Nominet

Qualifying Explanatory Statement

in support of the achievement of and ongoing commitment to carbon neutrality

Application Period: 1st April 2022 - 31st March 2023

Date: 14th September 2023



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 2022 to 31 March 2023 (see section 3); and
- 2. is committed to maintaining carbon neutrality for its UK operations and global data centre use (see section 4).

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.

Paul Fletcher

CEO

14th September 2023



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 over 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. For the previous two years Scope 3 has been Category 6. Business Travel and Category 8. Upstream Leased Assets – Data centre electricity only for the UK operations and global data centre use.		
	This year we have also added Scope 3: Categories 3, 4, 5, 7, and 9 into the scope of our footprint measurement. A project is underway to measure the remaining Scope 3 categories, this will help inform our future reduction targets.		
Control approach:	Operational control		
Type of conformity assessment:	Independent third-party certification (see Annex 3)		
Baseline date for PAS 2060 programme:	1st April 2020		
Individuals responsible for evaluation and provision of data necessary for declaration:	Marie Johnson – Head of Workplace & Facilities Management		



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 14 th September 2023 for the period commencing 1 st April 2022 to 31 st March 2023, certified by the Carbon Trust.			
Recorded carbon footprint of the subject during the period stated above	Footprint covered in baseline (Scope 1, 2, 3 - cat 6 & 8) Market-based: 476.26 (tCO ₂ e) Location-based: 593.32 (tCO ₂ e) See Annex 1 for further details. Full footprint (Scope 1, 2, 3 - cat 3, 4, 5, 6, 7, 8 & 9) Market-based: 829.74 (tCO ₂ e) Location-based: 946.80 (tCO ₂ e) See Annex 1 for further details.			
Recorded carbon footprint of the subject during the previous period.	Footprint covered in baseline (Scope 1, 2, 3 – cat 6 & 8) Market-based: 264.75 (tCO ₂ e) Location-based: 392.85 (tCO ₂ e) See Annex 1 for further details.			
Carbon footprint reduction target for period	One tCO₂e reduction for Scope 2 – purchased electricity.			
Carbon footprint absolute change for period	Market-based: +211.68 (tCO ₂ e) / Location-based: +200.64 (tCO ₂ e) The boundary includes re-baselined footprint, including Scope 1, Scope 2 and Scope 3 categories 6 and 8 only: for FY23 vs FY22. There was no overall reduction in emissions from the baseline period due to an increase in Business Travel. Our baseline period was severely impacted by the COVID-19 pandemic, whereby there was no business travel. We have successfully had an application for extraordinary circumstances approved. There were some methodological changes from the last reporting year for category 8. For FY23 there was better data available for Nominet's actual energy consumption, whereas in previous years only information on the contracted energy consumption was available. In addition, in the baseline year the tariff for data centres was not			



	considered renewable and WTT emissions of electricity was added to this year's footprint given 100% natural renewables could not be confirmed, unlike in last year's footprint. When adjusting the category 8 methodologies to both use contracted kWh and the same tariff emission factor, and if Business Travel emissions are removed from the footprint, there is an overall reduction in verified emissions for location (-26%) and market-based (-22%) results.
	There is also a reduction in electricity related emissions despite an increase in office occupancy during the same period. See section 3.3 for further details.
Carbon offsets purchased	We have purchased 830 (tCO ₂ e) retired credits to offset the market-based footprint and in addition we have purchased 73 (tCO ₂ e) assigned credits in UK Forestry to support the UK net-zero target. See section 3.4 for further details.

3.1. CARBON FOOTPRINT METHODOLOGY

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration		
Description of the standard and methodology used to determine GHG emissions and reductions	The methodology for calculating the carbon footprint was as follows: The footprint was measured in accordance with the GHG Corporate Standard, Scope 3 Standard and Scope 2 guidance. We have used the 2022 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. As planned Business Travel increased as part of the post COVID-19 recovery period. As expected, the levels are still below pre COVID-19 levels. The data centre energy use is included as part of our service agreement with our supplier. The supplier has provided evidence of 100% renewable energy sources, and therefore a supplier-specific emissions factor has been used for this reporting period. We have increased the scope of our footprint to include additional scope 3 categories:		



• 3: Fuel and energy related activities

- 4: Upstream transportation and distribution (couriers and post)
- 5: Waste generated in operations
- 7: Employee commuting (office and work from home)
- 9: Downstream transportation and distribution (DNS queries per second)

The provisions of the methodology for calculating the carbon footprint were applied as detailed and the principles set out in PAS 2060 were met.

