



Secure Connected Future

Digital Space ESG Impact Report

June 2022

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Working in partnership with:

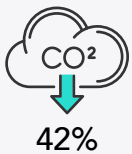


Executive Summary

Digital Space provides 'Secure, Connected, Cloud' IT infrastructure services to the UK mid and enterprise markets. We recognise that our customers and our staff are increasingly keen to be sustainable, and we are taking swift action to be a leader in corporate social responsibility. To achieve this, we have set bold targets for our own performance and made rapid progress against them.

We are keen to help our customers to reduce carbon emissions and improve their wider ESG (environmental, social, and corporate governance) performance. Our activities create significant positive impacts on both people and the environment. This report by independent consultants, Sustainable Advantage, outlines our approach

Highlights



Digital Space has set ambitious carbon reduction targets and aligned with SBTi to **reduce emissions by 42% by 2030**, and has committed to achieving Net Zero by 2035, 15 years ahead of government targets



We support our clients to reduce their own emissions through highly **efficient cloud-based computing** and the re-use that is inherent in SD-WAN



We partner to offer our customers fully recycled laptops, and **produce minimal waste** across our own operations



The Social Value Portal (SVP) translates the value of organisations' contributions to society into a financial figure. Our contribution for 2021 was assessed as **£406,830**



Each year, the team at Digital Space chooses a **charity to support** through fundraising activities and initiatives

Recent Improvements

- From 1st June 2022, Digital Space operations are powered by **100% renewable electricity**
- We **reduced our carbon emissions by 11%** from 2020 to 2021, and anticipate a further reduction of **at least 60%** over the coming year
- In January 2022, we gained the **Ecovadis Bronze award**, and we've set ourselves a target to achieve Gold in the next annual assessment
- Our new **People at Work programme** will launch in summer 2022 with working groups to focus on gender, ethnicity, and health and wellbeing at work
- We recently assessed our operations using the government's Modern Slavery Assessment Tool and used its advice to **add training** for all staff and KPI monitoring, as well as producing an **Anti-Slavery and Human Trafficking Statement**



Planned Improvements for the Next Six Months

- Digital Space will **expand our carbon footprint reporting** to include additional categories from scope 3 (upstream and downstream) emissions, including employee commuting, and will have defined several carbon reduction initiatives. We need to understand our impact so that we can reduce it
- **We will define** a Labour & Human Rights policy and clarify metrics and monitoring for existing staff policies
- **We will improve** our data on working conditions for our staff and training hours per employee



At Digital Space, we understand the positive impact our digital solutions can have on both people and the environment. That's why we are driving this agenda to create a better world for our valued staff, customers, and communities.'

A Letter from our CEO



In August 2021, the UN Secretary General stated that the latest Intergovernmental Panel on Climate Change (IPCC) report signalled a 'code red for humanity'. Since then, our biggest customer asked us to partner with them in delivering ambitious carbon reduction and social impact targets. We subsequently commissioned our own sustainability survey which showed a growing desire in our customer base for sustainable IT. Our survey involved 1,000 senior representatives across eight industry sectors in the UK and showed that 64% of mid-market organisations have considered how their IT provider could help their organisation to become more sustainable.¹

We have taken the United Nations Sustainable Development Goals (SDGs) as a starting point for prioritising our environmental and social initiatives. We have strong buy-in from our Executive team and much of our sustainability work is being led by our MD Cloud, formerly the Operations Director for the Carbon Trust. Our key areas of focus are carbon and waste, and we're thinking not just about what we do, but how we can best support our customers to reduce too.

We have set externally-validated carbon reduction targets and are already making huge strides toward achieving them. We have partnered with a global leader in re-manufacturing and a specialist in secure, environmentally-sustainable asset disposal to enable our customers to reduce their waste. But we also have other solutions that enable our customers to reduce their carbon footprint and provide them with more information on the carbon in their services (including our cloud and SD-WAN specialisms).

Cloud represents a form of re-use. By embracing pay-as-you-go infrastructure, organisations don't need to rely on equipment that needs replacing and upgrading at regular intervals. This reduces waste while ensuring organisations only use what they need. We are leading the way in how cloud managed services and connectivity solutions are delivered, managed, scaled, and optimised. Through our Cloud Space portal, we enable our customers to effectively manage their cloud environments, whilst delivering what they need, when they need it, and at the right capacity. Cloud data centres are far more energy and carbon efficient than their on-premises counterparts, a fact which has been validated by recent research and referenced in this report.

Beyond embedding environmental sustainability into our core operations, we provide jobs and training in some of the most deprived areas of England, encouraging our staff to fundraise and volunteer for charities. We work with internationally respected assessment and rating organisations to measure the effectiveness of our work across these areas. We also constantly listen to our staff and improve our workplace culture, including our staff support and management processes.

At Digital Space, we understand the positive impact our digital solutions can have on both people and the environment. That's why we are driving this agenda to create a better world for our valued staff, customers, and communities.



Neil Muller
Chief Executive Officer



¹ Digital Space, 'IT sustainability in the mid-Enterprise', p. 11, <https://www.digitalspace.co.uk/news/digital-insights-report/>, (accessed 2 June 2022).

