NG Bailey

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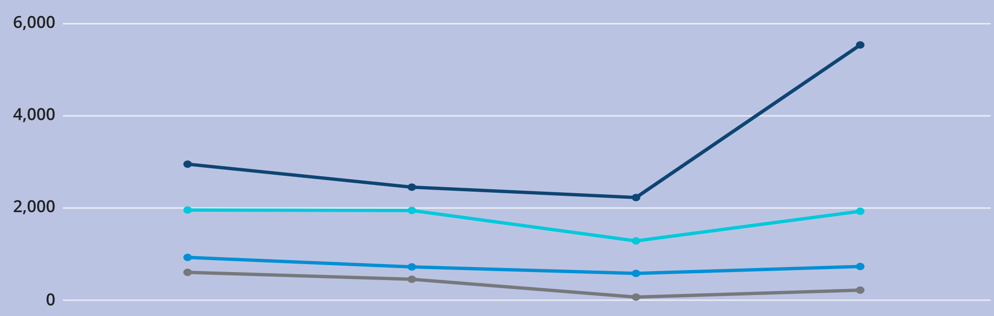
Our Carbon footprint – Reporting by Scope

CARBON EMISSIONS BY SCOPE (tCO_2e)



	2016/17	2017/18	2018/19 comparative performance	2018/19 revised Group performance
Scope 1	2952	2453	2228	5538
Scope 2 (location based reporting)	929	723	582	732
Scope 2 (market based reporting)	605	455	68	219
Scope 3	1957	1947	1287	1930

We recognise that it is important to report our environmental performance on a comparable and transparent basis and so we voluntarily report our absolute emissions by carbon scope. In the financial year 2018/19 our business structure changed materially due to the acquisition of Freedom therefore, we have reported our performance in two ways. The NG Bailey comparative performance reports on a 'like for like' basis with the 2017/18 financial year and reflecting the previous Group structure, but we have also reported our performance reflecting the revised Group structure, incorporating the Freedom business.

Our comparative total gross carbon footprint (location reporting) for 2018/19 decreased by 20% (absolute reduction: 1,026 tCO_2/e) from the previous year to 4,097 tonnes, resulting in a total 37% decrease from our baseline year. When we take into account market based reporting, our performance is equivalent to a 26% year on year reduction and a 45% reduction in our carbon emissions since baseline year. Following the acquisition of Freedom we have seen our total gross carbon footprint (location reporting) for 2018/19 grow to 8,201 tonnes of CO_2 , an increase of 60%, due to the expansion in our property portfolio and fleet. The Freedom business provides a range of mobile services and support to the national power networks and as a result has a larger fleet. The impact from these larger vehicles (in both size and capacity) has resulted in significant business travel footprint.

Scope 1 emissions (e.g. from gas, oil and LPG and directly owned fleet) on a comparative basis decreased by 9% to 2,228 tCO_2/e from the previous year resulting in a 35% reduction since our baseline year. These reductions were achieved by a reduction in mileage travelled from our owned fleet. However, following the acquisition of Freedom we have seen our scope 1 emissions increase to 5,523 tonnes of CO_2 , an increase of 126%, due to the increase in property portfolio and fleet The impact from their fleet has resulted in a significant carbon increase, however, in 2018/19 we made significant investments in the Freedom fleet introducing Euro 6 engines with stop/start technology. We hope to achieve a reduction in this impact in next year's reporting.

Our scope 2 emissions (e.g. purchased electricity), on a like for like basis (location reporting), have decreased for the sixth year running experiencing a further 20% reduction year on year, resulting in an overall reduction of 59% since baseline. We have continued to move towards our target of purchasing 100% sustainable energy and this year 70% of our purchased electricity for the revised Group structure was sourced from low carbon generation. When we take these purchases into account our market based reporting (like for like) has reduced by 95% since our baseline year, resulting in an impact of only 69 tCO_2/e. When accounting for the revised Group structure our total scope 2 emissions (location reporting) have increased by 1% as a result of the properties from Freedom.

Scope 3 business travel emissions (e.g. road, rail and air) reported on a like for like basis, have reduced by 34% since last year and experienced a 21% reduction since our baseline year. This reduction is the result of the integration of Skype into our business meaning non-essential travel can now be replaced with virtual conferencing and desk-top sharing. Following the integration of Freedom our scope 3 emissions have reduced by 1% but we hope to be able to introduce Skype into Freedom to continue to reduce our impact.