



NEC

Carbon Reduction Plan

...a Greener Future

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Table of Contents

Carbon Reduction Plan	3
Commitment to achieving Net Zero 2030	3
Baseline Emissions Footprint.....	3
Emissions Reporting	5
April 2020 to March 2021	5
April 2021 to March 2022	5
Emissions reduction targets.....	6
Carbon Reduction Projects.....	6
Declaration and Sign Off	7

Supplier: NEC Software Solutions UK Limited

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Carbon Reduction Plan

Commitment to achieving Net Zero 2030

NEC has committed to Net Zero by 2030. We will continue to monitor and review Greenhouse Gas data directly related to our operations under our control and indirect emissions generated as a consequence of NEC activities but not controlled or owned by us. NEC has implemented and achieved certification to ISO 14001 - Environmental Management Systems, this will ensure we have a suitable framework in place to ensure we meet our reduction targets.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and are the reference point against which NEC emissions reduction can be measured.

Baseline Reporting Year: 2019 - 2020

Additional Details relating to initial calculations.

The 2019 to 2020 reporting period data set the NEC baseline for future comparisons to be made. For the baseline period all Scope 1 and Scope 2 emissions have been recorded and only the below Scope 3.

- Scope 3 - Transmission and Distribution (Location Based)
- Scope 3 - Transport (Staff Business Mileage).

This will continue until the reporting year 1st April 2022 to 31st March 2023 when the additional Scope 3 reporting requirements will be captured.

It is important to note that due to the Coronavirus pandemic, results are unlikely to be representative of normal business periods due to office closures, reduced travel, and reduced energy consumption.

However, although this will likely result in a likely carbon increase once business returns to normal, this should still be in line with the trajectory of the carbon reduction commitment of Net Zero by 2030 due to initiatives implemented.

The baseline reporting, reporting year 1st April 2020 to 31st March 2021 and reporting year 2 April 2021 to 31 March 2022 reporting year includes:

- Scope 1 – Transport (Company Vans)
- Scope 1 – Purchased Natural Gas
- Scope 2 – 3rd Party Purchased Natural Gas
- Scope 2 – Purchased Electricity
- Scope 2 – 3rd Party Purchased Electricity
- Scope 3 - Transmission and Distribution (Location Based)
- Scope 3 - Transport (Staff Business Mileage).

Baseline Reporting Year: 2019 - 2020**Additional Details relating to initial calculations.**

The reporting year 1st April 2022 to 31st March 2023 and thereafter, will include:

- Scope 1 – Transport (Company Vans)
- Scope 1 – Purchased Natural Gas
- Scope 2 – 3rd Party Purchased Natural Gas
- Scope 2 – Purchased Electricity
- Scope 2 – 3rd Party Purchased Electricity
- Scope 3 - Transmission and Distribution (Location Based)
- Scope 3 - Transport (Staff Business Mileage)
- Scope 3 - Upstream transportation and distribution
- Scope 3 - Waste Generated in operations.
- Scope 3 - Business travel - flights, trains, taxis, etc.
- Scope 3 - Employee commuting
- Scope 3 - Downstream transportation and distribution.

For scope 3 category descriptions, please see Appendix A.

Baseline Reporting 1 April 2019 to 31 March 2020 emissions:

EMISSIONS	TOTAL (tCO₂e)
Scope 1	65.13
Scope 2	592.477
Scope 3 (Included Sources)	703.982 Scope 3 - Transmission and Distribution (Location Based) Scope 3 - Transport (Staff Business Mileage)
Total Emissions	1,361.589

Emissions Reporting

April 2020 to March 2021

EMISSIONS	TOTAL (tCO₂e)
Scope 1	61.907
Scope 2	346.080
Scope 3 (Included Sources)	104.375 Scope 3 - Transmission and Distribution (Location Based) Scope 3 - Transport (Staff Business Mileage)
Total Emissions	512.362
Reduction from initial reporting %	62%