About Us

Cloud data centres maximise energy efficiency by using full server capacity across multiple organisations, compared with data centre operations that serve only one organisation. According to a report commissioned by Amazon Web Services (AWS), Europe-based businesses can use nearly 5 times less energy by running their applications on the cloud rather than operating their own data centres.² Cloud data centres are also cost-efficient, as each organisation pays only for what they use.

Digital Space is a leading technology platform and cloud-first solutions provider backed by private equity firm, Horizon Capital. Headquartered in Newark-on-Trent, with data centres in Newark, Telford, and Newport as well as offices in London, Digital Space now employs over 350 team members.

What We Do

Digital Space provides 'secure, connected cloud' services to the UK mid-market. Our services include:

- Infrastructure, principally servers, that run business applications on private, public, and hybrid cloud platforms
- Networks that connect sites, staff, and customers with those applications that are both increasingly secure (zero-trust) and flexible (SD-WAN)
- Fixed line, mobile, cloud, and telephony solutions that enable staff and customers to communicate effectively through automated unified solutions

Digital Space works closely with key partners to deliver solutions. These include Amazon Web Services, Fortinet, 8x8, Microsoft, and IBM. We support the solutions that we provide through a 24/7 network operating centre, monitoring all of our Customer Space portals.

² Public Relations Team, 'EU businesses that move to AWS Cloud can improve energy efficiency and reduce carbon emissions', Amazon, <https://www.aboutamazon.eu/news/aws/eu-businesses-that-move-to-aws-cloud-can-improve-energy-efficiency-and-reduce-carbon-emissions>, (accessed 6 June 2022).

Our Latest Awards

We are proud that our work has been recognised by a range of awards. We're not always great at tooting our own horn, so we'll let others do it for us!



Winner at the UC Partner Awards 2021

Digital Space was awarded UC Deal of the Year at the UC Partner Awards 2021, in recognition of our successful work with Toolstation. The global awards event celebrated channel success in the UC&C industry at a time when partners had a great opportunity to help customers transform during challenging trading conditions. Judges of the award recognised Digital Space's customer-focussed ethos and commitment to going the extra mile, after we supplied Toolstation with a cost-effective UC&C solution in record timescales, to support communication between its head office and stores. Following a huge number of entries from across the globe, Digital Space was one of just three businesses to be shortlisted in the category.



Finalist in the Cloud Excellence Awards

The Cloud Excellence Awards recognises the very best of the UK's cloud industry, from the most innovative and compelling products and vendors, through to the top use cases from end-user firms. Digital Space was announced as a finalist in the Cloud Project of the Year, after successfully delivering the Flagship Group's biggest digital transformation project to date in record timescales.



Named in LDC's Top 50 Most Ambitious Business Leaders for 2021

Digital Space's Neil Muller has been named in The LDC's Top 50 Most Ambitious Business Leaders for 2021. The Top 50 recognises and celebrates inspiring business leaders behind some of the UK's most successful and fastest-growing medium-sized firms. The 2021 programme received a record-breaking 600 nominations from across the UK and a diverse range of sectors.

Our Latest Awards (continued)



Finalist in the Technology Reseller Awards

The Technology Reseller Awards recognise and celebrate the achievements of businesses throughout the IT channel, highlighting best practice and innovation to inspire everyone who works in, or with, this industry. Digital Space was announced as a finalist in the Enterprise Reseller/MSP of the Year category, in recognition of our track record in providing value added solutions for customers and delivery of outstanding projects in the past year.



Champions Choose Mitel Gold Winners

Digital Space was awarded Gold status on our vendor partner, Mitel's Champion Leadership Board for four consecutive months in 2021. It placed us as one of Mitel's top performing and leading partners. We received the accolade after our team demonstrated a high success rate in delivering the vendor's solutions and enabling positive change for customers.

Supporting the UN Sustainable Development Goals

Established by the United Nations, the Sustainable Development Goals (SDGs) are 17 objectives that provide a global framework for peace and prosperity in consideration of the environment.

To support this framework, and to guide our own areas of priority, we have selected four SDGs that we feel most closely align with our operations, our vision, and our values. We have highlighted our related actions and commitments alongside each Goal and Target, to illustrate our contribution.



The UN Sustainable Development Goals

UN SDGs	UN Targets	Our Contribution
<p>Goal 4 Quality Education</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship</p>	<p>We champion apprenticeships and have supported the career progression of our staff members</p> <p>We offer a wide range of training and development opportunities for our people</p>
<p>Goal 7 Affordable and Clean Energy</p> <p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p>	<p>From June 2022, we are powering all our offices and data centres with 100% renewable electricity</p> <p>Our cloud data centres maximise both carbon and cost efficiency for our end users</p>
<p>Goal 8 Decent Work and Economic Growth</p> <p>Promote sustained, inclusive, and sustainable growth, full and productive employment, and decent work for all</p>	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6 Substantially reduce the proportion of youth not in employment, education, or training</p> <p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour</p>	<p>We recently assessed our operations using the government's Modern Slavery Assessment Tool and used its advice to add training for all staff and KPI monitoring, as well as producing an Anti-Slavery and Human Trafficking Statement</p> <p>Our headquarters is based in one of the most deprived areas in the country. We have provided more than 200 local jobs as well as offering training in digital skills</p> <p>We treat our staff well and have progressive policies. This summer we are launching a new initiative with workshops and staff-led working groups across several categories including mental health at work and gender and ethnicity-related work issues</p>
<p>Goal 12 Responsible Consumption and Production</p> <p>Ensure sustainable consumption and production patterns</p>	<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p>	<p>We help customers reduce wastage from computer equipment through two partners who either remanufacture devices or resell and recycle them</p> <p>We discourage unnecessary printing and dispose of all paper waste in the recycle bins in all four of our sites. We recycle electrical equipment by use of a waste electrical and electronic equipment (WEEE) skip</p>

