



KCOM Group Limited's Greenhouse Gas Emissions Reporting Criteria

Year ended 31 March 2023



Contents

- 1 KCOM GHG Emissions Reporting Criteria 20233
- 1.1 Calculation Methodologies3
- 1.1.1 Scope 1 & 2.....3
- 1.1.2 Scope 3.....4
- 1.2 Assumptions6
- 1.2.1 Gas oil.....6
- 1.2.2 Natural Gas.....6
- 1.2.3 Propane6
- 1.2.4 Refrigerants.....7
- 1.2.5 Mobile combustion by company-controlled vehicles7
- 1.2.6 Business travel using vehicles not controlled by the company.....7
- 1.2.7 Electricity.....7
- 1.2.8 Waste.....7
- 1.3 Adjustments7
- 2 Accounting for structural changes8

1 KCOM GHG Emissions Reporting Criteria 2023

- Consolidated GHG emissions are reported in accordance with the control approach, as described in the GHG Protocol Corporate Accounting and Reporting Standard, under which the business accounts for 100% of GHG emissions over which it has operational control.
- Intensity ratio is calculated using Scope 1 and location-based Scope 2 totals.
- Where subsidiaries, sites or joint ventures are deemed not to be under operational control of the Group or are not material to the Group, their energy and fuel usage have not been included within the scope of reported GHG emissions.
- CO₂, CH₄, N₂O, HFCs, PFCs, and SF₆ emissions are measured. NF₃ emissions are not included in the organisational boundary.

1.1 Calculation Methodologies

1.1.1 Scope 1 & 2

- Scope 1 emissions relate to the combustion of natural gas (kWh), company vehicle fuel (litres), combustion turbine fuel (litres), gas oil (litres) and fugitive emissions resulting from the use of refrigeration and air conditioning equipment (kilograms).
- Scope 2 emissions relate to purchased electricity (kWh).
- Scope 1&2 CO₂e emissions for the organisation have been determined on the basis of measured or estimated resource use, multiplied by the relevant emission factors produced by the UK Government Department for Energy and Net Zero.

'Conversion factors 2023: full set (for advanced users)' available here:

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

GHG emissions considered within scope of reporting include:

Category	Activity	Resource	Calculation methodology
Scope 1 Stationary Combustion Emissions	Operation of combustion turbines for electricity generation.	Gas oil	Fuel consumption based on purchase records and estimated activity data.
	Operation of boilers for heat generation and hot water.	Natural Gas, Gas oil	Fuel consumption based on on-site metering or purchase records.

	Reinstatement of highways and footways. Operation of forklift trucks.	Propane	Consumption based on purchase records.
Scope 1 Fugitive Emissions	Air-conditioning / Temperature regulation	HFCs (Hydrofluorocarbons)	Sales-based method utilising purchase and service records.
Scope 1 Mobile Combustion	Operation of company-controlled vehicles*	Petrol, Diesel	Fuel consumption based on purchase records.
Scope 2 Emissions from Purchased Energy	Electricity consumption	Electricity	Consumption based on on-site metering.

*(relates to vehicles with internal combustion engines (ICE) and does not include operation of electric vehicles (EVs) which are accounted for in Scope 2.

1.1.2 Scope 3

- Scope 3 emissions relate to indirect emissions that occur in the upstream and downstream activities of the organisation’s value chain.
- Scope 3 CO2e emissions for the organisation have been determined on the basis of:
 1. measured or estimated resource use, multiplied by the relevant emission factors produced by the UK Government Department for Energy and Net Zero.

‘Conversion factors 2023: full set (for advanced users)’ available here:

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

2. value chain expenditure, multiplied by the relevant emission factors produced by the UK Government Department for Environment, Food & Rural Affairs.

‘Table 13 - Indirect emissions from the supply chain - original data’ available here:

<https://www.gov.uk/government/statistics/uks-carbon-footprint>

Category	Activity	Methodology
1. Purchased Goods and Services	Extraction, production, and transportation of purchased or acquired goods and services.	Spend-based method using industry average emissions factors to estimate emissions via Environmentally Extended Input-Output Analysis (EEIOA).

