action to reduce them and develop science-based targets to ensure we are striving for ambitious results.

Reducing our emissions

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Occupied premises.

Gas

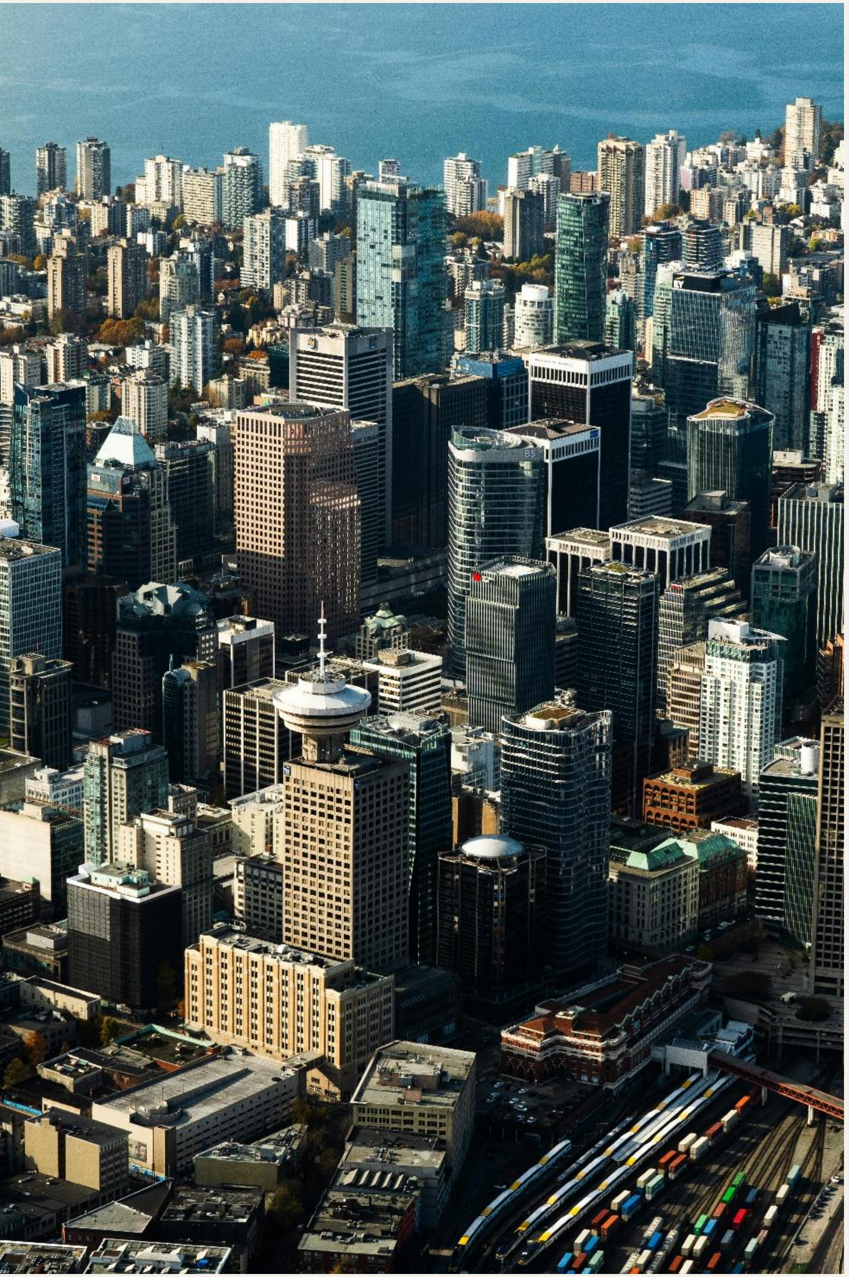
Scope 1 – Stationary Combustion emissions are derived from onsite gas heating at our Belfast office. BCN have no control over schemes to upgrade and/or replace gas heating systems here and as such we will be reliant on our landlord to implement plans to address gas reliance. Building sustainability improvement into discussions with our landlord will allow us to better understand whether our current premises aligns with our Net Zero commitments.