Environment



Environment

Our Impacts

We are committed to reducing the negative environmental impacts of our own services, activities and products, especially those relating to:

- **Our data centres:** computing equipment, energy usage, water usage, and waste
- **Our products and services:** carbon footprint, customer equipment, and the goods and services we choose for our offices: cleaning, furniture, stationery, and IT equipment
- **Our business:** company travel emissions and those of our commuting colleagues
- **Our offices:** water usage, energy usage, and waste
- **Our suppliers:** the resources consumed in manufacturing the devices that we use and supply to our customers, opportunities for waste reduction, re-use and recycling

Our Commitments

Digital Space is actively committed to being a responsible and sustainable business and strives for continual improvement. The key areas of focus for reducing our impacts are:

Data Centres

- Utilising virtualisation to reduce power wastage from under-utilised systems and cooling costs compared with their physical equivalents
- Using a centrally controlled, integrated building management system that controls and reports the building's heating, ventilating, and air conditioning (HVAC) system status; this allows our data centres to be temperature controlled which lowers energy wastage
- Using the latest design principles to minimise power consumption, generate customer savings and improve our carbon footprint. This includes cold aisle containment which reduces the volume of cold air required and contributes to a target Power Usage Effectiveness (PUE) of 1.2 (this compares with industry average effectiveness of 1.8)



We are committed to reducing the negative environmental impacts of our own services, activities and products

Products and Services

- Choosing suppliers who are committed to lowering their environmental impact through recycling, waste management, or travel management
- Recycling electrical equipment by use of a WEEE skip, which meets current legislation; re-selling mobile equipment to companies for re-use and donating computers and IT equipment to charity

Business Travel

- Reducing the company's transport emissions by embracing home working, promoting a bike to work scheme, and making use of video conferencing and public transportation
- Investigating an electric vehicle (EV) salary sacrifice scheme to incentivise low-carbon transport for our staff

Offices

- Training colleagues to improve recycling of paper, products, and equipment
- Reducing electricity consumption through the installation of auto power-off lights within our offices; turning off computers at the end of the day and replacing existing light bulbs with energy efficient ones
- Regulating heating and cooling by thermostats, to curtail energy wastage
- Operating a centrally-controlled comfort cooling system which automatically turns the air-conditioning requirement off at given times during the day and weekend, thereby curtailing energy wastage

- Lowering paper consumption by sending a minimal amount of our invoices, proposals and documentation in paper format
- Recycling office and customer paper waste by shredding; this reduces environmental impact – every tonne of paper recycled can save 4,000 kWh (kilowatt hours) of energy, 26,498 litres of water, and 17 trees. Every document securely destroyed is recycled, improving our organisation's environmental footprint as well as preventing data theft
- Use of Hydro Taps within our office kitchens for energy efficiency and a reduction in water wastage

Future Initiatives

We are also considering projects in the following areas:

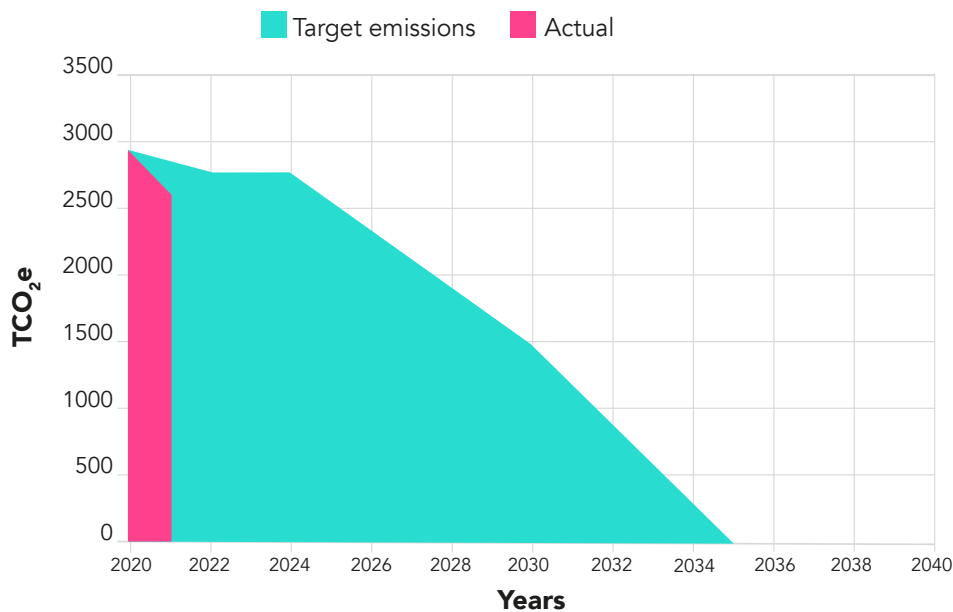
- Implementing a company salary sacrifice electric vehicle scheme to reduce scope 3 emissions from commuting and business travel
- Adding on-site renewables at our Telford data centre
- Adding battery storage to our Telford data centre to smooth demand on the National Grid
- Installation of more efficient building management systems
- Developing products that include carbon reduction information for customers to reduce downstream scope 3 carbon emissions

