

# NCC Group

## Net Zero Strategy

nccgroup 

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# Our Commitment.

Taking urgent action to combat climate change and its impacts supports our purpose. Decarbonising our business and embedding climate considerations into our commercial offering are crucial elements in our support for the Net Zero transition.

We have embedded this commitment into our core objectives: to decarbonise energy use, develop sustainable solutions and support the Net Zero transition.

This year, we have appointed a new sustainability partner, **Positive Planet**, extended our scope 3 emissions reporting to include Purchased Goods & Services and Employee Commuting, and implemented some carbon reduction actions such as launching an EV Salary Sacrifice Scheme and appointing a new travel partner.

This Net Zero strategy outlines our key areas of focus for reduction activities, and contains details of our most recent carbon footprint measurement and progress with the target-setting process.

NCC Group are a global cyber security company trusted by the world's leading companies and Governments to help create a more secure digital future.

Founded in 1999, NCC is headquartered in Manchester, UK, with a global presence spanning North America, Europe, and Asia-Pacific. The company serves a diverse range of industries, including finance, healthcare, government, and technology, offering tailored solutions to meet the unique security needs of its clients.

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The background is a solid pink color with several lighter pink, wavy, horizontal lines that create a sense of movement and depth.

Why we're taking  
action

# Why we're taking action.

We're committed to acting proportionately to our business on climate because it's fundamental to how we operate—as a responsible employer, a trusted supply chain partner, and a business focused on long-term value creation for all our stakeholders.

Climate change presents clear risks to our operations, our people, and the communities we serve. But it also presents an opportunity to lead. By embedding climate considerations into our strategy and day-to-day operations, we're improving efficiency, building resilience, and aligning with the expectations of our clients, colleagues, and investors.

This isn't about short-term optics. It's about making practical, evidence-based decisions that support our transition to a low-carbon economy—while maintaining the trust of those who rely on us to deliver responsibly and transparently.

Yvonne Harley

Director of Investor Relations and Sustainability

In their most recent report, the Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by 1.1°C above 1850-1990 levels (IPCC, 2023). This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions. These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.



# Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is also important for the success of our business that we consider the challenges that we may face to sustain stakeholder confidence.

## Risks

- Supply chain disruption
- Human health impacts
- Rapidly changing regulations
- Changing customer demands
- Increased insurance costs
- Increased heating and cooling costs
- Reputational risks

## Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Increase efficiency, reduce costs
- Increase resilience to change
- Brand enhancement