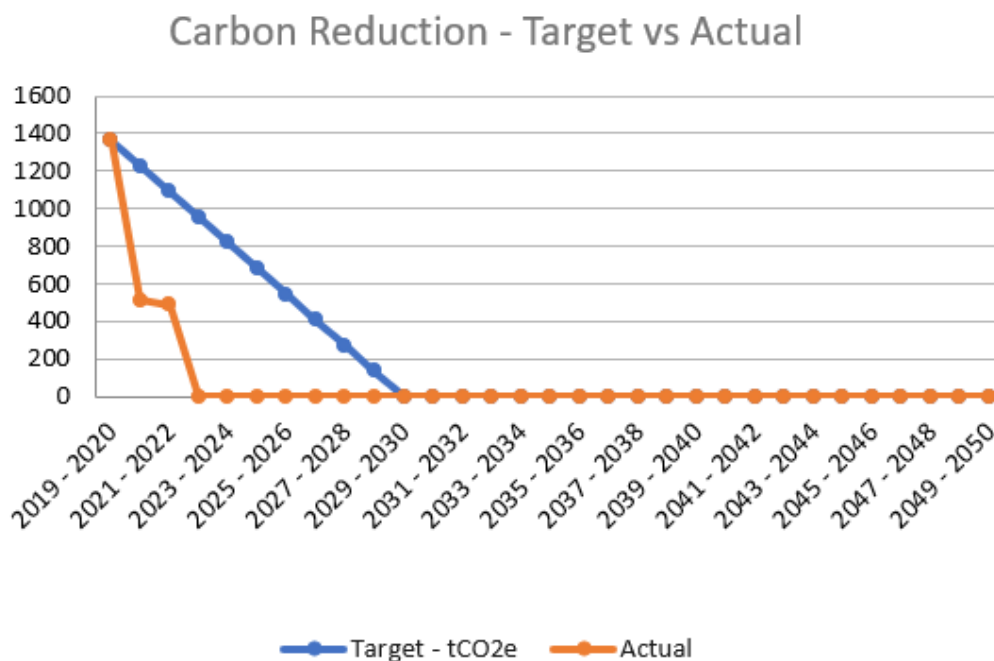
April 2021 to March 2022

EMISSIONS	TOTAL (tCO₂e)
Scope 1	103.402
Scope 2	227.866
Scope 3 (Included Sources)	156.603 Scope 3 - Transmission and Distribution (Location Based) Scope 3 - Transport (Staff Business Mileage)
Total Emissions	487.871
Reduction from initial reporting %	64%

Emissions reduction targets

Our target of 10% reduction from the baseline of 1316.2 TOTAL (tCO₂e) will equate to a reduction required of 136.16 tCO₂e each year up to 2030.

We project our carbon emissions over the next 5 years will reduce to 635.4 TOTAL (tCO₂e). This is a reduction of 50% from our baseline emissions.



Carbon Reduction Projects

We have implemented and achieved certification to ISO 14001, Environmental Management System. This has allowed us as an organisation to identify our significant environmental impacts and set suitable environmental objectives and targets which will ensure we achieve continual environmental improvement which will naturally be aligned with our Net Zero goal by 2030.

We have reduced our carbon footprint so far by:

- Installation LED lighting across office locations – reducing energy consumption and CO₂ emissions.
- Downsizing of office locations resulting in less energy use and CO₂ emissions.
- All energy that NEC sources directly will be green energy from October 2021.
- Reduce business travel through utilisation of technology.
- Video conferencing
- Sharing of documents
- Installation of conference facilities
- Enable working from home / flexible working arrangements
- Approval controls put in place for commercial flights
- Promotion of cycle to work scheme.

Future carbon reduction measures have also been identified in our environmental objectives and targets; these include:

- Installation of solar panels where feasible
- Continuing with the purchase of green energy.
- Swapping out gas boilers for low carbon hydrogen or other green technologies.
- Installation of electric vehicle chargers at feasible locations.
- Continuing to replace lights with energy efficient LED lights at end of life.
- Increasing awareness regarding minimising energy use.
- Scrutinising any new building for green building characteristics and making it a fundamental part of the business decision for premises selection.
- Introduction of an Electric Vehicle scheme.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards for Carbon Reduction Plans.

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

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

This Carbon Reduction Plan has been reviewed and signed off by the CFO who has ultimate responsibility for Environmental Management.

Chief Finance Officer:

Date: 16 March 2023

Appendix A - Scope 3 Category Descriptions

Scope 3 Category	Category description	Minimum boundary
4. Upstream transportation and distribution	<p>Transportation and distribution of products purchased by the NEC in the reporting year between a company's tier 1 suppliers and its own operations (in vehicles, and facilities not owned or controlled by NEC).</p> <p>Transportation and distribution services purchased by NEC in the reporting year, including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a company's own facilities (in vehicles and facilities not owned or controlled by NEC).</p>	<p>The scope 1 and scope 2 emissions of transportation and distribution providers that occur during use of vehicles and facilities (e.g., from energy use).</p> <p><i>Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure.</i></p>
5. Waste generated in operations	<p>Disposal and treatment of waste generated in NEC's operations in the reporting year (in facilities not owned or controlled by the reporting company).</p>	<p>The scope 1 and scope 2 emissions of waste management suppliers that occur during disposal or treatment.</p> <p><i>Optional: Emissions from transportation of waste.</i></p>
6. Business travel	<p>Transportation of employees for business- related activities during the reporting year (in vehicles not owned or operated by NEC).</p>	<p>The scope 1 and scope 2 emissions of transportation carriers that occur during use of vehicles (e.g., from energy use).</p> <p><i>Optional: The life cycle emissions associated with manufacturing vehicles or infrastructure.</i></p>
7. Employee commuting	<p>Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by NEC).</p>	<p>The scope 1 and scope 2 emissions of employees and transportation providers that occur during use of vehicles (e.g., from energy use)</p> <p><i>Optional: Emissions from employee teleworking.</i></p>

Scope 3 Category	Category description	Minimum boundary
9. Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company).	The scope 1 and scope 2 emissions of transportation providers, distributors, and retailers that occur during use of vehicles and facilities (e.g., from energy use). <i>Optional: The life cycle emissions associated with manufacturing vehicles, facilities, or infrastructure.</i>