

Nominet's Qualifying Explanatory Statement in support of the Achievement of and Ongoing Commitment to Carbon Neutrality

Application Period: 1st April 2021 – 31st March 2022

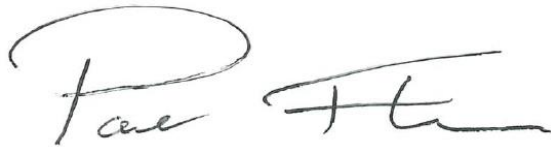
Date: 28th June 2022

1. Executive Summary

This document is the Qualifying Explanatory Statement (QES) which provides collected evidence in support of the declaration that Nominet:

1. has achieved carbon neutrality for its UK operations and global data centre use for the period commencing 1st April 2021 to 31 March 2022, and
2. is committed to maintaining carbon neutrality for its UK operations and global data centre use.

The carbon neutrality declaration has been made and the collected supporting evidence has been provided in accordance with the requirements prescribed by PAS 2060:2014 – Specification for the demonstration of carbon neutrality.

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Paul Fletcher

CEO

28th June 2022

2. General information

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
Entity making PAS 2060 declaration:	Nominet
Subject of PAS 2060 declaration:	UK operations and global data centres for Nominet
Description of Subject:	For 25 years we have been operating at the heart of the internet infrastructure as proud guardians of the .UK domain name registry. Our understanding of the Domain Name System (DNS) underpins a sophisticated cyber security capability used by governments to secure their networks. We want a world that is connected, inclusive and secure, and believe that technology has a fundamental and positive part to play. Our work funds an ambitious social impact campaign that aims to tackle the challenge of growing up in a digital world.
Rationale for selection of the subject:	The subject covers Scope 1, Scope 2 and select Scope 3 (Category 6. business travel and Category 8. upstream leased assets - data centre electricity only) for the UK operations and global data centre use. The global data centres account for a large proportion of carbon generation for our technology company. A project is currently underway to measure the remaining Scope 3 categories. The findings will help inform our wider reduction initiatives.
Control approach:	Operational control
Type of conformity assessment:	Independent third-party certification (see Appendix 2)
Baseline date for PAS 2060 programme:	1 st April 2020
Individuals responsible for evaluation and provision of data necessary for declaration:	Marie Johnson – Head of Facilities

3. Declaration of achievement to carbon neutrality

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
Declaration of achievement:	Carbon neutrality of UK operations and global data centre use achieved by Nominet in accordance with PAS 2060 at July 2022 for the period commencing 01 April 2021 to 31 March 2022, certified by the Carbon Trust.
Recorded carbon footprint of the subject during the period stated above	<p>Market-based: 264.75 (tCO₂e)</p> <p>Location-based: 392.85 (tCO₂e)</p> <p>See section 3.2 for further details.</p>
Carbon footprint reduction target for period	The previous year was the first qualifying year; however, emissions were impacted by COVID-19, and it was not a typical year. Business travel did not take place and data centre energy was being gathered from the service provider for the first time. Office utilisation was impacted by COVID-19 work from home instructions which meant less energy usage. Specific reduction targets were not defined; however, reduction initiatives were in place and working towards our net-zero commitment. This is a recertification.
Carbon footprint reduction achieved for period	<p>Market-based: 120.05 (tCO₂e)</p> <p>Location-based: 134.14 (tCO₂e)</p> <p>Natural gas: 1.19 (tCO₂e), Purchased electricity: 14.09 (tCO₂e), Data centres: 235.79 (tCO₂e)</p> <p>See section 3.3 for further details.</p>
Carbon offsets purchased	<p>We have purchased 265 (tCO₂e) retired credits to offset the market-based footprint and in addition we have purchased 265 (tCO₂e) assigned credits in UK Forestry to support the UK net-zero target.</p> <p>See section 3.4 for further details.</p>