# Our carbon footprint

# Measuring our Emissions.

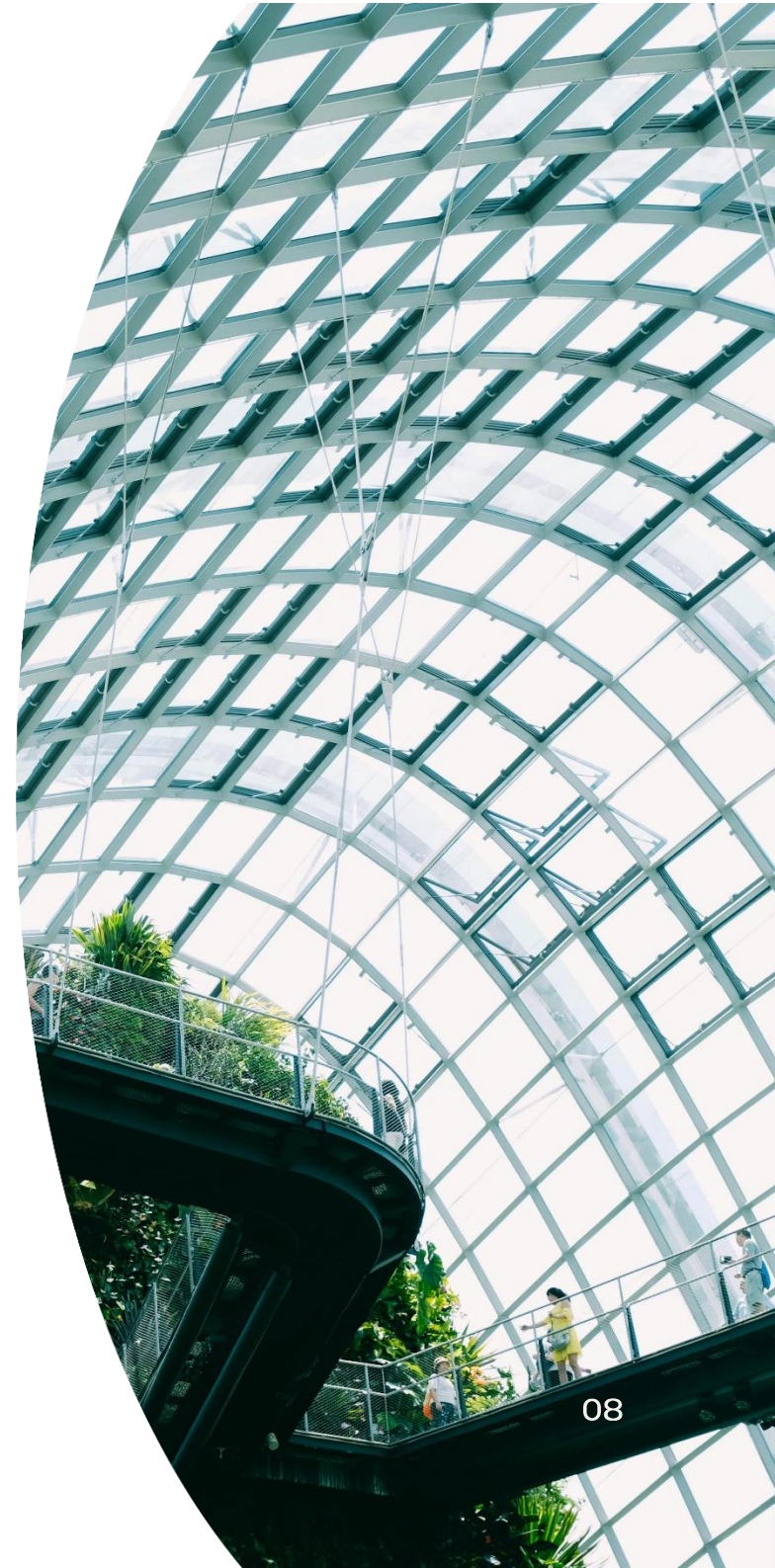
So far, we have measured emissions for two reporting periods, the 1<sup>st</sup> of October 2022 to the 30<sup>th</sup> of September 2023 and the 1<sup>st</sup> of October 2023 to the 30<sup>th</sup> of September 2024.

Our emissions were measured by Planet Mark for both previous reporting periods. In the first year, we measured scope 1 and 2 emissions, as well as emissions from 3 (of 15) scope 3 categories. In the second reporting period, we added two additional categories to the measurement: Purchased Goods & Services and Employee Commuting. This had a significant impact on our overall footprint, as our Purchased Goods & Services emissions made up 61% of our total measured emissions. Our full footprint (including all 15 scope 3 categories) will be measured next year.

Following our 2024 measurement, we began working with Positive Planet. Positive Planet made the following adjustments to the Planet Mark measurement for the purpose of this report:

- Waste Generated in Operations emissions estimated using the estimated number of office days
- Homeworking emissions estimated using the estimated number of homeworking days
- Purchased Goods and Services emissions scaled to 100% of spending from 80%