Our Journey to Net Zero

To continue our progress toward achieving Net Zero, we have adopted the following carbon reduction targets and actions:

- SBTi commitment to 42% reduction by 2030
- Net Zero by 2035
- 100% renewable electricity across our data centres and offices from 1st June 2022
- Producing an Energy Saving Opportunity Scheme (ESOS) report, due in 2023

Carbon Reduction: Projected vs. Actual



We have set ourselves the target of reducing our carbon emissions across our operations by 42% by 2030. This target meets the criteria defined by the Science Based Targets initiative (SBTi) and has been assessed and validated in line with their requirements³.

We have further committed to achieving Net Zero by 2035; 15 years ahead of the date set by the UK government. Net Zero is achieved when an organisation puts no more greenhouse gases (GHGs) into the atmosphere than it removes. We seek to be ambitious in this area and believe it is crucial for as many companies as possible to achieve this target before the UK legislative deadline of 2050.

Currently, our data centres account for 78% of our emissions. By 2030, we expect to have a good understanding of the ongoing market requirement for private cloud hosting which we provide via our data centres. Our current expectation is that this will decline in the 2020s as cloud hosting increases but there are also countervailing pressures from 5G and the need to serve content close to where it's consumed. The increase in cloud hosting should not result in a commensurate increase in emissions because our public cloud providers have already committed to Net Zero targets (by 2030 for Microsoft Azure and by 2040 for AWS) and data centre technologies are becoming increasingly efficient.⁴

³ You can find our commitment on the SBTi website: <https://sciencebasedtargets.org/companies-taking-action>

⁴ G. Kamiya, 'Data Centres and Data Transmission Networks', IEA, Paris, 2021, <https://www.iea.org/reports/data-centres-and-data-transmission-networks>, (accessed 10 June 2022).

We recognise that the first stage in achieving Net Zero is driving down emissions as far as possible. Tracking and measuring our emissions against a baseline is a key part of tackling our carbon footprint. Baseline emissions are a record of the greenhouse gases that were produced prior to the introduction of any strategies to reduce emissions and act as a reference point against which emissions reduction can be measured. Last year, we began reporting in line with the UK's 2019 Streamlined Energy and Carbon Reporting (SECR) policy. We have set 2020, our first year of measuring our carbon footprint, as our initial baseline for emissions reductions and have compared our emissions across scope 1, scope 2, and partial scope 3 last year with this year to assess the effectiveness of our carbon reduction efforts to date.

We have included the following GHG sources in our emissions reporting:

- **Scope 1:** our operational emissions including natural gas consumption at our Telford and Bristol offices; as well as diesel and petrol emissions from our leased vehicles
- **Scope 2:** electricity across our UK operations
- **Scope 3:** electricity transmission and distribution loss; staff business travel in their own vehicles; business travel (flights, trains, and hotels); and water consumption

Digital Space emissions comparison year-on-year

Emissions source	2020	2021
	tCO ₂ e ⁵	tCO ₂ e
Scope 1	146	168
Scope 2	2,417	2,047
Scope 3	367	382
Total	2,927	2,598

We have taken considerable strides to prevent and reduce our environmental impact. Our scope 1 emissions were higher in 2021 than in 2020 mainly due to the lifting of travel restrictions resulting from the COVID-19 pandemic. However, over the past year, Digital Space has reduced our total emissions by more than 11% against 2020 levels. This was achieved primarily through reorganisation of our data centres and use of more efficient cooling systems.

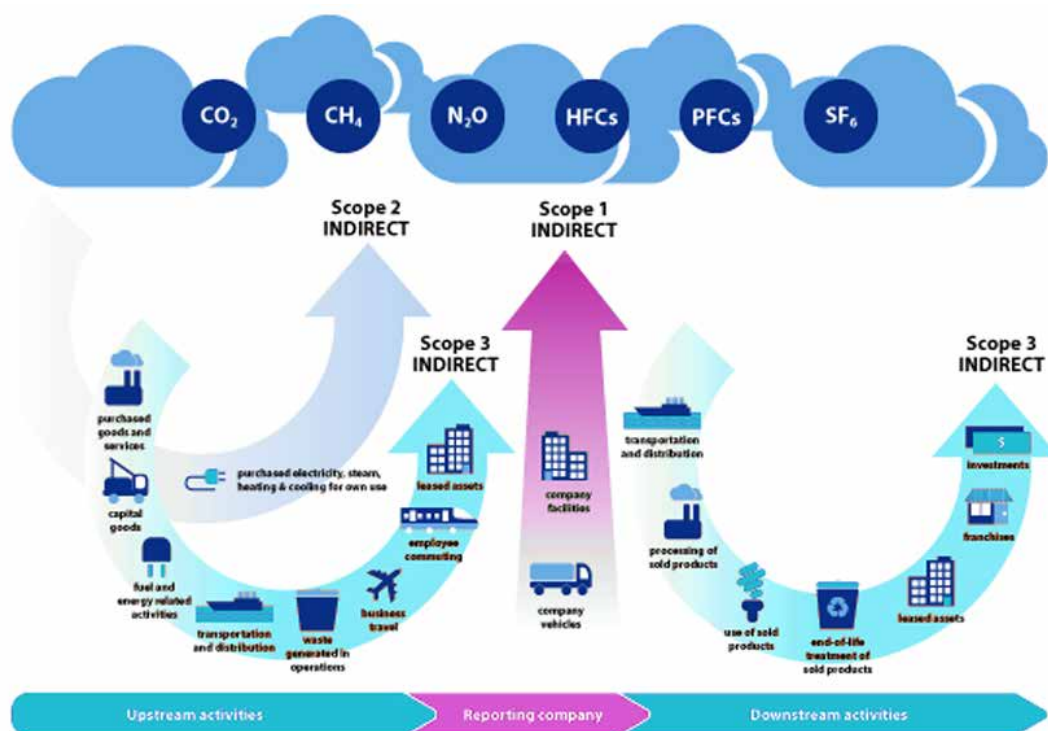
We use the latest design principles to minimise power consumption in our Tier 3 data centre, generating customer savings and improving our carbon footprint. Our free air-cooling method utilises external ambient air during colder months, lowering energy consumption. In 2020, we also invested in a pioneering battery energy storage system at our Newark site to reduce our power consumption. We are currently in discussions with suppliers and the Electricity Association (EA) to make use of the latest technology to further reduce our IT load consumption.