3.1. CARBON FOOTPRINT METHODOLOGY

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
<p>Description of the standard and methodology used to determine GHG emissions and reductions</p>	<p>The methodology for calculating the carbon footprint was as follows: The footprint was measured in accordance with the GHG protocol. We have used the 2021 UK Government's conversion factors for company reporting. We have used the operational control approach. The footprint has undergone third party verification by Carbon Trust to the ISO 14064-3 standard.</p> <p>Business travel started again after COVID-19, so there is some flight and train data which was not included last year.</p> <p>The data centre energy use is included as part of our services agreement with our supplier. The services provider has provided evidence of 100% renewable energy sources, and therefore a supplier-specific emission factor has been used for this reporting period.</p> <p>The provisions of the methodology for calculating the carbon footprint were applied as detailed and the principles set out in PAS 2060 were met.</p>
<p>Justification for the selection of the methodologies chosen</p>	<p>Nominet categorised its Greenhouse Gas (GHG) emissions for the certification period as Scope 1, Scope 2, and selected Scope 3 categories (business travel and leased assets for its data centre electricity) as referred to in the WBCSD-WRI Greenhouse Gas Protocol (revised edition, dated March 2014). This is the same method as the previous submission.</p> <p>Nominet has an onsite diesel generator which is used as extra resilience against power outages. There is a main fuel tank and reserve tank. The main fuel tank has a basic dial for showing readings, and the only way to track changes to the fuel level is to take a photo at the end of the financial year. The estimation of diesel usage for the year was less than 1000 litres.</p> <p>Data centres are classified as scope 3 leased assets as Nominet has no operational control of these facilities. Emissions in carbon dioxide equivalent (CO₂e) for the included emissions sources are calculated using the conversion factors from our data centre provider Equinix. Procured renewable</p>

	<p>electricity is accounted in accordance with the WBCSD-WRI Scope 2 Guidance on procured renewable energy (2015). Equinix are committed to 100% clean and renewable energy and have provided their Sustainability Report and excerpt from their Scaling Renewable Energy website page. They are independently audited. Equinix have documented their ongoing commitment to renewable energy to Nominet.</p> <p>Other scope 3 categories are excluded at present. The baseline data for scope 3 has been collected and is being analysed.</p>
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3.2. CARBON FOOTPRINT BREAKDOWN

Carbon Footprint <i>(for latest footprinting year)</i>	Information Relating to the Carbon Neutral Declaration
Total Carbon Footprint	Location-based: 392.85 tCO ₂ e Market-based: 264.75 tCO ₂ e
Carbon Footprint Breakdown by Scope	Location-based: Scope 1: 40.00 tCO ₂ e, Scope 2: 128.10 tCO ₂ e, Scope 3: 224.75 tCO ₂ e Market-based: (UK specific – renewable energy) Scope 1: 40.00 tCO ₂ e, Scope 2: 0.00 tCO ₂ e, Scope 3: 224.75 tCO ₂ e
Scope 1 – Direct GHG Emissions:	Natural Gas: 30.61 tCO ₂ e, Fugitive emissions: 9.40 tCO ₂ e
Scope 2 – Energy Indirect Emissions:	Location-based: Imported Electricity: 128.10 tCO ₂ e Market-based: Imported Electricity: 0 tCO ₂ e

Scope 3 – Other Indirect GHG Emissions:	Category 6 – Business travel: 125.54 tCO ₂ e Category 8 – Upstream leased assets: 99.21 tCO ₂ e (This was previously categorised as Category 1 – Purchased Goods and Services; Data Centre electricity only)
Exclusions	Only category 6 and data centres from category 8 are currently being measured to a satisfactory level so the other Scope 3 categories are excluded. A project is underway to capture further category data in the future.