Justification for the selection of the methodologies chosen

Nominet categorised its Greenhouse Gas (GHG) emissions for the certification period as Scope 1, Scope 2, and selected Scope 3 categories (3, 4, 5, 6, 7, 8, 9) as referred to in the WBCSD-WRI Greenhouse Gas protocol (revised edition, dated March 2014). This is the same method as the previous submission, however Scope 3 categories 3, 4, 5, 7 and 9 are being included in the footprint measurement for the first time.

Nominet has an on-site diesel generator which is used as resilience against power outages. There is a main fuel tank and a 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.

Data centres are classified as Scope 3 leased assets as Nominet has no operational control of these facilities. Emissions in carbon dioxide equivalent (CO_2e) for the included emission sources are calculated using the conversion factors from our data centre provider, Equinix. Procured renewable electricity is in accordance with 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. Through data refinement the supplier has improved their data processes for most of the data centres and are now providing meter readings for actual energy usage.

The remaining Scope 3 categories are excluded at present. We are unable to collect the data for categories 1, 2 and 15, however these will be included in the future. Categories 10, 11, 12, 13 and 14 are not applicable. For category 8, our data centre natural gas and fugitive emissions are excluded, with only emissions from electricity being measured.

3.2. CARBON FOOTPRINT

Carbon Footprint (for latest footprinting year)	Information Relating to the Carbon Neutral Declaration		
Total Carbon Footprint	Location-based: 946.80 tCO ₂ e See Annex 1 for further details.	Market-based: 829.74 tCO ₂ e	
	Location-based:	Market-based: (UK specific – renewable energy)	
	Scope 1: 72.16 tCO₂e	Scope 1: 72.16 tCO₂e	
Carbon Footprint Breakdown by Scope	Scope 2: 117.06 tCO₂e	Scope 2: 0.00 tCO₂e	
	Scope 3: 757.58 tCO₂e	Scope 3: 757.58 tCO₂e	
	See Annex 1 for further details.		



3.3. CARBON REDUCTION

PAS 2060 Requirement	Information Relating to the Carb	Information Relating to the Carbon Neutral Declaration		
	There was no overall reduction in emissions from the baseline period due to an increase in Business Travel. Our baseline period was severely impacted by the COVID-19 pandemic, whereby there was no business travel. We have successfully had an application for extraordinary circumstances approved, confirming these were circumstances beyond Nominet's control.			
Reductions achieved	Whilst there was no overall reduction in emissions due to extraordinary circumstances, we have still met the 2060 requirement for emission reductions in emissions source within Nominet's control over this period, electricity and natural gas emissions, despite an increase in office occupancy during the same period. The boundary includes re-baselined footprint, including Scope 1, Scope 2 and Scope 3 categories 6 and 8 on There were some methodological changes that were updated this year for all years to allow a like for like comparison. The carbon footprint changes between the current carbon footprint (see section 3.2) and the baseline period are as follows:			
		Market-based	Location-based	
	Absolute change:	+91.46 tCO₂e	+66.33 tCO₂e	
	Intensity change:	+1.1 tCO₂e/£m	+0.4 tCO₂e/£m	
	Percentage absolute change:	+24%	+13%	
	Percentage intensity change:	+14%	+4%	
Baseline period	1 April 2020 – 31 March 2021			
Economic growth rate	+9%	+9%		
Supporting information	The revenue in millions for FY23 is £54.14m vs FY21 £49.8m			
Confirmation that there has been no change to the definition of the subject	The boundary now includes additional Scope 3 categories 3, 4, 5, 7 and 9.			



Description of the means by which reductions have been achieved and any applicable assumptions or justifications

There was no overall reduction in emissions from the baseline period due to an increase in Business Travel. Our baseline period was severely impacted by the COVID-19 pandemic, whereby there was no business travel. We have successfully had an application for extraordinary circumstances approved, confirming these were circumstances beyond Nominet's control.

We have made an absolute reduction of 1.79 tCO₂e for Scope 1 – Natural Gas, by taking one floor of the building out of use during periods of low occupancy.

There was an increase of 33.18 tCO_2e for Scope 1 - Fugitive emissions due to a refrigerant leak on a faulty air conditioning unit in the server room.

There was also a slight increase of $0.77 \text{ tCO}_2\text{e}$ for Scope 1 - Fuels (stationary equipment) due to running the onsite generator.

We have achieved an absolute reduction of 11.04 tCO₂e for Scope 2 – Purchased electricity, by replacing our server room air conditioning and uninterrupted power supply (UPS) with more energy efficient equipment.

