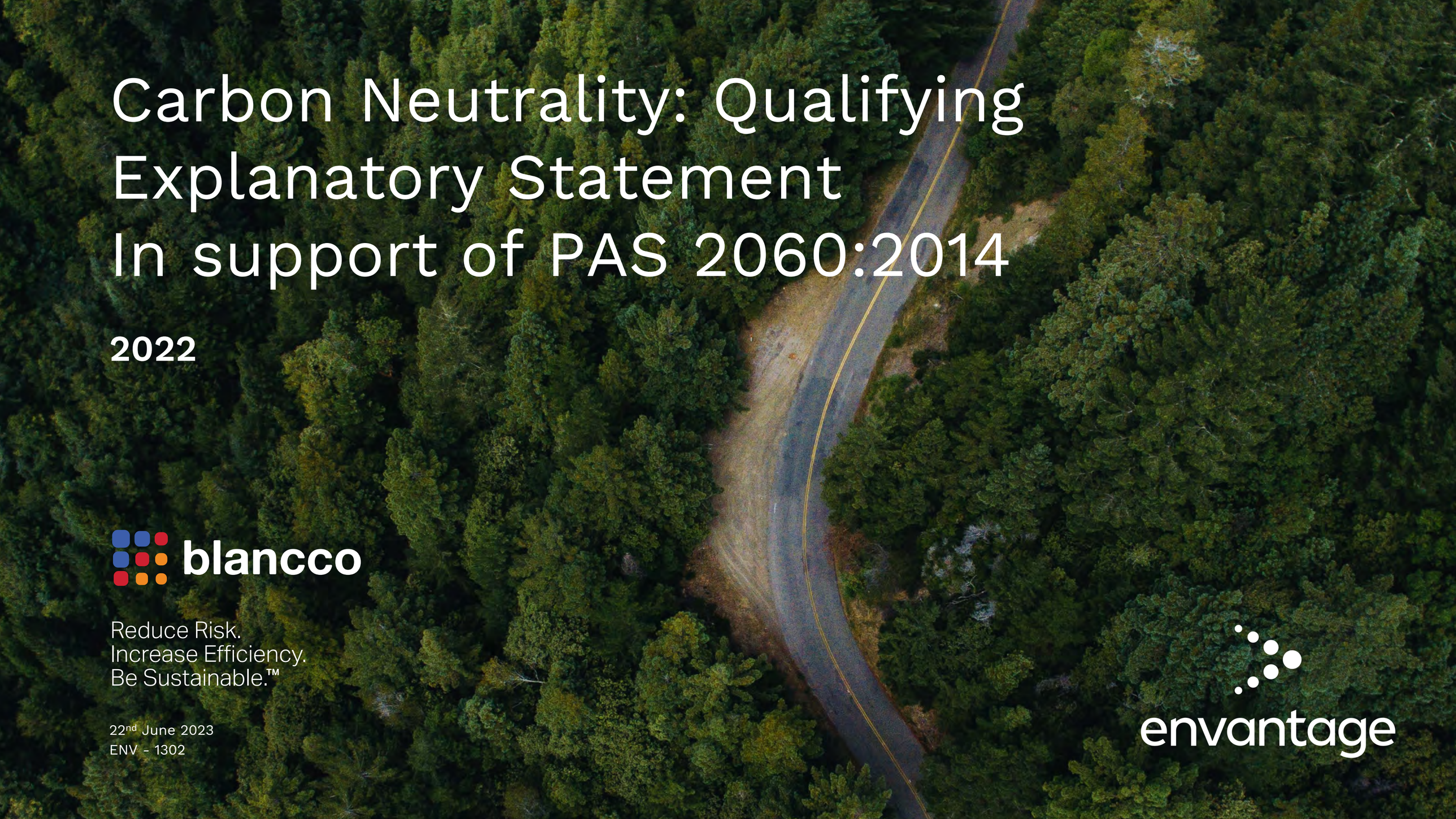
Carbon Neutrality: Qualifying Explanatory Statement In support of PAS 2060:2014