3.3. CARBON REDUCTION

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
Reductions achieved	<p>The carbon footprint reductions between the current carbon footprint (see section 3.2) and the baseline period are as follows:</p> <ul style="list-style-type: none"> • Absolute reduction: 120.05 (tCO₂e) (market-based) / 134.14 (tCO₂e) (location-based) • Percentage absolute reduction: 31% (market-based) / 25% (location-based) • Intensity reduction: 2.9 (market-based) / 3.5 (location-based) • Percentage intensity reduction: 38% (market-based) / 33% (location-based)
	<p>Carbon intensity per unit of revenue: tCO₂e / £m (scope 1, 2 and 3 (Category 6. business travel and Category 8. upstream leased assets - data centre electricity only))</p> <p>Intensity metric FY22: 4.8 (market-based) / 7.1 (location-based)</p> <p>Intensity metric FY21: 7.7 (market-based) / 10.6 location-based)</p>
Baseline period	1 April 2020 – 31 March 2021
Economic growth rate	11%

Supporting information	The revenue in millions for FY22 is £55.1m vs FY21 £49.8m.
Confirmation that there has been no change to the definition of the subject	We confirm there is no change to the definition of the subject.
Description of the means by which reductions have been achieved and any applicable assumptions or justifications	<p>Since the certification last year, we have reduced our electricity emissions in the office by 10% and our gas emissions by 4%. This is via our ongoing commitment to hybrid working, and reduced plant running time in relation to lower office occupancy. This was due to the 'work from home if you can' government COVID-19 policy.</p> <p>A small amount of fugitive emissions has been included this year due to a minor leak in an air conditioning unit.</p> <p>This year there are emissions from flights and rail travel, this is an increase against last year as there was none due to COVID-19, but it is still significantly less than the baseline year. We expect business travel to increase in the next year but will be actively monitoring to prevent it raising back to pre-pandemic levels.</p> <p>We have been working with our data centre supplier with regards to the associated energy use for the data centre space we lease from them. We were able to gain green power reports that evidence the existing use and continued future commitment to renewable energy sources. This has meant a supplier-specific emissions factor could be applied to this energy and has resulted in a 256% reduction in emissions and the change in category from procured services to leased assets as we have no operational controls of the centres.</p>

3.4. CARBON OFFSETS

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
Offset methodology	The retired offset credits are to a VCS and CCB standard. The offsets procured are derived from the 'Katingan Peatland Restoration and Conservation' project in Indonesia (ID 1477). These are verified by the Verified Carbon Standard and were purchased via Forest Carbon Ltd.
Offset Confirmation	<p>The offsets generated represent genuine, additional GHG emission reductions elsewhere. Projects involved in delivering offsets meet the criteria of additionality, permanence, leakage, and double counting.</p> <p>Carbon offsets are verified by an independent third-party verifier.</p> <p>The credits from the selected carbon offset projects are:</p> <ul style="list-style-type: none"> • only issued after the emission reduction has taken place. • retired within 12 months from the date of the declaration of achievement. • supported by publicly available project documentation on a registry which provides information about the offset project, quantification methodology and validation and verification procedures. • stored and retired in an independent and credible registry.
Offsets	Full details of the carbon offsets included in making this declaration are provided in Appendix 1.

4. Declaration of ongoing commitment to carbon neutrality

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
<p>Declaration of on-going commitment:</p>	<p>Nominet commits to maintain carbon neutrality for its UK operations and global data centre use in accordance with PAS 2060 for the period 1st April 2022 – 31st March 2023.</p> <p>Carbon neutrality for UK operations and global data centre use for the period 1st April 2022 – 31st March 2023 will be achieved by 31st July 2023. Nominet commits to net-zero by 2050.</p>