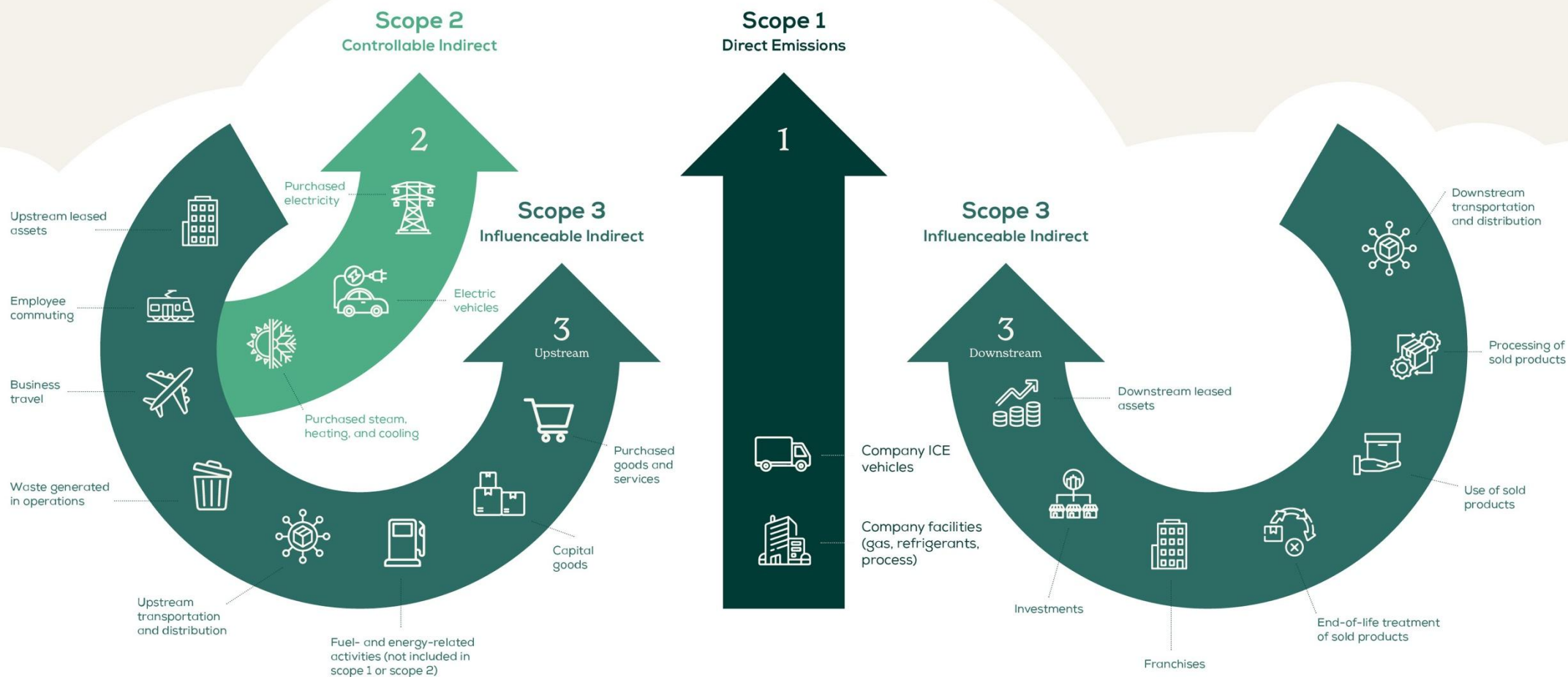
The adjusted 2024 figures can be found on page 10.







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Upstream Activities

Reporting Company

Downstream Activities

# Our Carbon Footprint.

Scope / GHG Category	Total 2024 (tCO <sub>2</sub> e)
Stationary Combustion	344.4
Mobile Combustion	12.1
Fugitive Emissions	None*
Process Emissions	None
Electricity (Location-based)	1,289.4
Electricity (Market-based)	1,563.3
Heat & Steam	40.9
Purchased Goods & Services	6,856.4
Capital Goods	None*
Fuel- and Energy-Related Emissions	85.9
Upstream Transportation and Distribution	None*
Waste Generated in Operations	60.6
Business Travel	1,252.5
Employee Commuting	1,002.3
Upstream Leased Assets	71.7
Market-based Total	11,290.2
Location-based Total	11,016.3

## Reporting Period

1<sup>st</sup> October 2023 to 30<sup>th</sup> September 2024

## Emissions by Scope

Scope 1 – 356.5

Scope 2 (Location-based) – 1,330.3

Scope 2 (Market-based)\* – 1,604.2

Scope 3 – 9,329.5

## High-impact Activities:

- Procurement
- Electricity use
- Business Travel

*None\* indicates where there are likely emissions to report, but emissions have either been excluded from this measurement (this is likely applicable to Fugitive Emissions) or are included in another GHG category (this is likely applicable to Capital Goods and Upstream Transportation and Distribution).*



# Our reduction targets

# Our Targets.

## What does Net Zero mean in practice?

To achieve Net Zero, we will be aiming to reduce emissions in line with the latest guidance from the Science-Based Targets Initiative (SBTi). Targets are defined as “science-based” when they align with the scale of reductions required to limit global temperature increases to 1.5°C compared to pre-industrial temperatures. For most organisations, Net Zero involves reducing emissions by at least 90% by the target year, which should be no later than 2050. SBTi recommends that organisations commit to near-term targets (that cover a minimum of 5 years/maximum of 10 years from the baseline year), as well as the long-term (Net Zero) targets.

## Why follow SBTi guidance?

Adopting the Science-Based Targets initiative (SBTi) framework ensures our decarbonisation efforts are aligned with the latest climate science and global best practices. The SBTi provides a clear, credible pathway for reducing emissions at a pace and scale consistent with limiting global warming to 1.5°C.

For the time being, our targets will be aligned with SBTi guidance, although we will not be seeking SBTi validation at this time.