There has been a $31.56 \text{ tCO}_2\text{e}$ reduction for Scope 3, category 8– Data Centres. There were methodological changes in this year's footprint emissions from cat 8 data centres due to more accurate information being available. In order to compare like for like contracted kWh and emissions factors including WTT for both years was compared.



3.4. CARBON OFFSETS

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration	
Offset methodology	The retired offset credits are to Gold Standard (CCB-Biodiversity Gold, CCB-Climate Gold, CCB-Community Gol CCB-Gold). The offsets procured are derived from the Katingan Peatland Restoration and Conservation Project i Indonesia (ID 1477). These are verified by the Verified Carbon Standard and were purchased via Forest Carbon L	
Offset Confirmation	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. Carbon offsets are verified by an independent third-party verifier. The credits from the selected carbon offset projects are: 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 Annex 2.	



4. Declaration of ongoing commitment to carbon neutrality

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration	
Declaration of on-going commitment:	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 2023 – 31st March 2024.	
	Carbon neutrality for UK operations and global data centre use for the period 1st April 2023 – 31st March 2024 will be achieved by 31st July 2024. Nominet commits to net-zero by 2050.	

4.1. CARBON MANAGEMENT PLAN

PAS 2060 Requirement	Information Relating to the Carbon Neutral Declaration		
Targets for GHG reduction for the defined subject appropriate to the timescale for achieving carbon neutrality	The GHG reduction target is a one tCO₂e reduction coming from Scope 3 category 7 Employee Commuting. Due to adjustments back to business as usual following the COVID-19 pandemic, Nominet expects emissions to remain relative flat over the next year, however Nominet have calculated that a 1 tCO2e reduction in employee commuting will be feasible. Moving forward, we will be working toward our SBTi goal. Nominet has approved SBTi targets in place for our Scope 1 & 2 emissions. Nominet UK commits to reduce Scope 1 and Scope 2 GHG emissions 42% by 2030 from a 2020 base year, and to measure and reduce its scope 3 emissions. Nominet has committed to net-zero by 2050 and the associated carbon reductions necessary to achieve this. Nominet has set long term decarbonisation goals and has aligned their strategy to achieve these.		
Planned means of achieving avoided GHG emissions	Nominet is providing a green commuter programme, including an ULEV scheme and EV charging units that use renewable energy. This will help prevent the emissions created by commuting from increasing as people work from the office more than the previous year. During the next carbon reporting period essential maintenance will be carried out on the incoming mains infrastructure at our building. For safety reasons this means that the incoming mains will have to be isolated, and the office powered by back-up generator for a short period. To prevent the emissions and air pollution increasing		



	as a result, the back-up generator will use Hydrogenated Vegetable Oil (HVO), which has a substantially lower emissions factor.
Planned means of achieving and maintaining GHG emissions reduction	 We have made a long-term commitment to hybrid working through policy. This reduces energy use in the office and the emissions generated from employee commuting. This includes providing all the necessary technology solutions, equipment, and support to enable staff to work effectively. Office energy shall continue to be procured from renewable sources. This includes a small new London office where renewable energy is one of the requirements. 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 office energy. 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. The close management of office energy continues to be important as our office occupancy will continue to increase post pandemic. Office occupancy is tracked so areas of the building can be taken out of use when demand is lower to reduce the emissions associated with heating, lighting, air conditioning and cleaning. Last year Business travel increased after the COVID-19 restrictions but not to the usual business cadence. We expect business travel to increase in the next year as more face-to-face business activity happens. To prevent it from reaching the pre-pandemic levels the policy and approvals process is being updated. This includes technology being 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 improvement of its energy efficiency as part of lifecycle planning. We use internationally recognised certificates to verify product efficiency at purchase for all standard issue laptops and desktops. In terms



	 benefit scheme, a cycle scheme, cyclists changing facilities and showers. Access to a lift-share scheme, season ticket loans and information about public transport. We have improved the availability of EV charging facilities at the office which uses renewable energy. This supports the adoption of EV by employees, and we will include this in our next commuting calculation. Our secure print facilities and electronic signing methods reduce unnecessary printing. We minimise the use of couriers and chose offsetting ones wherever possible. We now include waste in our footprint. 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. The requirements for the small new London office included good recycling facilities. We have data collation improvements identified for all categories.
	We have offset our market-based FY23 footprint by purchasing 830 (tCO ₂ e) retired credits within the Katingan Peatland Restoration and Conservation Project. The credits are CCB-Biodiversity Gold, CCB-Climate Gold, CCB-Community Gold, CCB-Gold.
The offset strategy to be adopted	In addition to this, we also purchased 73 (tCO ₂ e) assigned credits in UK Forestry to offset our Scope 1 and 2 market-based footprint and support the UK net-zero target. This investment is in Doddington North, and the credits are to the UK Forestry standard and Woodland carbon code validated and are evidenced in Annex 2.
	Nominet plans to continue purchasing offsets from high quality offset providers and will ensure they are certified either Verified Carbon Standard or Gold Standard as a minimum.