Should it become necessary the following page outlines key factors which will need to be considered to ensure any new premises we occupy align with our own sustainability goals.

Electricity

We are committed to securing 100% renewable electricity tariffs for all our occupied offices (Purchased Electricity) and managed data centres (scope 3 – Leased Assets) by 2030, in line with guidance from SBTi. This will bring premises-related market-based scope 2 emissions to zero.

We remain committed to reducing location-based emissions through energy efficiency improvements wherever possible. This will involve ongoing reviews of opportunities to improve office infrastructure (through internal or external energy audits), behavioural messaging and monitoring and consideration of equipment energy efficiency ratings whenever new assets are required.



New premises considerations.

Energy Management and Monitoring

- Does the building manager have ISO 14001 accreditation or similar demonstrable environmental management systems in place?
- Are they able to demonstrate tenant specific energy monitoring and reporting?

Electricity

- Preference should be given to premises with on-site generation.
- Where energy must be procured does management procure 100% renewable energy? Or, where utilities are arranged independently, are 100% renewable tariffs available for the premises?
- For older buildings, have renovations been completed to adopt low-energy and energy saving fixtures?

Heating

- Avoid buildings with fossil fuel derived heating systems as a priority.
- Is there opportunity to move into a property which benefits from a district heating scheme?
- Where district heating is not available preference will be given to buildings heated via renewable solutions such as heat pumps and solar.
- Where HVAC is in place ensure systems are well maintained to avoid any F-gas leaks. Where possible opt/push for systems containing gases with low Global Warming Potentials.

Company fleet.

Internal combustion engines

BCN operates a small fleet consisting of three battery electric vehicles (BEVs) and one self charging hybrid. Replacing the existing hybrid vehicle with a BEV upon maturation of current lease arrangements is dependent on driver preference as consideration must be given to charging availability. We will encourage the decision to switch to BEV ahead of the vehicle renewal date by engaging with the driver to explore blockers and solutions.

Once the remaining hybrid vehicle is transitioned to BEV scope 1 – Mobile Combustion emissions will reach zero, achieving a 22% reduction in scope 1 emissions from the base year.

Electric vehicle charging

Emissions associated with the generation of electricity used to charge company BEVs are currently measured using mileage data as charging occurs through roadside, at home and at our Manchester and Leeds offices.

Obtaining kWh consumption data from vehicles will facilitate improved oversight of charging sources and accounting methodologies which can incorporate renewable energy supplied via office chargers.

Supply chain emissions.

Purchased Goods and Services is BCN's largest area of GHG emissions, comprising 37.2% of base year emissions. Currently emissions is this category, and those accounted for under Capital Goods, are estimated using a spend-based approach. This means emissions estimates within this category are based on average industry emissions intensities and are intrinsically linked to annual spending, meaning they cannot tell us much about our specific supply chain.

Moving away from a spend-based approach through collecting and incorporating supplier specific sustainability information into our reporting is a key priority in addressing our emissions. This will facilitate the assessment of supplier ambitions against our own and reflection of their own achievements within our footprint.

Building sustainability into our processes

Incorporating sustainability criteria into existing procurement policies will lay the groundwork for fostering a sustainable supply chain. Engraining sustainability into internal processes will also allow us to effectively demonstrate and communicate our aims to suppliers, whether establishing new contracts or developing on existing partnerships.

Engaging suppliers

The development of a supplier engagement roadmap is required in tandem with internal policy reviews. This process will help us plan a phased approach to supplier outreach by identifying which suppliers to engage and when. We are in the early phases of incorporating ESG, including emissions, criteria within our supplier questionnaires and KPIs.

Desk-based study focused on collating publicly available sustainability information will also help us understand our supply chain's Net Zero maturity, allowing the development of more bespoke approaches.

Business travel.

Our Business Travel emissions are associated with employee mileage, rail & air travel and accommodation. These emissions are calculated using a spend-based approach for rail, air and accommodation, with mileage expenses used for personal vehicle activity.