2022



blancco

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22nd June 2023
ENV - 1302

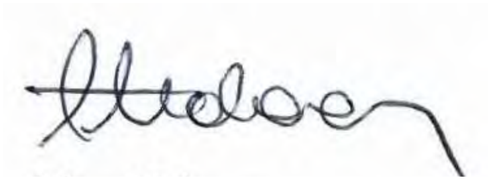
envantage

Contents

Carbon Neutrality Declaration

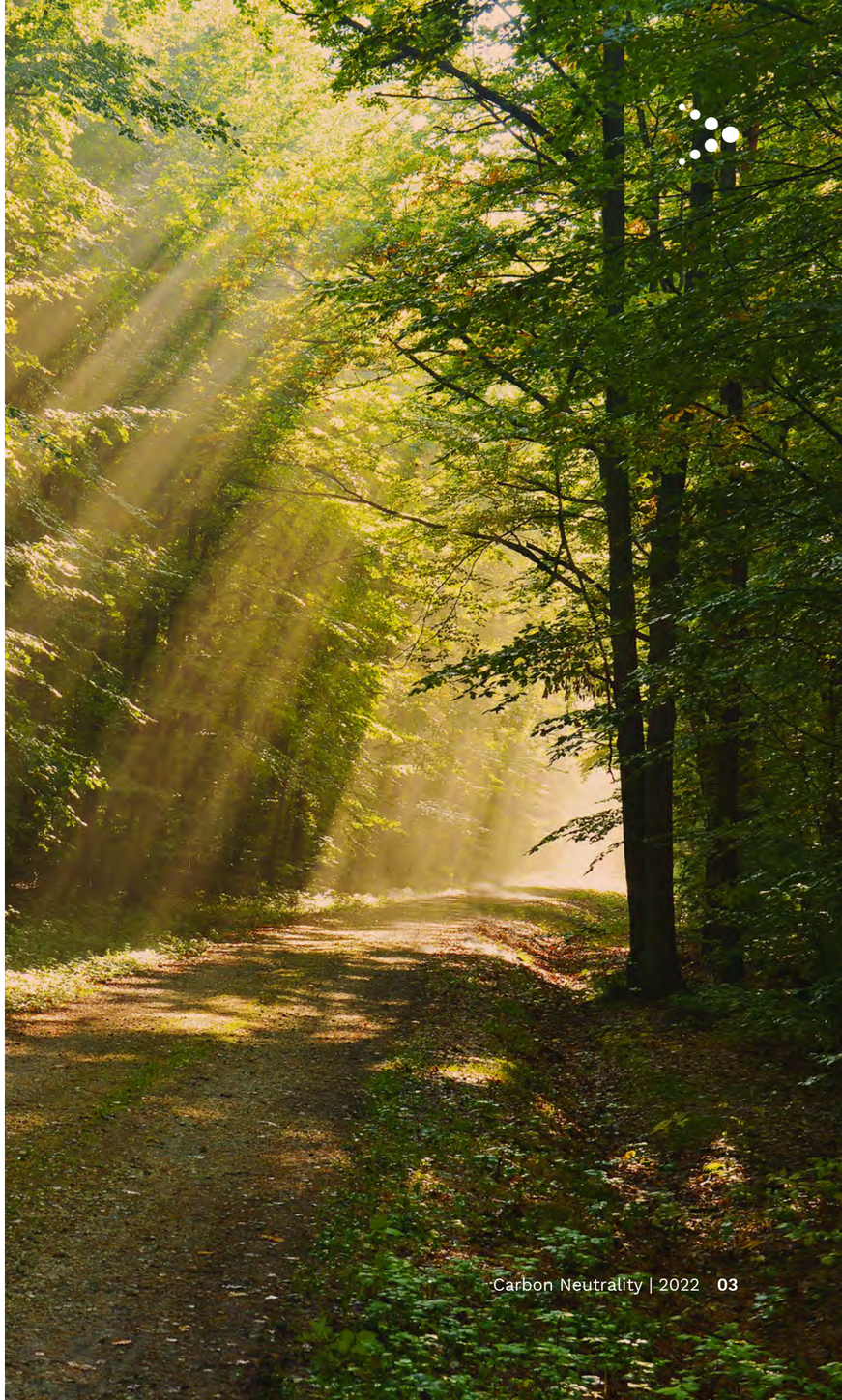
"Carbon neutrality of Scope 1, Scope 2 (market-based) and Scope 3 emissions achieved by Blancco Technology Group PLC (Blancco) in accordance with PAS 2060:2014 for the calendar year 2022 and is committed to maintain carbon neutrality through calendar year 2023, self declared."