## Choosing a base year

The first step towards setting our targets is choosing a representative base year against which future emissions reductions can be measured. The base year must be recent, verifiable and reflect typical operations to ensure that accurate comparisons can be made across years.

While this report models potential emissions reductions based on currently available data, we anticipate using 2025 as our actual base year. The same base year must be used for scope 1 and scope 2 under SBTi criteria, however, a different scope 3 base year can be used. This means that if we have made significant reductions in scope 1 and 2 emissions between a previously measured year and 2025, we could use a previous year for the base year for these emissions, and still use 2025 as the base year for scope 3.





# Our Targets.

While our official targets will be finalised once we establish a verified base year using 2025 emissions data, we anticipate setting the following near-term targets:

- Reduce scope 1 emissions by 63% by 2035
- Reduce scope 2 emissions by 63% by 2035
- Reduce scope 3 emissions by 63% by 2035

These targets are dependent on our choice of base year. We will also consider setting an intensity-based scope 3 target depending on growth forecasts. An intensity-based target is a commitment to reduce emissions per economic unit or physical unit.

We are committed to reaching Net Zero by 2045 and will be defining exactly what Net Zero will look like for NCC Group alongside setting our near-term targets.

# Our Net Zero strategy



# Our Net Zero Strategy.

To turn ambition into action, we have organised our Net Zero Strategy into six practical focus areas:

- Energy
- Transport
- Procurement
- People & Culture
- Products & Impact
- Monitoring & Reporting

These areas reflect where we can make the most meaningful changes across our operations and value chain. Within each focus area, we've defined clear Primary Objectives, the strategic goals that guide our decarbonisation efforts, and broken these down into tangible actions aligned with the phases of Assessment, Planning, Implementation, and Monitoring.

We are using a live action tracker to monitor our progress and ensure accountability across the business. This approach allows us to see where action is happening, where support is needed, and how our efforts align with our Net Zero targets.





# Steps we've already taken.

There are a number of steps that we have already taken to reduce our carbon footprint across our key focus areas. These include:

- Reducing the amount of office space we occupy globally
- Performing energy auditing as part of our Energy Saving Opportunities Scheme (ESOS) participation
- Reducing the number of company vehicles in operation
- Launching a cycle-to-work scheme
- Launching an EV salary sacrifice scheme
- Implementing a new travel booking system that will allow us to more accurately track rail and hotel bookings
- Encourage the use of train travel by offering first-class tickets to employees travelling for more than three hours and standard premium tickets for more than two hours
- Creation of a Carbon Literacy course for NCC employees
- Begin the process of disclosing emissions through the Climate Disclosure Project (CDP)





# Energy.

There are three different types of energy being used by NCC Group: natural gas, electricity and district heat and steam. These energies are used to power and heat our offices and data centres, with emissions being categorised under scopes 1 and 2 in our footprint.

Between 2023 and 2024, we saw a 4% reduction in both natural gas and district heat and steam usage, but an 18% increase in office electricity usage and a 15% increase in data centre electricity usage.