The implementation of new systems during our next financial year will support collecting travel activity data (engine/fuel type, distance, ticket class), allowing us to carry out audits to review high mileage claims and the feasibility of alternate options for travel.

While working to improve data the development of a sustainable travel policy will further engrain responsible decisions into existing travel behaviours. This policy will outline a digital first approach and a hierarchy of transport modes to be considered where travel is unavoidable.

Employee commuting.

During our base year measurement employee surveying achieved a 30% response rate. Increased engagement is expected following communication of Net Zero targets and initiatives across the company, this will be supported by access to Positive Planet's employee engagement portal.

While we cannot dictate how employees commute to work, we already offer cycle to work and subsidised rail cards to facilitate active and sustainable commuting. Further opportunities to increase uptake and offer additional schemes will be reviewed regularly.

People & culture.

As an organisation, we aim to inspire positive change in every area of our work. We are responsible for maintaining positive relationships with our stakeholders – whether that's our team members, clients, partners, or our local community. BCN's Green Ambassador currently takes responsibility for driving sustainable conversations, though we recognise that wider engagement is needed to effectively incorporate sustainability into our day-to-day.

Building a sustainable workforce

It is important those contributing toward the implementation of reduction initiatives are equipped with the knowledge to confidently discuss and address sustainability. Training for colleagues responsible for managing BCN's facilities, procurement processes and internal policies is therefore a priority. With wider, less intensive, training for the wider staff base facilitating company wider support and engagement.

Building governance structures

Ensuring sustainability is discussed at all levels of the company is also intrinsic to the adoption and success of our Net Zero goals. Upskilling senior members of staff and adding sustainability to strategic agendas will support this goal from a top-down perspective.

Appendix

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Appendix I – Methodology.

<u>How We Calculate a Carbon Footprint</u>

Positive Planet's GHG emissions reports are carried out in accordance with the GHG Emissions Protocol Accounting and Reporting Standard. Using the most widely recognised and used emission standard in the world ensures all measurements, calculations and reporting are completed to the most consistent and accurate standards possible. Positive Planet was supplied information by BCN covering each of the emission sources included within their emissions inventory. Greenhouse gas emissions were calculated based on relevant emission factors. The provided data has been subject to high level review, but not verification to source.

Using the GHG Emissions Protocol Standard, business emissions are identified using three scopes of emissions. Seven Greenhouse Gases are calculated as part this emissions report, known as the seven Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential.

Throughout this document BCN's emissions are reported in tonnes of carbon dioxide equivalent (tCO_2e), which consolidates the different global warming potentials (GWP) of each gas. The GWP accounts for the variable potency and atmospheric lifetime of each GHG emitted and converts this to the equivalent amount of carbon dioxide over a 100-year period.

<u>Carbon Accounting Methodology Disclaimer</u>

Carbon accounting guidance and emission factors provided by external bodies such as DEFRA/DESNZ and the GHG Protocol may be subject to change periodically due to improvements in data quality, calculation methods, and industry best practices. As these updates are outside Positive Planet's control, we may need to remeasure and restate emissions occasionally for previous years to ensure comparability and alignment with current standards, maintaining the accuracy of emissions data and the integrity of Net Zero targets.

Where this is necessary in the future, our approach will be to remeasure the previous measurement year and base year, alongside the most recent measurement.

Appendix II – 2024 Emissions.

Total market-based
1,187.3

Total location-based
1,187.0

Scope 1	**10.9**
Stationary Combustion	8.5
Mobile Combustion	2.4
Fugitive Emissions	0.0
Process Emissions	0.0

Scope 2	**30.3**
Purchased Electricity (market-based)	30.3
Purchased Electricity (location-based)	*30.0*
Heat & Steam	0.0

Scope 3 (upstream)	**1,146.1**
Purchased Goods & Services	441.2
Capital Goods	40.4
Fuel & Energy related	103.3
Transportation & Distribution	3.3
Operational Waste	8.6
Business Travel	136.3
Commuting & Homeworking	372.2
Leased Assets	40.9

Scope 3 (downstream)
outside of scope