Signed by:



Adam Moloney
Chief Financial Officer

All information has been self-validated and is believed to be accurate at the time of issue. If any further information is provided that compromises the validity of the following statements, this QES will be updated accordingly.



Information Summary

Entity making PAS 2060 declaration	Blancco Technology Group PLC
Individual responsible for the evaluation and provision of data necessary for the substantiation of the declaration	Adam Moloney, Chief Financial Officer
Subject of the declaration	The Scope 1, 2 and 3 greenhouse gas emissions of Blancco Technology Group PLC and its subsidiaries for the calendar year 2022. This has remained consistent and is unchanged from the 2021 declaration.
Chosen consolidation approach	Financial control
Characteristics of the subject	Blancco provides organisations with secure, compliant, and automated solutions that accelerate the transition to the circular economy. With nearly 25 years of responding to customer needs and 42 patented or patent-pending ideas, Blancco is the industry standard in data erasure and mobile lifecycle solutions. Our dedication to technological innovation empowers top-tier enterprises, IT asset disposition vendors, and mobile industry stakeholders to protect end-of-life data against unauthorised access, comply with data protection requirements, extend the useable life of IT assets, accelerate operations and enhance the mobile customer experience.

Information Summary

Rationale for the selection of the subject and boundary	The subject provides a comprehensive account of Blancco's overall climate impacts. The boundary includes all Scope 1, 2 & 3 emissions sources over which Blancco has financial control. Downstream emissions associated with the use of sold software products are estimated to be material, but have been excluded from the boundary on the basis that: · Indirect use of sold products is an optionally reported activity beyond the minimum boundary of the GHG Protocol · Accurate quantification of emissions is not technically feasible, therefore · The Group's ability to influence and track emissions reductions is limited Additionally, some of the leased offices have air conditioning units where we do not have responsibility for their maintenance. There is limited visibility on the system information, making it difficult to quantify emissions. These emission sources are classified as upstream leased assets and are excluded from our inventory boundary, although associated emissions are thought to be immaterial.
Methodology for footprint calculation	Greenhouse gas emissions have been calculated in accordance with the GHG Protocol's Corporate and Accounting Reporting Standard and Corporate Value Chain (Scope 3) Standard. Where possible, emissions have been quantified using product specific emission factors and EEIO factors have been used to calculate spend based emissions.
Conformity assessment type	Self-validation
Baseline date	1st January 2021 – 31st December 2021 (CY21)
Achievement period	1st January 2022 – 31st December 2022 (CY22)
Qualifying date	2nd June 2023

Inventory

The carbon neutrality commitment covers all Scope 1, 2 and 3 emissions sources over which Blancco has financial control, across all geographies and subsidiaries.

Disclosures have been quantified in accordance with the GHG Protocol's Corporate and Accounting Reporting Standard and Corporate Value Chain (Scope 3) Standard. Emissions data have been reported in terms of carbon dioxide equivalent (CO_2e), a measure used to normalise the relative global warming potentials of the six groups of greenhouse gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6) under review.

All emissions have been quantified before the purchasing of the carbon offsets to fully reflect the footprint.

