

CARBON REDUCTION PLAN

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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 Scope	Total (tCO ₂ e)
Scope 1	0
Scope 2	15.4
Scope 3	89.2
Total Emissions	105.2

CURRENT EMISSIONS REPORTING

Reporting Year: 2023	
Emissions Scope	Total (tCO ₂ e)
Scope 1	0
Scope 2	15.6
Scope 3	324.3
Total Emissions	339.9

Our Scope 1 emissions are 0 because we do not have any direct emissions from sources that are owned or controlled by the organisation. Crayon UK does not own the office buildings nor our vehicles, and all of our electricity usage is included within Scope 2.

MANAGING GHG EMISSIONS

Crayon is a world leader in innovative cloud-based solutions and services with a global network of over 3,300 employees in 46 countries. We perform an annual GHG inventory that measures our Scope 1, 2, and 3 emissions. Crayon’s emissions are calculated in line with the applicable international GHG Protocol standards.

In 2024, Crayon will prepare a decarbonisation plan with science-based emission reduction targets. The plan will be submitted to the Science Based Targets Initiative (SBTi) for validation.

The greenhouse gas inventory was compiled in accordance with: the WRI/WBCSD Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard (1) (the Corporate Standard) (Revised Edition 2013) including the amendment to this protocol; the GHG Protocol Scope 2 Guidance (2015); the GHG Protocol Corporate Value Chain (Scope 3 Standard and Scope 3 Calculation Guidance (2013)); and the Global Reporting Initiative Standards (GRI 305: Emissions, 2016).



Scope 1 emissions were calculated using 2023 emissions factors from the UK Department of Environment, Food, and Rural Affairs (DEFRA). Scope 2 location-based emissions were calculated using 2023 emissions factors from DEFRA and the International Energy Agency (IEA). Scope 2 market-based emissions were calculated using emission factors from IEA and the Association of Issuing Bodies’ 2023 publication on the Residual Mixes and European Attribute Mix. For locations where a residual mix factor was not available, the location-based emission factor was used. Guarantees of origin for renewable energy we consumed were also considered.

Scope 3 emissions were calculated using 2023 emissions factors from DEFRA, EcoInvent 3.9 and 3.10, 2020 emissions from the United States Environmental Protection Agency, the World Input-Output Database, and the Open Input-Output Database.

Within Scope 3, emissions from purchased goods and services were calculated based on the spend based method. Emissions from business travel were calculated based on a combination of either spend or distance/fuel and mode of transport, depending on data availability. Waste-related emissions were calculated based on actual waste disposed using different disposal methods.

EMISSIONS REDUCTION TARGETS

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	339.9	-
2024	-	320
2025	-	300

Our substantial continued growth during 2022-2023 has contributed to an increase in Scope 3 emissions due to higher footfall, the opening of 2 new workplaces, and from associated additional travel needs for recruitment, inductions, and training. This includes more employees working from Crayon sites instead of at home, and increased spend on goods and services, as our operations have expanded.

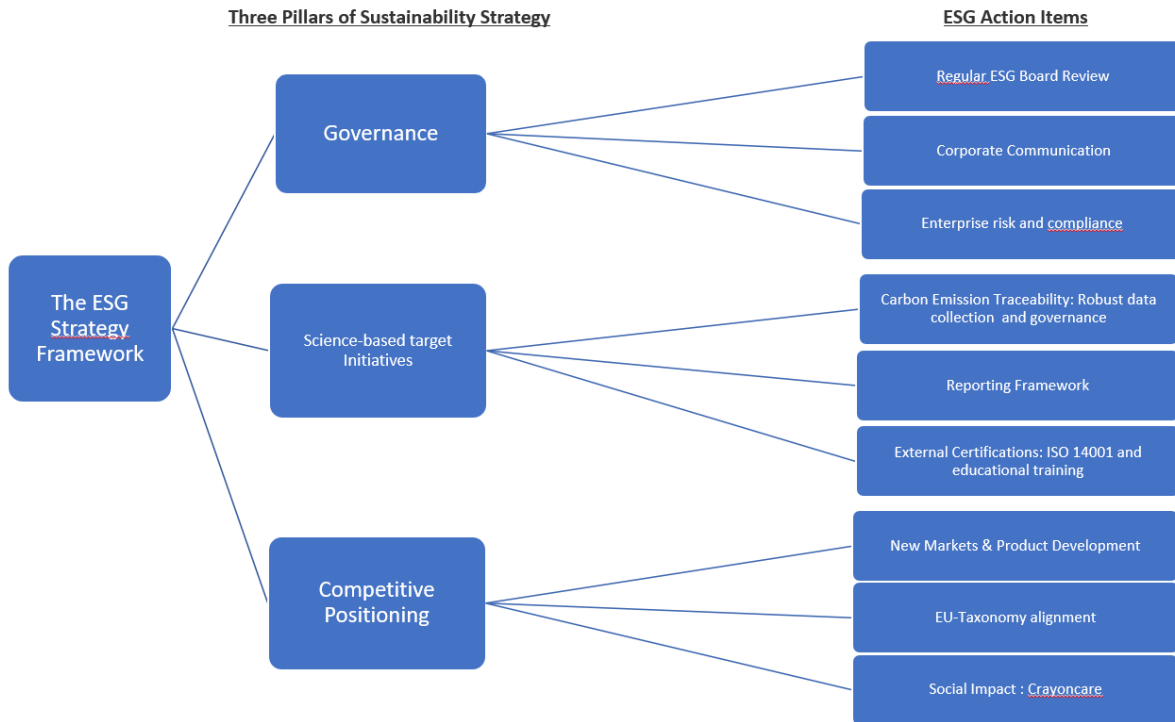
Within Scope 3 emissions, goods and services procured from our value chain were the single biggest component of our Scope 3 and overall emissions. We are exploring measures such as cost containment and other interventions in our value chain as these would have the biggest impact on our total carbon footprint.

Notwithstanding, reducing Scope 3 emissions requires collaborative efforts within our business ecosystem. In future, Crayon will be working even more closely with our customers, partners, and suppliers to drive down emissions and their associated environmental impacts.

CARBON REDUCTION PROJECTS

Our strong brand and connected products and services provide solutions to optimise IT 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 (CECO). 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 climate-related decisions include joining Science Target Initiatives, and in 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 Crayon’s commitment to science-based targets and therefore systematically tracking energy consumption to understand our global impact.

In 2021, we conducted 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 2 emissions, and we are undergoing a comprehensive review of estimated Scope 3 emissions to determine appropriate actions.



We have obtained ISO14001 certification for our environmental management systems, and we are 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 46 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 environmental direction are aligned with the definition of EU Taxonomy and setting corporate culture through social impact. Examples 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 Board review ensures that our strategy continues to evolve and is aligned with key business objectives.

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).

Kate Wykes
..... Date: 28/06/2024

Kate Wykes – Sales Director

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>