Annex of Qualifying Explanatory Statement

Annex 1: Greenhouse gas emissions summary

A1.1 CARBON FOOTPRINT DETAILS

Information Relating to the Carbon Neutral Declaration					
Total Carbon Footprint			2020 (Baseline year)	2021 (Previous year)	2022 (Application year)
Total Carbon Footprint		Location-based	526.99 tCO₂e	392.85 tCO₂e	946.80 tCO ₂ e
		Market-based	384.80 tCO₂e	264.75 tCO ₂ e	829.74 tCO ₂ e
Ę	Scope 1: Direct Emissions	Natural gas	31.80 tCO₂e	30.61 tCO₂e	28.82 tCO ₂ e
ж op		Fuels (stationary equipment)	0.00 tCO₂e	0.00 tCO ₂ e	0.77 tCO₂e
3reak		Fugitive emissions	0.00 tCO₂e	9.40 tCO₂e	42.58 tCO₂e
Footprint Breakdown by Scope		Scope 1 Total	31.80 tCO₂e	40.00 tCO ₂ e	72.17 tCO₂e
ootpi by S	Saara 0:	Imported Electricity	142.19 tCO ₂ e	128.10 tCO ₂ e	117.06 tCO₂e
Carbon Fo	Scope 2: Energy Indirect Emissions	Scope 2 Total (Location- based)	142.19 tCO₂e	128.10 tCO₂e	117.06 tCO ₂ e
indirect Emissions		Scope 2 Total (Market-based)	0.00 tCO₂e	0.00 tCO ₂ e	0.00 tCO ₂ e



	Scope 3 Total	353.00 tCO ₂ e	224.75 tCO ₂ e	757.59 tCO₂e
	Category 15 – Investments	Not measured	Not measured	Not measured
	Category 9 – Downstream transportation and distribution	Not measured	Not measured	100.41 tCO ₂ e
	Category 8 – Upstream leased assets	353.00 tCO₂e	99.21 tCO₂e	67.65 tCO₂e
	Category 7 – Employee commuting	Not measured	Not measured	194,24 tCO ₂ e
Scope 3: Indirect Emissions	Category 6 – Business Travel	0.00 tCO ₂ e	125.54 tCO₂e	336.45 tCO₂e
	Category 5 – Waste generated in operations	Not measured	Not measured	2.05 tCO₂e
	Category 4 – Upstream transportation and distribution	Not measured	Not measured	11.61 tCO ₂ e
	Category 3 – Fuel and energy related activities	Not measured	Not measured	45.18 tCO₂e
	Category 2 - Capital goods	Not measured	Not measured	Not measured
	Category 1.b – Purchased goods and services	Not measured	Not measured	Not measured

Exclusions

The remaining Scope 3 categories are excluded at present. We are unable to collect the data for categories 1, 2 and 15, however these will be included in the future. Categories 10, 11, 12, 13 and 14 are not applicable. For category 8, our data centre natural gas and fugitive emissions are excluded, with only emissions from electricity being measured.



Annex 2: Offsets

The below information relates to the compensation of residual emissions (i.e. offsetting).

The volume of emissions reduced or sequestered via carbon offsetting corresponds to the residual emissions of the products in question. As per the requirements of PAS2060, it has been confirmed the offsets have been retired on a public registry to avoid double accounting. The internal process for ensuring there is no double accounting of offsets is as follows:

Project name Cou	untry	Project type	Standard	Type of credits	Total credits	Generation period	Retirement date	Reference No. and link to registry	Offset Volume (tCO2e)	Offset price	Justification for choice of offset
Katingan Indo Peatland Restoration and Conservation Project	onesia	Agriculture Forestry and Other Land Use	CCB- Biodiversity Gold, CCB- Climate Gold, CCB- Community Gold, CCB- Gold	VCU	830	2017	14 August 2023	Link to VCS registry	830.00	£15.00 per tCO₂e	Highest number of SDGs and good quality offsets to Gold Standard
Doddington Eng North	gland	Mixed mainly continuous cover system	UK Woodland Carbon Code	Forestry	73	Future generation project 2025 - 2085	Total tonnes	Link to IHS Markit registry (tCO ₂ e)	73.00	£22.50 per tCO ₂ e	Ongoing commitment to UK Forestry and UK sustainability targets.







Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 14 Aug 2023, 830 Verified Carbon Units (VCUs) were retired on behalf of:

Nominet

Project Name
Katingan Peatland Restoration and Conservation Project

VCU Serial Number 6359-305108261-305109090-VCU-016-APX-ID-14-1477-01012017-31122017-1

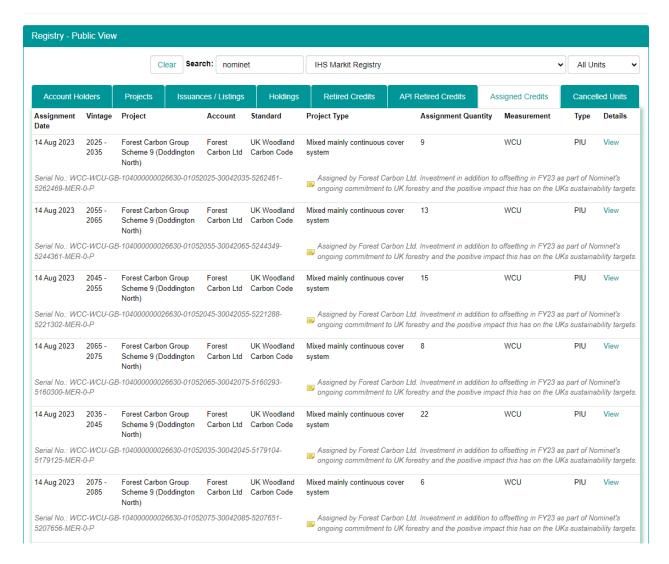
Additional Certifications

CCB-Biodiversity Gold; CCB-Climate Gold; CCB-Community Gold; CCB-Gold

Powered by APX

Evidence of Offsets for FY23







Annex 3: Independent third-party assurance



Certificate of Achievement

Nominet

has achieved carbon neutrality related to the 1 April 2022 – 31 March 2023 application period and is committed to on-going carbon neutrality of the total carbon footprint for

Scope 1, 2 and Scope 3 categories 3, 4, 5, 6, 7, 8 (electricity in data centres) and 9

Carbon Trust Assurance Limited certifies that this company has correctly calculated its carbon footprint for the year 1 April 2022 – 31 March 2023 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-13532

Awarded: 5 July 2023

for and on behalf of Carbon Trust Assurance Ltd,

Martin Hockaday, Head of Assurance

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 Contract: Carbon Trust Assurance Limited is registered in England and Wales under Company number 05547558 with its Registered Office at Level 5, Arbor, 255 Blackfriars Road, London SE1 9AX, UK. Telephone: +44 (0) 20 7 170 7000. Carbon Trust Assurance Limited is a fully owned subsidiary of the Carbon Trust.



Annex 4: Additional supporting information for interested parties

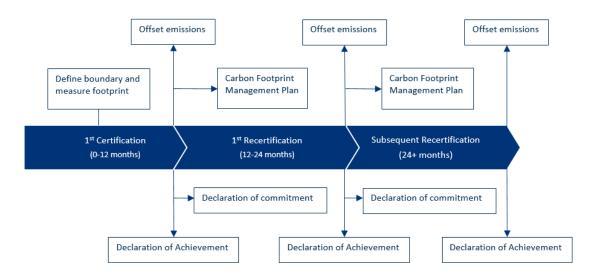


FIGURE 1. PAS 2060 CERTIFICATION PROCESS

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]

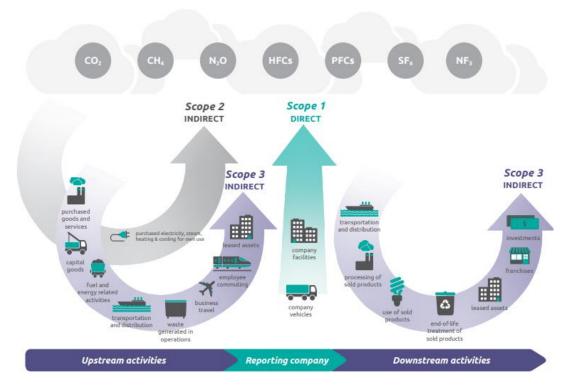


Figure 2. Organisational carbon footprinting / **Source:** Greenhouse Gas Protocol: http://ghaprotocol.org/