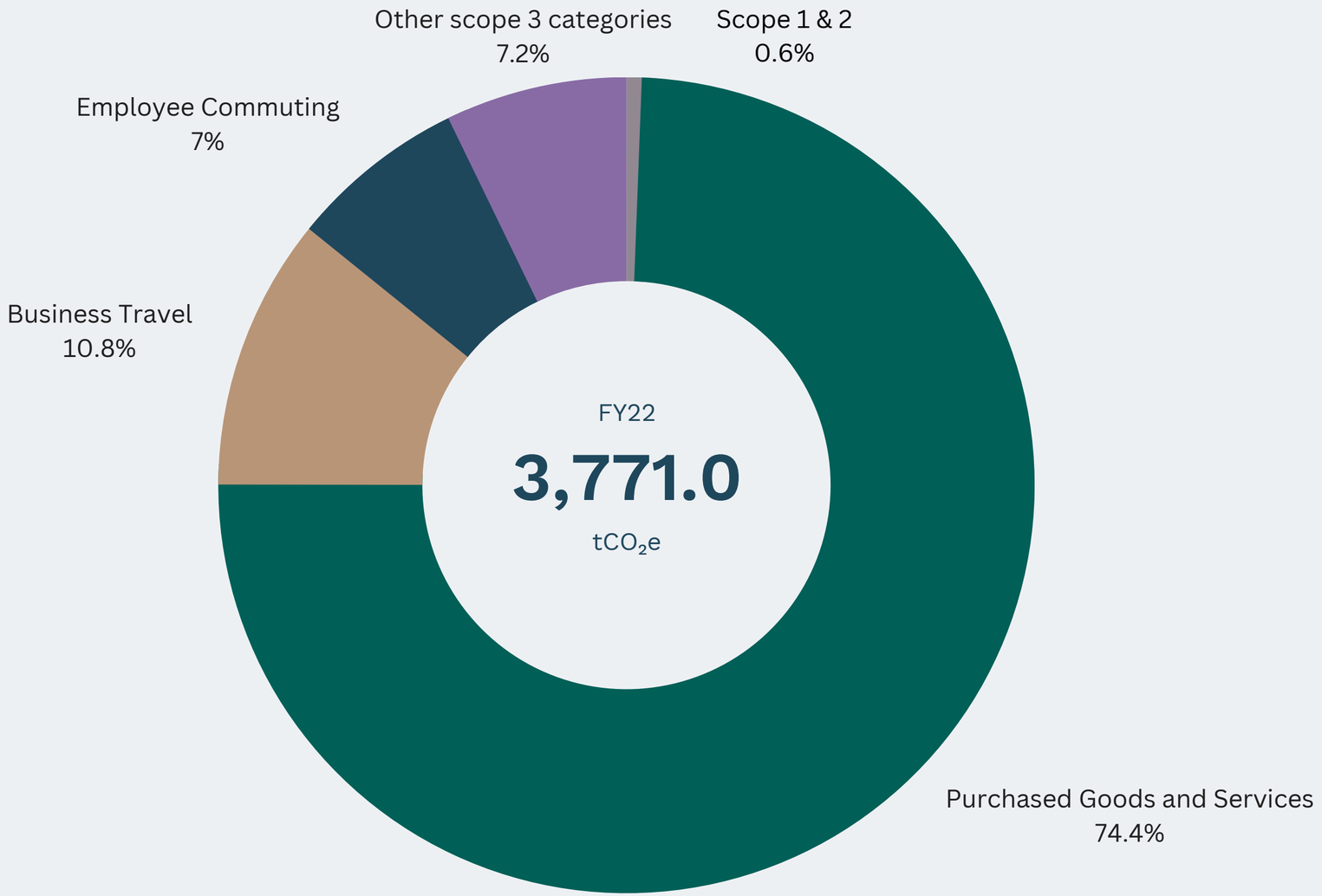


Figure 1 – CY22 GHG Inventory

Methodology

Operational Emissions

- Operational (Scope 1 and 2) emissions include all fuel and imported energy consumption in Group buildings and transport assets, as well as refrigerant gas leakages from air conditioning systems where the Group has responsibility for maintenance (one site – Cork). Transport assets have been quantified using fuel volumes from the small fleet in Germany.

- Calculations have been based on primary invoice data where possible. Over half of the electricity consumption was calculated using accurate invoice data. For leased sites where actual consumption data was not available, energy consumption and associated emissions have been estimated on floor areas and industry benchmarks.

- Scope 2 emissions are reported using both location-based and market-based methodologies. Location-based emissions have been calculated based on a combination of regional and sub-regional factors taken from databases published by the UK Government's Department for Energy Security and Net Zero and the International Energy Agency (IEA). Market-based emissions are calculated based on the specific contractual instruments in place between Blancco and its energy providers and are reported as zero to reflect that 100% of electricity is covered by Renewable Energy Certificates.