4.1. CARBON MANAGEMENT PLAN

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration
<p>Targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality</p>	<p>The GHG reduction target for this scope is a kWh reduction for office electricity, which will result in a reduction of 1 tonne of Co2e. Scope 3 reduction targets are being discussed with the Leadership Team in summer 2022. Nominet has committed to net-zero by 2050 and the associated carbon reductions necessary to achieve this.</p>
<p>Planned means of achieving and maintaining GHG emissions reduction</p>	<ul style="list-style-type: none"> • We have made a long-term commitment to hybrid working which reduces energy use in the office. This includes providing all the necessary technology solutions, equipment, and support to enable staff to work effectively. • Office energy will continue to be procured from renewable sources. • All utilities are measured and monitored for consumption trends. • Our HVAC plant has a set-point and set running times to reduce energy consumption. This includes the server room which uses a high proportion of the energy. • During 2022 we will replace the server room air conditioning with a more efficient system. This will reduce the emissions by using less energy and using a less harmless refrigerant gas.

- The use of office air conditioning is monitored. It is only used in the summer months where ventilation is not sufficient to manage the temperature.
- We expect business travel to increase from last year as none occurred due to Covid-19. To prevent it from reaching the pre-pandemic levels we will put in place controls through policy and approvals. Technology is used wherever possible. Where it is essential the class of travel for flights is controlled to reduce the environmental impact.
- Our procured data centre services will continue to use renewable energy sources.
- Our long-term hardware strategy includes the general reduction in hardware, the improvement of its energy efficiency and the use of cloud technology.
- We use internationally recognised certificates to verify product efficiency at purchase for all standard issue laptops and desktops.
- In terms of decommissioning and replacing equipment before the end of its life, thus capitalising in power efficiency, we are including emission reduction in our capital plant and equipment planning.

Planned initiatives that will impact other Scope 3 categories (not currently within certification boundary):

- Reduced employee commuting through hybrid working.
- The provision of a green commuting programme which includes a cycle scheme, changing facilities and showers, information about public transport, car-share, season ticket loans and EV charging points.
- Our secure print facilities and electronic signing methods reduce unnecessary printing.
- We choose offsetting couriers wherever possible.
- The office has separation facilities in place for all waste streams. Our waste contractor has a high recycle and recover rate for our waste which includes power generation for homes within Oxfordshire.
- Our scope 3 footprint has been measured for the baseline year. We are due to discuss reduction targets with the Leadership Team in summer 2022.

	<ul style="list-style-type: none"> • We have data collation improvements identified for all categories.
<p>The offset strategy to be adopted</p>	<p>We have offset our market based FY22 footprint of 265 via retired credits within the Katingan Peatland Restoration and Conservation Project. The credits are VCS, CCB and REDD+. We have made an extra investment of 265 in addition to the offsetting in FY22 as part of our ongoing commitment to UK forestry and the positive impact this has on the UK's sustainability targets. This investment is in Doddington North, and the credits are to the UK Forestry standard and Woodland carbon code validated and are evidenced in Appendix 1.</p>

5. Appendix of qualifying explanatory statement

5.1. APPENDIX 1: OFFSETS

Project name	Country	Project Type	Standard	Type of Credits	No. Credits	Generation Period	Retirement Date	Reference No. and link to registry	Offset Volume (tCO2e)
Katingan Peatland & Forest Conservation	Indonesia	Protects and restores peatland ecosystems	VCS and CCB REDD+	Retired	265	2017	15 June 2022	Link to VCS registry	265.00
Doddington North	England	New mixed woodland	UK Forestry Standard Woodland Carbon Code validated	Forestry	265	Future generation project 2025 - 2085		Link to IHS Markit registry	265.00
								Total tonnes (tCO2e) offset	530.00



Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 15 Jun 2022, 265 Verified Carbon Units (VCUs) were retired on behalf of:

Nominet

Project Name

Katingan Peatland Restoration and Conservation Project

VCU Serial Number

6359-308025843-308026107-VCU-016-APX-ID-14-1477-01012017-31122017-1

Additional Certifications

CCB-Gold

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Evidence of Offsets for FY22