⁵ Tonnes of carbon dioxide equivalent (tCO₂e) is a standard measure for reporting the totality of GHG emissions that an organisation produces.

We also promote healthier journeys to work to reduce environmental pollution caused by rush hour congestion, by offering all colleagues the opportunity to take part in the UK Government's Cycle to Work scheme. This salary sacrifice scheme means our employees save up to 40% on the purchase of a bike and accessories and can significantly reduce transport commuting emissions. After implementing staff commuting data capture processes, we plan to investigate the feasibility of an electric vehicle (EV) incentive scheme to further reduce scope 3 emissions from commuting and business travel.

We expect a further emissions reduction of at least 60% over the next two calendar years, following our move to 100% renewable electricity. We will also undertake an Energy Savings Opportunity Scheme (ESOS) report which we anticipate will support the process of planning, prioritising, and quantifying the cost and benefit of several projects in the second half of this year.

Scope 1 and scope 2 currently account for most of the emissions in carbon footprint reporting, as they represent the emissions for which a company has direct responsibility. However, with scope 3 comprising at least 70% of most companies' emissions⁶, tackling scope 3 is crucial to achieving Net Zero. We anticipate increases to our scope 3 emissions as we improve our reporting of both upstream and downstream emissions and widen the spectrum of sources that we include, such as staff commuting, waste, and our supply chain.



At this stage of technological progress, most organisations including Digital Space will not be able to avoid carbon emissions entirely. As such, after achieving the maximum emissions reduction possible through the opportunities outlined in our SECR and ESOS reports, we will consider investing in accredited projects to offset our residual emissions.

⁶ sdgs.un.org/goals

Our Waste

Digital Space primarily provides IT services to businesses in the UK mid-market. These services usually involve the following:

1. Understanding customer requirements and desired outcomes then proposing and agreeing a technical design and price.
2. Building or implementing the design. This may also involve reselling software, devices or services from third parties.
3. Monitoring and supporting what has been built.

In addition, Digital Space runs its own data centres where customers can pay to host their own equipment or rent space on Digital Space's servers. The main inputs are people and computers, which means our waste is mostly in the form of:

- Carbon emissions associated with the electricity used to run computers and lighting
- Carbon emissions from space heating and cooling, including data centre cooling
- Paper and packaging from office activities and unboxing computer equipment for staff and customers

Reducing, Reusing, and Recycling

We help customers to reduce wastage from computer equipment through two partners who either remanufacture devices or resell and recycle them. Circular Computing is a premium remanufacturer of carbon neutral laptops and computing equipment, which produces at-scale, pre-used product that is equal to or better than new. Circular computing exists to create a more ethical, sustainable, and socially responsible way to buy enterprise grade computing hardware. With a remanufacturing process that involves over 300 steps, they are the first company worldwide to be awarded a BSI Kitemark

for remanufacturing laptops. The Kitemark provides our customers with absolute confidence in the quality of the products produced.

As a partner with Circular Computing, we can support our customers in putting their environmental sustainability policies into practice, all while reducing costs with significantly lower outlay compared to buying brand new. We can offer a range of carbon neutral remanufactured Lenovo, Dell and HP laptops which delivers 97% of the performance and up to 40% cost savings compared to brand new latest models. Each product comes with a one-year warranty and can be delivered straight to door within 24 hours, and Circular Computing plants five trees for every device sold through our partnership.

We also partner with asset disposal organisation Re-Tek, who deliver solutions including life cycle extension for laptops, adding up to six years per unit. Re-Tek offers re-use as a secure, environmentally sustainable method of IT disposal and asset retirement and helps our customers by collecting, ethically wiping, and recycling legacy equipment. Re-Tek are CAS-S Sanitisation accredited. Any service provider with this accreditation is certified in the high standards of the National Centre for Cyber Security in IT disposal, and it ensures the best security standards and practices when handling confidential data, meaning they are certified to destroy data safely and securely.