Value Chain Emissions

- All other indirect emissions sources occurring both upstream and downstream of the Group's direct operations have been evaluated as part of the assessment. Various approaches have been taken to quantify each area of the Scope 3 inventory depending on data quality and availability - from spend-based to supplier-specific calculations. EEIO factors have been used to calculate spend based emissions and where possible, product specific emission factors have been used.

- Moving away from a spend based methodology will result in a higher accuracy in emission reporting as specific emission factors can be used for each product type and supplier source. If higher emitting sources can be identified it will allow for an improved carbon reduction plan.

- The embedded carbon within the goods and services we purchase remains the largest contributor to the inventory at 74.4%. Downstream emissions associated with the indirect use of sold software products have been excluded from the reporting scope, as it is not technically feasible for us to accurately measure, track and influence reductions at this stage.

- Business travel emissions have been quantified based on mileage from car, rail and air travel.

- Commuting and homeworking emissions have been quantified using results from an employee survey which collected data on mileage, transport type and heating.

Inventory

Table 1 – Year-on-year emissions

Scope	Category	Emissions (tCO_2e) 2022	2021	YoY
Scope 1	HFCs	0.0	59.2	-100.0%
	Company vehicles	21.0	12.5	68.1%
Scope 2 (MB)	Electricity	0.0	126.8	-100.0%
*Scope 2 (LB)**	*Electricity*	*126.3*	*100.0*	*26.3%*
Scope 1 & 2 (MB)		**21.0**	**198.5**	**-89.4%**
Scope 3	Purchased goods & services	2,808.0	2,890.0	-2.8%
	Capital Goods	96.2	90.6	6.2%
	Fuel & energy-related activities	56.3	43.1	30.5%
	Upstream transportation and distribution	41.1	6.9	495.2%
	Waste generated in operations	25.1	24.8	1.2%
	Business travel	405.6	151.8	167.2%
	Employee commuting	263.7	127.5	106.8%
	Direct Use of sold products	54.1	88.0	-38.5%
	End-of-life treatment of sold products	0.0	0.1	-70.7%
Scope 3		**3,750.0**	**3,422.8**	**9.6%**
Total		**3,771.0**	**3,621.3**	**4.1%**
	Emissions Intensities**			
	tCO2e / £m turnover	85.5	93.3	-8.4%
	tCO2e / FTE	11.2	11.2	-0.1%
	tCO2e / m²	1.1	1.4	-23.4%

*A location-based method reflects the average emissions intensity of grids on which energy consumption occurs, using grid-average emission factor data. This has been included for comparison only. A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

**Please note the 2021 intensity ratios have been restated due to limited visibility of the 2021 methodology. All three intensity base values have been reconfirmed for 2021 and may have changed, therefore we have restated last years figures for a fair comparison.

Carbon Management Plan

- Total emissions amounted to 3,771.0 tCO_2e in 2022, a 4.1% increase on the 2021 base year, which has been predominantly driven by a rise in business travel and employee commuting activity due to the relaxation of Covid-19 restrictions throughout the reporting period. Blancco have also acquired WipeDrive Inc in June 22 which has contributed to the rise in emissions. Whilst emissions have increased, turnover has grown significantly which has resulted in an emission intensity reduction.

- As part of our initial carbon management plan, we made the commitment to reduce year-over-year emissions against three intensity metrics – revenue, office floor area, and full-time equivalent employees. Our performance against these targets and the achievement of carbon neutrality has also been linked to renumerations for all employees, incentivising a company-wide effort to reduce our GHG emissions.

- While our emissions have increased in absolute terms, we have achieved a reduction in emissions intensity across all three metrics. This year we will be appraising new, more ambitious targets for future inventories, such as the science-based targets initiative.

- This year, initial steps have been taken to abate our operational emissions through the procurement of renewable energy certificates, for which supporting evidence will be maintained and updated annually. As we begin to identify and implement measures to reduce our emissions, the Group will also continue to purchase carbon offsets from specified and audited sources such as the Verified Carbon Standard, details for which can be found on page 11.