Registry - Public View									
Clear		Search: <input type="text" value="nominet"/>		IHS Markit Registry			All Units		
Account Holders		Projects	Issuances / Listings		Holdings	Retired Credits	API Retired Credits	Assigned Credits	Cancelled Units
Assignment Date	Vintage	Project	Account	Standard	Project Type	Assignment Quantity	Measurement	Type	Details
15 Jun 2022	2025 - 2035	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	30	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052025-30042035-5260881-5260910-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				
15 Jun 2022	2055 - 2065	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	47	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052055-30042065-5241944-5241990-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				
15 Jun 2022	2045 - 2055	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	55	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052045-30042055-5218461-5218515-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				
15 Jun 2022	2075 - 2085	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	22	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052075-30042085-5206542-5206563-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				
15 Jun 2022	2035 - 2045	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	82	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052035-30042045-5174914-5174995-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				
15 Jun 2022	2065 - 2075	Forest Carbon Group Scheme 9 (Doddington North)	Forest Carbon Ltd	UK Woodland Carbon Code	Mixed mainly continuous cover system	29	WCU	PIU	View
Serial No.: WCC-WCU-GB-104000000026630-01052065-30042075-5158832-5158860-MER-0-P					Assigned by Forest Carbon Ltd. Investment in addition to offsetting in FY22 as part of Nominet's ongoing commitment to UK forestry and the positive impact this has on the UKs sustainability targets.				

5.2. APPENDIX 2: INDEPENDENT THIRD-PARTY ASSURANCE



Certificate of Achievement

Nominet

has achieved carbon neutrality related to the 1 April 2021 – 31 March 2022 application period and is committed to on-going carbon neutrality of the total carbon footprint for

Scope 1, 2 and select scope 3 (business travel and upstream leased assets – data centre electricity only)

Carbon Trust Assurance Limited certifies that this company has correctly calculated its carbon footprint for the year 1 April 2021 – 31 March 2022 and satisfactorily offset this to achieve carbon neutrality, in accordance with:

- PAS 2060:2014 – Specification for the demonstration of carbon neutrality

A detailed list of certified results can be found in the associated Certification Letter CERT-13305

Awarded: [5 July 2022](#)

for and on behalf of Carbon Trust Assurance Ltd,

A handwritten signature in black ink, appearing to read "Hugh Jones".

Hugh Jones,
Managing Director

This certificate is for presentation purposes only. Please do not copy or circulate this certificate without the Certification Letter and associated Annexes where full details on the scope of the certification are documented. This certificate remains the property of Carbon Trust Assurance Limited and is bound by the conditions of the contract. Information and Contact: Carbon Trust Assurance Limited is registered in England and Wales under Company number 06547658 with its Registered Office at Dorset House, Stamford Street, London, SE1 9NT. Telephone: +44 (0) 20 7 170 7000. Carbon Trust Assurance Limited is a fully owned subsidiary of the Carbon Trust.