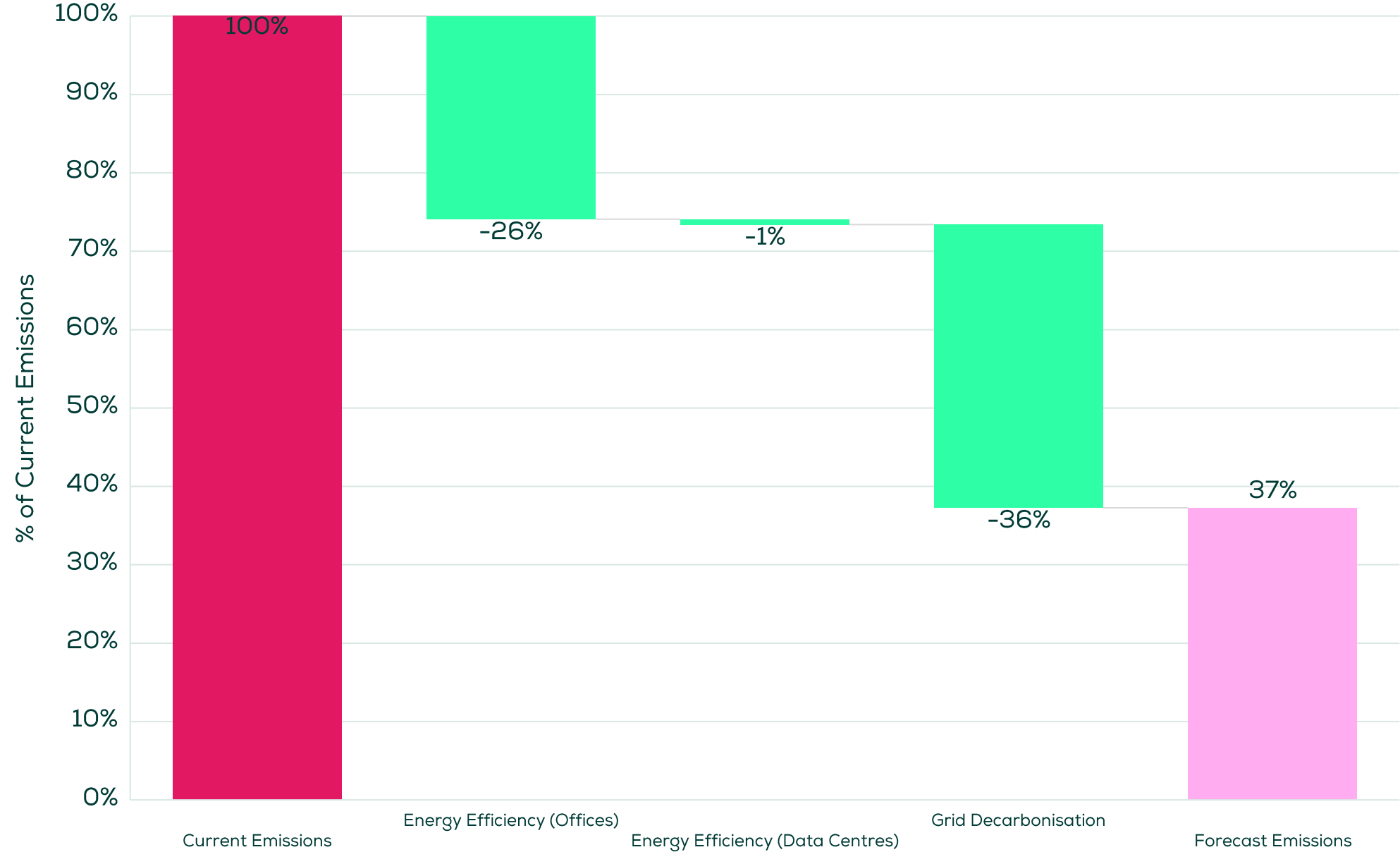
To address our energy emissions and support long-term decarbonisation, we have identified the following set of primary objectives:

- Procuring energy via renewable contracts and encouraging landlords and office managers to do the same
- Improving office energy efficiency
- Working with our suppliers to improve data centre energy efficiency
- Embedding sustainability into new site selection and development  
(Already underway)

These objectives work together, alongside external factors such as grid decarbonisation, to lower emissions, improve resilience, and embed sustainability into our long-term energy strategy.