2. Capital Goods	Extraction, production, and transportation of purchased or acquired capital goods.	Spend-based method using industry average emissions factors to estimate emissions via Environmentally Extended Input-Output Analysis (EEIOA).
3. Fuel and energy-related activities	Extraction, production, and transportation of purchased fuels and energy, not already accounted for in scope 1 or 2.	Average-data method, involving the use of UK government emission factors to estimate upstream emissions per unit of consumption.
4. Upstream transportation and distribution	<p>Transportation and distribution of products between the reporting company's tier 1 suppliers and its own operations.</p> <p>Transportation and distribution services including inbound logistics, outbound logistics, and transportation and distribution between the reporting company's own facilities.</p> <p>(Where activities are carried out in vehicles and facilities not owned or controlled by the reporting company).</p>	Spend-based method using industry average emissions factors to estimate emissions via Environmentally Extended Input-Output Analysis (EEIOA).
5. Waste generated in operations	Disposal and treatment of waste generated in company operations (in facilities not owned or controlled by the reporting company).	Waste-type-specific method, involving the use of UK government emissions factors for specific waste types and waste treatment methods.
6. Business Travel	Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the reporting company).	Distance-based method, involving the use of UK government emissions factors to determine emissions based on the distance and mode of business trips.
7. Employee commuting	Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the reporting company).	Distance-based method, which involved employee survey to collect data on employee commuting patterns - distance travelled and mode used for commuting - and applying appropriate emission factors provided by the UK government.
8. Upstream leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2.	<p>Where practical, an asset-specific method has been used, involving the collection of asset-specific fuel, energy, and fugitive emissions data.</p> <p>Where there is insufficient asset-specific data, an average data method has been used, involving estimating emissions for each leased asset based on average emissions per asset type.</p>
9. Downstream transportation and distribution	Transportation and distribution of products sold by the reporting company between the reporting company's operations and the end consumer.	Spend-based method using industry average emissions factors to estimate emissions via Environmentally Extended Input-Output Analysis (EEIOA).

10. Processing of sold products	Processing of intermediate products sold by downstream companies (e.g., manufacturers).	Activity not applicable to KCOM.
11. Use of sold products	End use of goods and services sold by the reporting company.	Activity not applicable to KCOM.
12. End-of-life treatment of sold products	Waste disposal and treatment of products sold by the reporting company at the end of their life.	Activity not applicable to KCOM.
13. Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities, not included in scope 1 and scope 2.	Average data method involving estimating emissions for each leased asset based on average emissions per asset type.
14. Franchises	Operation of franchises in the reporting year, not included in scope 1 and scope 2.	Activity not applicable to KCOM.
15. Investments	Operation of investments (including equity and debt investments and project finance), not included in scope 1 or scope 2	Activity not applicable to KCOM.

1.2 Assumptions

The following assumptions have been made when calculating the following emissions sources:

1.2.1 Gas oil

Gas oil consumption by combustion turbines used for electricity generation is based on purchase records provided by fuel suppliers and maintenance contractors. Fuel consumption rates are obtained via industry guidance.

Gas oil consumption for heat generation and hot water is based on boiler meter readings. Where data for a period of time is not available, an estimate of usage is made based upon the best available information (i.e. applying an average across a similar period).

1.2.2 Natural Gas

Natural gas consumption is based on invoice records. Where data for a period of time is not available, an estimate of usage is made based upon the best available information (i.e. applying an average across a similar period).

1.2.3 Propane



Propane consumption is based on purchase records. It is assumed that Propane cylinders are provided to KCOM at maximum capacity and returned empty to the supplier for refilling.

1.2.4 Refrigerants

Refrigerant emissions data is generated using purchase and recovery records produced by a third-party responsible for servicing and maintenance of refrigeration equipment.

1.2.5 Mobile combustion by company-controlled vehicles

Diesel and petrol consumption relating to company vehicles is based on quantities recorded by company fuel cards. A small quantity of consumption data is received through company expense systems.

1.2.6 Business travel using vehicles not controlled by the company

Business travel relating to privately-owned vehicles, air, bus, taxi, rail and accommodation is obtained from company expense systems.

Expense systems provide mileage information for privately-owned vehicles. Mileage for travel by air, bus, taxi and rail travel is manually calculated based on the location at which the journey starts and the destination. Accommodation emissions are based on stay by number of nights and the relevant emissions factor for the location.

1.2.7 Electricity

Electricity consumption is based on meter data. Where meter data for any operation or period of time is not available, an estimate of usage is made based upon the best available information (i.e. applying an average across a similar period).

The calculation of market-based emissions is based on npower fulfilling its contractual obligations under the terms of its Business Renewable tariff to back all energy supplied to all of its customers on such tariffs by Renewable Energy Guarantees of Origin (REGOs). KCOM has no oversight over that process.

1.2.8 Waste

The waste from operationally controlled sites is based on data obtained from waste management contractors which is assumed to be accurate.

1.3 Adjustments

A prior year adjustment is made in the event of an error being identified or a significant business development (acquisition, disposal, new business activity) that requires restatement to reflect changes in comparability.

2 Accounting for structural changes

- Significant structural change did not occur during the reporting period.