We discourage unnecessary printing and dispose of all paper waste in the recycle bins in all four of our sites. We recycle electrical equipment by use of a waste electrical and electronic equipment (WEEE) skip.

Social



Social

We provide a workplace environment that allows our colleagues to thrive, and a community presence that creates a positive impact. Our headquarters is in Newark, England, an area defined by the UK Social Mobility Index as one of the most deprived in the country. We have provided more than 200 jobs in the area, as well as offering training in digital skills. We also choose a charity of the year to support through fundraising and provide volunteer leave to all staff.

Our People

Attracting and Retaining Talent

We know that the following is high on our candidates' agenda:

- Flexibility to work from home
- High levels of communication and engagement
- Making positive progress on sustainability and social contribution

We have embedded all of the above into our approach to hiring and retention.

Our view is that whether a candidate is successful with us or not, their experience of the hiring process is what matters most. Our Resourcing Business Partner has a Code of Care which includes responding to candidates quickly, offering positive feedback, and providing any other support to candidates, such as suggesting CV templates to improve future applications.

Staff Engagement and Communication

We communicate frequently and responsively with staff by means of regular all-hands video calls and weekly five minute video blogs on the company Intranet. We encourage regular 121s with managers and track staff sentiment across a range of issues, including our employer net promoter score, through weekly feedback using OfficeVibe. Our CEO meets informally with colleagues from around the business for regular 'CEO breakfasts' to understand how staff feel about the workplace culture, what could be improved in the working environment, what training staff are interested in, etc.



The skills, attitude and motivation of our staff is key to delivering high quality services to our customers so staff engagement is a high priority for us.

We have a colleague champion network of around 12 representatives of our key departments. These reps listen to feedback from the wider team, and feed back to senior management during a monthly Colleague Forum. Business leaders also use the forum to share information about planned changes and new initiatives, and Colleague Champions can respond with their input and recommendations.

Digital Lounge is our intranet which we use to provide colleagues with key information including policy updates and work opportunities. Colleagues can also publish their own posts and initiatives. To encourage a sense of enjoyment at work and to establish positive relationships among the team, we hold regular social events. Our most recent event was a games night in which all colleagues were invited to bring video games and board games to share, and we provided food and drink.

Diversity, Equity, and Inclusion

Building a diverse and engaged team at Digital Space is key to our people plan, and we see it as a vital aspect of our continuous development for our colleagues and our business. We have observed, through the pandemic, how we need to be flexible to fit with changing priorities. Home working has worked well across our different teams, and hybrid working allows us to offer more roles to all genders and those with a range of caring responsibilities and other life commitments.

The COVID-19 pandemic negatively impacted our gender pay gap, so we are now encouraging internal active working groups such as Women in Business to

ensure a supported platform for our people to feel encouraged to progress and develop within the business. We have also made a commitment to regularly review our internal policies, procedures, and benefits portfolio with people at the forefront, and a further focus on supporting women at work.

In summer 2022, we're planning to kick off a new People at Work initiative with workshops and staff-led working groups across several categories including mental health at work, gender and ethnicity-related work issues. The working groups will be an opportunity to raise awareness, and will give people a platform to seek advice, support, and development opportunities. Staff will have flexibility to release themselves from day-to-day work to participate in the initiative.

We're hoping to increase our local impact through working more closely with other businesses and educational institutions in our local areas to encourage more diverse applicants for our vacancies.

The accessibility of work can be a key factor in enabling equal opportunities for carers, those with poor access to transport and the neurologically diverse. We support home and flexible working, offer salary sacrifice for childcare vouchers, and all staff can opt into private health and dental care schemes.

Learning and Development

At Digital Space, we encourage and invest in our staff's ongoing career development, recommending and supporting training and further education across all teams and disciplines.

As such, we have a designated learning and development (L&D) partner whose current priority is management training to ensure recently promoted managers are equipped to excel in their roles. We're holding a Managers' Fair for all our managers and team leaders in June 2022. This will be an opportunity for our L&D partner to offer bite-sized presentations on key topics including effective one-to-ones, giving constructive feedback, etc.

We champion apprenticeships and have several apprentices working within the organisation, including some who joined us as apprentices and have progressed through the business. Staff can also request specific training opportunities, and this is supported by a designated budget. Our L&D platform, Learning Hub, offers compliance training in addition to other soft skills training, for example conflict resolution and effective communication. We track the training that staff are choosing to access through Learning Hub, to assess the effectiveness of programmes. We also use Pluralsight for technical training