5.3. APPENDIX 3: ADDITIONAL SUPPORTING INFORMATION FOR INTERESTED PARTIES

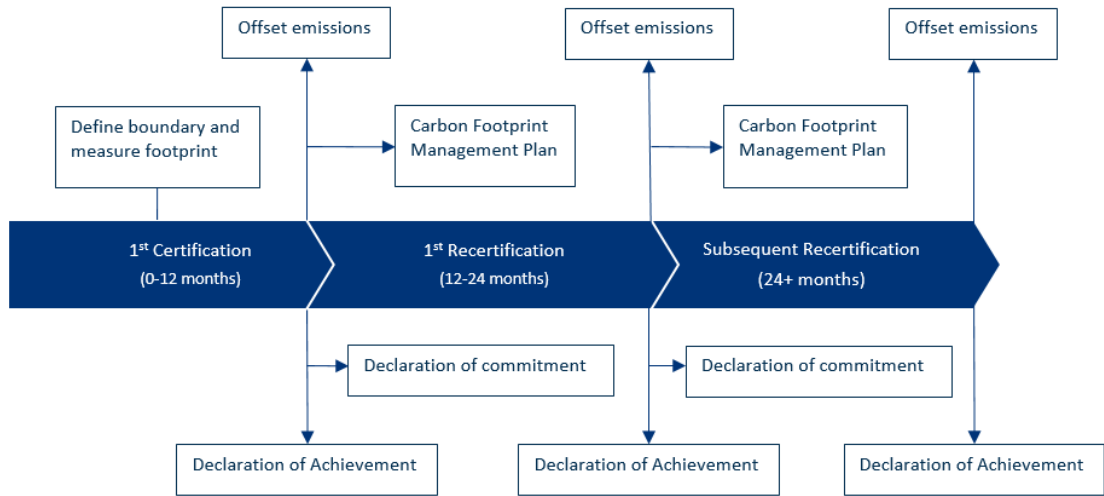


FIGURE 1. PAS 2060 CERTIFICATION PROCESS

Source: Carbon Trust. Adapted from "BSI - PAS 2060:2014: Specification for the demonstration of carbon neutrality: Figure 1 – Illustration of the cyclical process for demonstrating carbon neutrality, taking into account permitted baseline period exceptions". [Simplified version]

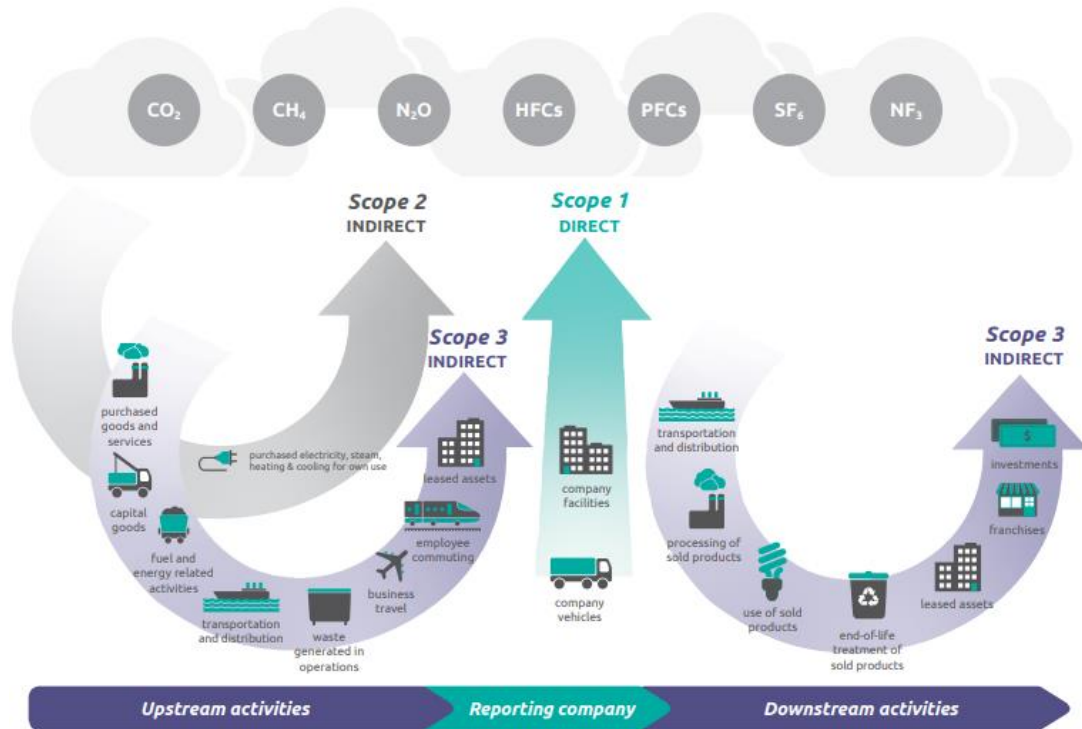


FIGURE 2. ORGANISATIONAL CARBON FOOTPRINTING

Source: Greenhouse Gas Protocol: <http://ghgprotocol.org/>