Location-based Energy Emissions Reduction Forecast to 2035



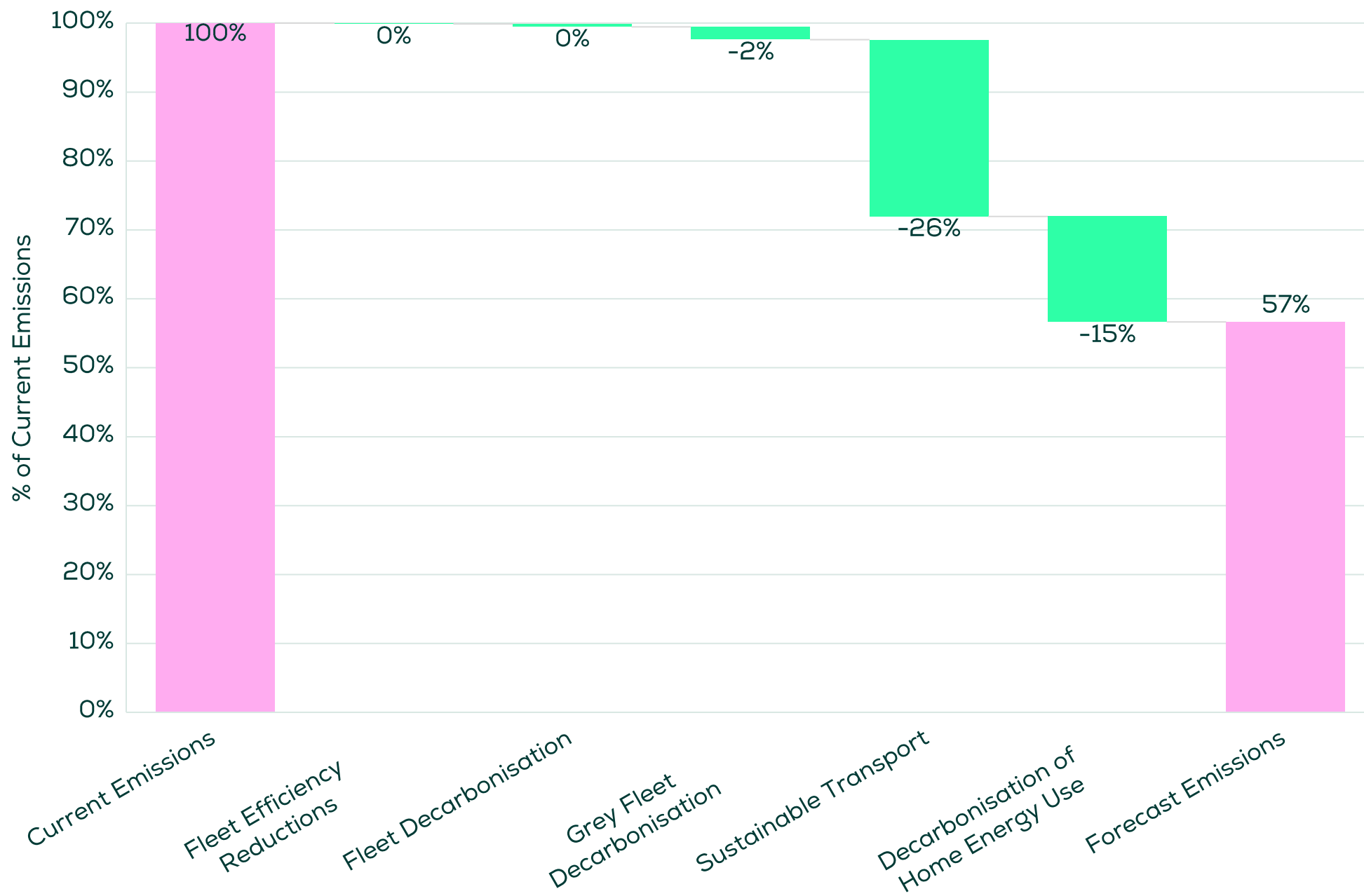
# Transport.

Our transport-related emissions include those associated with the GHG categories Mobile Combustion, Business Travel and Employee Commuting. Between the first reporting year and the second, our Mobile Combustion emissions decreased by 81% (-50.3 tCO<sub>2</sub>e), whilst our Business Travel emissions increased by 167% (+782.7 tCO<sub>2</sub>e). We did not measure our Employee Commuting emissions in the first period, so we cannot compare emissions over time.

To address our energy emissions and support long-term decarbonisation, we have identified the following set of primary objectives:

- Fleet efficiency improvements and decarbonisation (this will also be supported with a reduction in fleet vehicles across the organisation)
- Grey fleet decarbonisation
- Use of Sustainable Transport Modes and Accommodation (Already underway)

Transport-Related Emissions Reduction Forecast to 2035





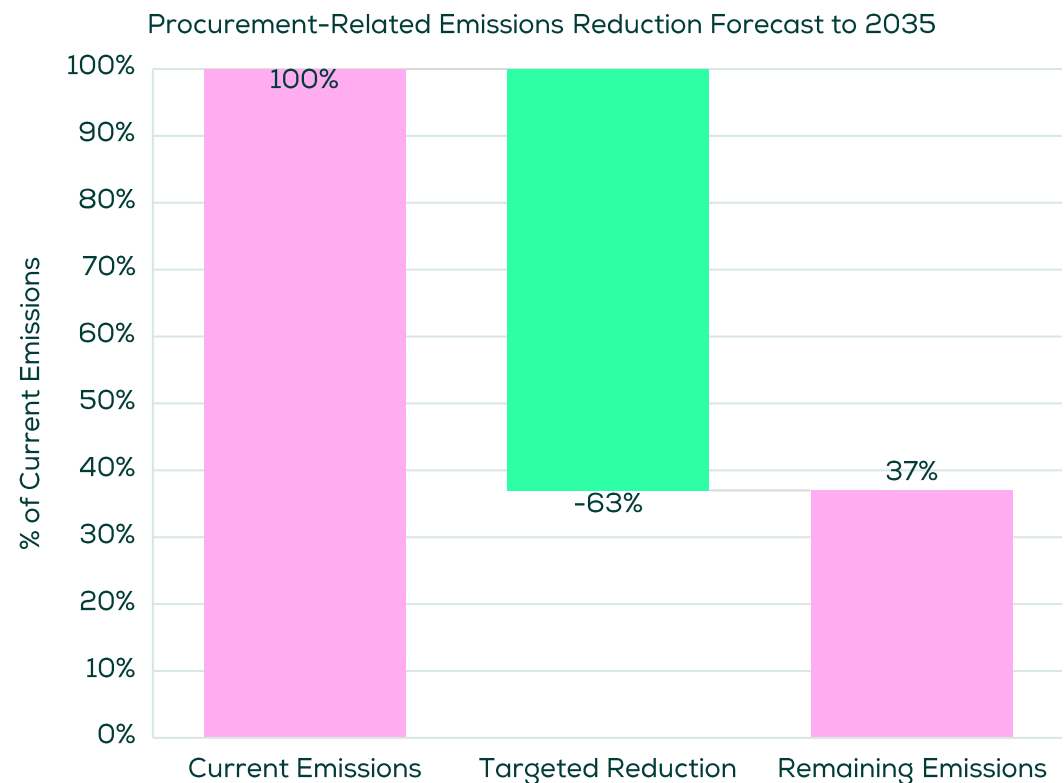
# Procurement.