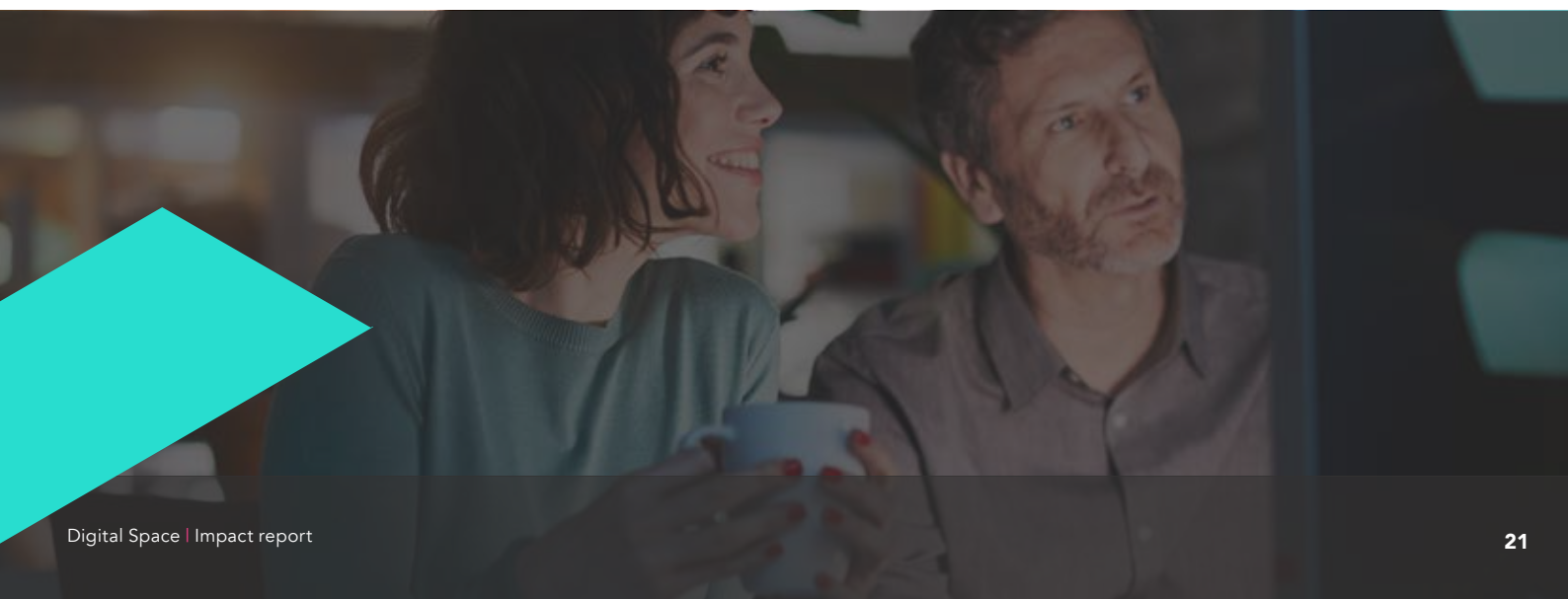
and accreditations and can track training access for staff. Our L&D partner tracks staff accessing specific training, and we offer roughly half external and half internal training opportunities, spread across accreditations, apprenticeships, and other programmes developed internally.

Health and Wellbeing

Every employee benefits from discounted physiotherapy sessions, the government's bike to work scheme, and Medicare. We also offer Help@hand, a virtual platform providing staff with free 24/7 access to a GP through our employee assistance programme (EAP). This covers everything from second opinions to MOTs to mental health check-ins. In addition, we have Medicash, which means our staff can receive cash returns for things like dental care and prescriptions. We have a contracted one-on-one counsellor available once a month who offers face to face counselling sessions to staff, and we are currently running a campaign to improve awareness of and empathy for mental health issues.



Our staff are at the heart of the value we provide to customers, and we have taken steps to encourage a healthy working environment.



Our Communities

Digital Space uses the Ecovadis Sustainability Scorecard to annually track its progress on social value and sustainability. In January 2022, Digital Space gained a bronze award for being in the top 50% of all companies rated. Ecovadis rates over 90,000 companies across 160 countries in four areas:

- Environment
- Labour & human rights
- Ethics
- Sustainable procurement

Equitable Employment and Skills Development

Digital Space directly tackles economic inequality and the digital skills gap by creating employment for approximately 200 people in the company head office and data centre facilities in Newark, the majority of which are local hires. According to the last Social Mobility Commission report in 2017, Newark ranked 323 of 324 English Local Authority areas which means that it is harder for poor people to break out of poverty in Newark than in almost any other area in the country. In addition to hiring and developing local talent in Newark, Digital Space employs a further 150 staff across the rest of the UK.

Digital Space also tackles economic inequality by recruiting and training apprentices. We have a programme in place to source local apprenticeship talent for several of our first line roles. These apprentices are then developed into the business. Key areas of focus for the scheme are our Network Operation Centre and Helpdesk 1st lines, Customer Services and Sales. We will also look to take Product Managers, HR and Administration/Finance apprentices on an ad hoc basis.

