

CARBON REDUCTION PLAN

Publication date: April 2023

COMMITMENT TO ACHIEVING NET ZERO

Crayon is committed to achieving Net Zero emissions by 2050.

BASELINE EMISSIONS FOOTPRINT

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year Emissions: 2021	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	0
Scope 2	15.4
Scope 3	89.2
Total Emissions	105.2

CURRENT EMISSIONS REPORTING

Reporting Year: 2022	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	0
Scope 2	15.3
Scope 3	217.8
Total Emissions	233.1

Our substantial growth during 2021-2022 has contributed to an increase in Scope 3 emissions due to higher footfall, opening of new workplaces and additional travel for recruitment, inductions, and training.

We do not own or lease company vehicles, and our premises do not generate direct GHG emissions from fossil fuels. All our electricity usage is reported within Scope 2 therefore, we can report 0 emissions in Scope 1.

EMISSIONS REDUCTION TARGETS

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. Progress against these targets can be seen in the table below:

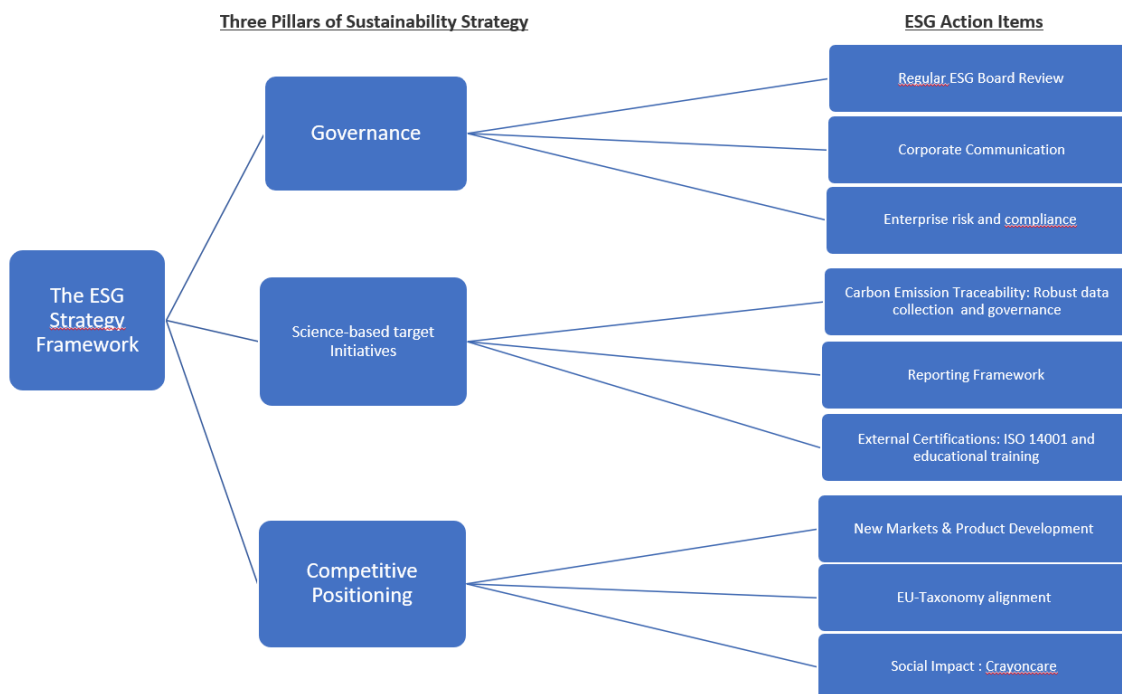
Year	Actual	Projected
2021	105.2	
2022	233.1	
2023	-	220
2024	-	210
2025	-	200

CARBON REDUCTION PROJECTS

Completed Carbon Reduction Initiatives

Crayon is a world leader in innovative cloud-based solutions and services with a global network of over 3,300 employees in 46 countries.

Our strong brand and connected products and services provide innovative solutions that optimise IT-related costs, accelerate client success and help build more sustainable communities. Given our multinational presence, we understand action on carbon emission is of interest to our clients and shareholders, and most importantly, our employees. Through our participation in science-based target initiatives, we have been an active supporter of introducing the systemic ways of meeting the Paris Accord and the need to combat the rising impacts of carbon emissions on the planet.



Our approach to climate footprint is multi-faceted and centred on the three key pillars: governance, science-based target initiatives and competitive positioning. Under the governance framework, the chairman and members of the ESG board regularly receive reviews and reports on climate-related decisions from the Chief ESG and Compliance Officer. This regular review ensures that Crayon’s strategy is aligned with environmental objectives.

The ESG board’s feedback takes into consideration the context of the company’s overall ESG and business strategies. Examples of our CEO making climate-related decisions include joining Science Target Initiatives and setting realistic carbon neutrality targets by 2030 including climate agenda in leadership communication. More detail about this is available in our ESG report <https://www.crayon.com/about-us/environmental-social-and-governance>.

Our strategy to decarbonise is aligned with the commitment Crayon is making in setting science-based targets and therefore systematically tracking energy consumption across key markets, helping us to understand our global impact. Some of our offices do not have control

over the visibility into utility bills, but our ability to accurately track and measure our carbon impact has been an area of challenge.

In 2021, we addressed this challenge by conducting an independent review of our ESG reporting methodologies and frameworks. One of the recommendations was to implement a more robust data collection and reporting methodology to enable more accurate capture and calculation of our footprint. In 2022, we have been engaging different subsidiaries to develop and pilot a new estimation approach in key markets representing most of our business.

The methodology is location- and context- based, considering different activities and consumption needs and patterns of subsidiary offices and data centres to make informed estimates where consumption data is unavailable. We are in the process of identifying potential levers to reduce Scope 1 & 2 emissions and are currently undergoing a comprehensive review of estimated Scope 3 emissions to determine appropriate actions.

We have also been striving to obtain external certification and validation for our practices to clearly demonstrate our commitment to sustainability. Many key market operations have obtained the ISO14001 certification for their environmental management systems. We have already chosen a "green" building for our new headquarters, which has received a Norwegian environmental certification.

We are also partnering with ESG 100 -- a leading provider of business sustainability analysis-- to assess our environmental sustainability performance in reporting relative to our industry peers and have obtained a score of B+, an aggregate score of our offices in more than 40 countries.

As we continue to develop our longer-term climate action strategy and goals, we will incorporate these into our messaging and communication to internal and external stakeholders to further reinforce our reputation as a sustainable company. In the end, by reducing energy use and choosing lower-emission sources of energy where possible, we can mitigate our exposure to risks related to the environment, such as carbon taxes.

Our competitive positioning and climate-related opportunity embodies the strategic direction with regards to climate-related issues in Crayon's products and services. The alignment of our business model with the definition of EU Taxonomy and setting corporate culture through social impact.

The examples of making climate-related strategic decisions include the development of ESG products and services, the launch of our social action initiative, Crayoncares, to our ESG action plan and leadership communication, and the framework for the alignment of our business model with the definitions of EU taxonomy. Regular review by the board members ensures that our strategy continues to evolve and is aligned with key business objectives.

We further believe these initiatives contribute to reputation and competitive differentiation, leading to increases in client attraction and employee retention. We have tapped additional internal and external resources to enable us to make progress more quickly and to move faster to targets and align our strategy with the EU taxonomy.

DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).



..... Date: 18/04/2023

Morgan O’Sullivan – Cloud Alliance Lead, ESG UK Ambassador

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³ <https://ghgprotocol.org/standards/scope-3-standard>