Our procurement of goods & services currently makes up 62% of our total emissions. Procurement emissions include those categorised under Purchased Goods & Services, Capital Goods and Upstream Transportation and Distribution. We measured Purchased Goods & Services emissions for the first time in 2024, and so there is no progress to report. Capital Goods emissions and Upstream Transportation and Distribution emissions have not yet been quantified.

In order to reduce the emissions associated with the goods and services that we purchase from other organisations, we will be focusing on the following primary objectives:

- Integrate Sustainability into New Supplier Selection
- Create a System for Collecting Supplier Sustainability Data
- Set Targets for Procurement Teams and Suppliers
- Update Contracts and Policies for Supply Chain Decarbonisation
- Switch to Lower-Carbon or Circular Alternatives for Physical Products.

These actions will impact our procurement emissions indirectly, and so we have not calculated reduction estimates for each objective. We will be aiming for a reduction in procurement-related categories in line with our 2035 reduction target, which is expected to be 63%. As we start to gather more information about our suppliers and their sustainability credentials, we will be able to refine our forecasts.



# People & Culture.

Achieving Net Zero is not only a technical and operational challenge; it also requires a fundamental shift in organisational culture, values, and behaviours. While emissions reductions can often be traced to systems, assets, or procurement decisions, the success of these interventions ultimately depends on the people who design, implement, and interact with them every day.



To ensure we have a company culture conducive to achieving our sustainability targets, we will be taking action to embed climate awareness, accountability, and engagement throughout the organisation. From leadership structures and policy frameworks to staff training and benefit programmes, these initiatives are designed to build internal capacity, align employee incentives with sustainability goals, and create a shared sense of purpose.

To improve our company culture and ensure our workforce is capable and motivated to implement the other actions within our strategy, we will be focusing on the following actions:

- Launching a Carbon Literacy Train-the-Trainer Program and aiming to achieve the Carbon Literate Organisation award
- Launching Sustainable Staff Benefits such as EV Salary Sacrifice Schemes, Home Renewable Energy Technologies Schemes and Cycle-to-Work, etc.
- Updating our Company Policies
- Ensuring Accountability Across the Organisation

We have not forecast the emissions reduction impact of these actions as they will indirectly impact our carbon footprint but are still vital to the success of our Net Zero strategy.



# Products & Impact.

As well as taking action to reduce emissions in our operations, we are committed to implementing actions that will reduce our customers' impacts through sustainable solutions and engagement. These actions are aligned with our 'Responsible Business Priorities', Developing Sustainable Solutions and Supporting the Net Zero Transition.

Here we are committing to two key objectives:

1. Developing Sustainable Products
2. Customer Engagement

These objectives aim to position us as leaders in our industry as well as strengthen our relationships with our suppliers and our customers.

We have not forecast the emissions reduction impact of these actions as they will indirectly impact our carbon footprint but are still vital to the success of our Net Zero strategy.







# Monitoring & Reporting.

Monitoring and reporting are essential to understanding how effectively we are progressing towards our Net Zero targets. By consistently measuring our emissions and tracking the delivery of actions, we can ensure we're making informed decisions and staying accountable to our goals.