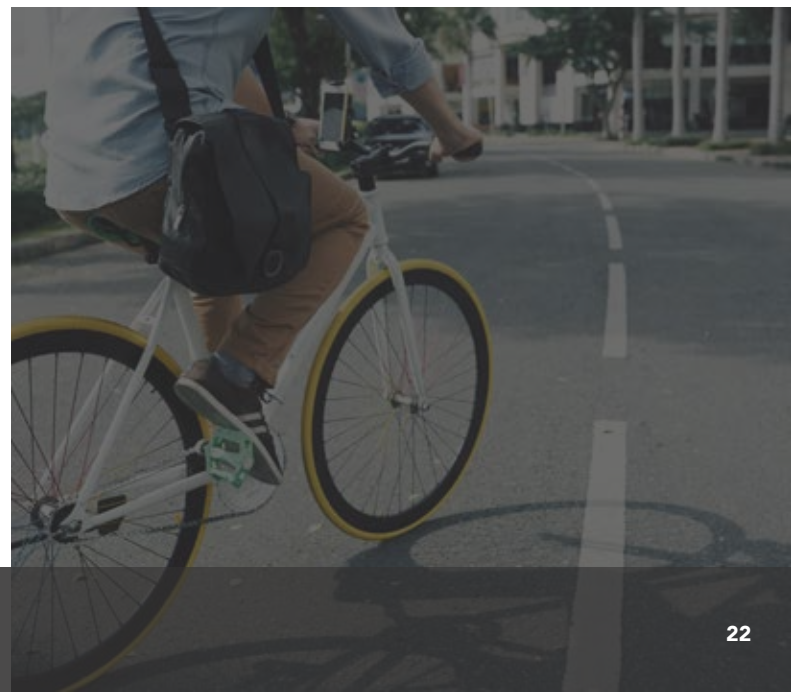
Our apprenticeship programme works with local schools but also partners with specialised external companies to ensure we get the right talent for the future talent pool of our business. Our first Degree Apprentice expects to graduate this summer (2022) with a First in Digital & Technology Solutions from Anglia Ruskin.

Our Charity of the Year

Each year, the team at Digital Space chooses a charity to support and raise money for through numerous fundraising activities and initiatives. We are delighted to have chosen St John Ambulance as our Charity of Year for 2021. The 140-year-old organisation is a volunteer-led health and first aid charity, with national presence, reach and scale. During COVID-19, the volunteers proved critical to the pandemic's efforts, providing 200,000 hours of patient facing care.

Volunteering day

Giving back to the community will always be an important part of our ethos and we value the contribution our colleagues make in their local community. That is why we provide every employee with a day's paid leave each year, so they have the time to volunteer for a charity or organisation of their choice.



Governance

Governance

Key Policies and Procedures

We are committed to ensuring environmental issues are considered in planning and managing our operations, complying with environmental legislation, and preventing pollution. We continually improve our environmental performance and provide the necessary training and guidance to employees and other workers to ensure they are fully aware of the company's environmental policy.

Digital Space is legally compliant with all relevant employment legislation. We ensure fairness in the hiring and advancement of all employees, both permanent and temporary, without discrimination.

All our policies apply across Digital Space. Our Corporate Social Responsibility; Anti-Bribery and Corruption; Diversity, Inclusion and Equal Opportunities; Health & Safety; and Whistleblowing policies demonstrate Digital Space's commitment to conduct business in a responsible and ethical manner and ensure our employees receive the duty of care they deserve. We expect all suppliers we associate with to uphold the same standards. We continually assess and update our policies and procedures to ensure our strategy and governance meet or exceed all requirements.

Anti-Slavery and Human Trafficking Statement

Modern slavery is a crime resulting in an abuse and gross violation of human rights. Digital Space promotes ethical business

practices and policies that protect workers from being abused and exploited in its own organisation and in its supply chains and increased its focus on this in 2022 through providing training for all staff and tracking issues.

Due Diligence

Where relevant, all potential new suppliers are required to provide written confirmation that they are compliant with the Modern Slavery Act 2015. If they are unable to provide a written statement, we will review whether the Supplier is to be invited to enter a contractual relationship with Digital Space.

Training and Awareness

To ensure awareness and a high level of understanding of Digital Space's zero-tolerance approach to modern slavery, dedicated training is available for all employees via our Learning Management System; this ensures colleagues from senior management, auditors and other areas are trained in how to implement our policies and identify forced labour in practice.

KPIs

We track the number of suspected cases of slavery that are reported through our Whistleblowing procedure and ensure that all of them are investigated at Exec level.

Ongoing Improvements

We have made the following improvements since last year:

- Training made available to all employees
- Introduction of KPIs
- Statement signed by a member of the Board
- Board Approval

Ensuring Standards in our Supply Chain

Over the next six months, we will be reviewing our supply chain procedures and we will write a procurement policy, set metrics, and review our existing suppliers against our ESG strategy. Digital Space will continue to manage and review our supply chain, going beyond the first tier of supply and ensuring all new and existing contracts, where relevant, are evaluated for compliance with the Modern Slavery Act 2015. If potential risks are identified, we will address these risks with the supplier and, where we are not satisfied on compliance, we will consider terminating our contract. We will not take up new supplier contracts if they do not comply in accordance with our legal obligations.

Compliance and Security

Compliance and security are an integral part of our business, so we ensure that the services we provide meet essential security regulations and governing frameworks.

We have the following International Organization for Standardization (ISO) certifications:

- **ISO 9001 Quality Management:** assures that our customers receive quality products, services, and advice
- **ISO 14001 Environmental Management:** support in improving our environmental performance through efficient use of resources and reduction of waste
- **ISO 20000 Information Technology Service Management:** confirms our use of a set of management processes designed to deliver effective IT services both to those within the business and to customers
- **ISO 27001 Information Security Management:** certifies our information risk management processes, including legal, physical, and technical controls
- **ISO 27017 Cloud Security:** developed for cloud service providers and users, this accreditation recognises our commitment to ensuring a safer cloud-based environment and reducing security problems for our customers



Digital Space delivers progressive digital solutions that enable organisations to transform at pace.

Focused on leading change for their customers, the team provides secure, connected, cloud services to analyse data, improve workflow and accelerate growth.

Working in partnership with:



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