- We recognise that the underlying data and methodology for quantifying our Scope 3 emissions is essential to our carbon reduction strategy. The most material contributors to our inventory will be assessed in collaboration with our consultants, Envantage, and moved to primary data sources where possible. These improvements will not only provide a higher resolution picture of our climate impacts, but will allow us to more effectively track our emissions as we identify and implement mitigation measures over the coming years. The outputs will also enable us to engage our key suppliers and explore more sustainable solutions to collectively decarbonise our operations.

Carbon Management Plan

Action Plan:

- **Supplier Engagement programme**

Specifically focussing on purchased good and services, engaging with key suppliers of materials, products and services can allow Blancco to gain a deeper understanding of the sources of emissions and ultimately, how to reduce them.

- **Employee engagement**

Given employee commuting and homeworking accounts for 7% of total emissions, obtaining more detailed data on the types of commuting can allow Blancco to promote more sustainable commuting.

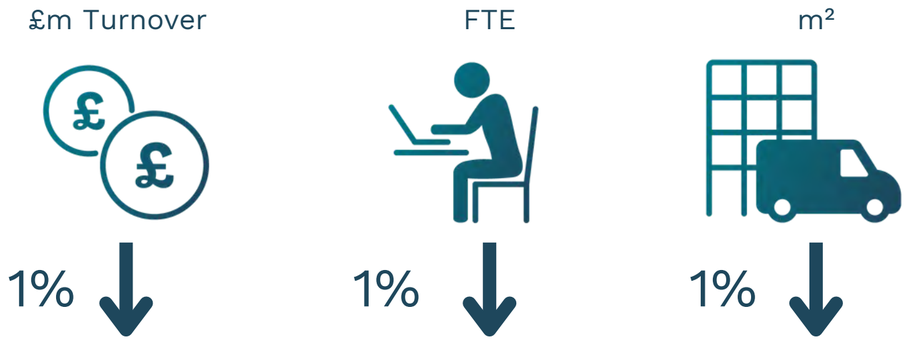
- **Promoting sustainable business travel**

Business travel flights increased significantly and can be reviewed to see if all flights are necessary to reduce total milage. Sustainable travel promotions can also be done to encourage greener car and rail travel.

	2022	2021	YoY
Total Footprint (tCO_2e)	**3,771.0**	**3,621.3**	**4.1%**
Emissions Intensities			
£m turnover	44.1	38.8	14%
tCO2e / £m turnover	85.5	93.3	-8.4%
FTE	337.4	323.7	4.2%
tCO2e / FTE	11.2	11.2	-0.1%
m²	3,516.6	2,586.6	36.0%
tCO2e / m²	1.1	1.4	-23.4%

Targets:

- Continue the progress made from 2021 and the reduction targets across the intensity metrics remain the same.



Carbon Offsets

As part of our commitment to carbon neutrality in line with PAS 2060, we have purchased carbon credits to offset 100% of our residual Scope 1, 2 and 3 emissions. The credits relate to the installation of a 250 MW wind power project in the Tamil Nadu state of India, which is estimated to displace approximately 750 GWh of fossil-fuel generated electricity in the region each year. We will continue to purchase offsets that represent genuine GHG emissions reductions and meet the criteria of additionality, permanence, leakage and double counting, in line with recognised frameworks such as the Verified Carbon Standard (VCS).

Project	Project Type	Country	Standard	Project ID	Vintage	tCO_2e
Energy Industries (renewable / non-renewable sources)	Wind Power Project	India	Verified Carbon Standard	VCS1904	December 2019	3,772

VERRA

Verified Carbon Standard

Certificate of Verified Carbon Unit (VCU) Retirement

Verra, in its capacity as administrator of the Verra Registry, does hereby certify that on 06 Apr 2023, 3,772 Verified Carbon Units (VCUs) were retired on behalf of:

BLANCCO TECHNOLOGY GROUP PLC

Project Name
Wind Power Project in Tamil Nadu by Green Infra Renewable Energy Limited

VCU Serial Number
11063-276573100-276576871-VCS-VCU-997-VER-IN-1-1904-01122019-31122019-0

Additional Certifications

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