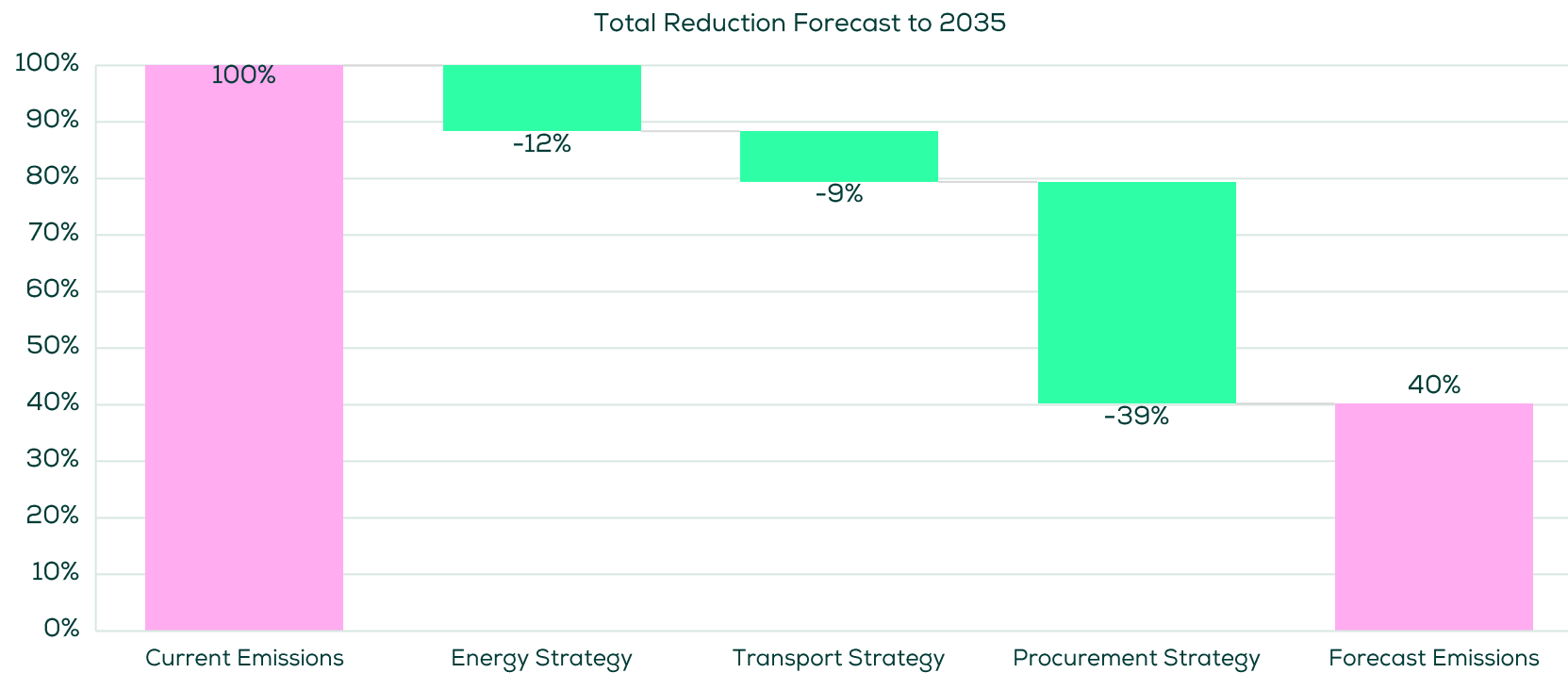
To improve our sustainability data monitoring and reporting, we will be implementing actions within the following areas:

- Improving our Organisational Footprint Measurement
- Setting SBTi-aligned Targets
- Publicly Disclosing Emissions
- Ensuring Compliance with Mandatory Reporting Frameworks
- Using Accreditations to Communicate our Impact

We have not forecast the emissions reduction impact of these actions as they will indirectly impact our carbon footprint but are still vital to the success of our Net Zero strategy.

# Conclusion.

Across our direct reduction focus areas (Energy, Transport and Procurement) and our indirect reduction focus areas (People & Culture, Products & Impacts and Monitoring & Reporting), we expect to see a reduction in emissions of 60%.



This is just short of the target we expect to go for of 63%, but conservative reductions estimated have been used throughout this report.

Once 2025 emissions have been measured and more detailed high-quality data is available, further forecasting will take place.

# Summary

As we embark on our journey to Net Zero, we look forward to collaborating with our teams, suppliers and customers to reduce our shared impact.

We are committed to measuring our emissions each year and continuously working to reduce them with the ultimate goal of reaching Net Zero by 2045.