Endava Greenhouse Gas ('GHG') Emissions Reporting Principles and Methodologies for Scope 1 and Scope 2 Data Subject to Independent Limited Assurance

Reporting period 1st July 2023 to 30th June 2024

INTRODUCTION

In this document we outline the criteria and supporting methodologies that Endava Group ('Endava') has adopted to prepare its Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions for the year ended 30 June 2024. Endava Group is defined as the legal entity Endava plc and its subsidiaries.

Our methodology for reporting GHG emissions is based on principles and guidance within the UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), which have been tailored to Endava as described in this document.

Reporting Period

Endava reports on its GHG emissions for the 12-month period ending on 30 June. The Group is reporting its Scope 1 and Scope 2 GHG emissions aligned to the methodology within this document.

Restatement Policy

Where information is available, we will restate prior year's figures using the latest available data to make data as comparable between years as possible. Where restatements have been made for specific indicators, these will be clearly outlined in our reporting. Restatements are considered necessary if there is a change of greater than 5% (our materiality threshold) of the reported data. Restatements may be needed as a result of:

- Structural change: Where we experience a structural change (e.g. due to an acquisition) in future periods, we will recalculate the baseline accordingly. Our approach to this recalculation will be to update data for the base year and the previous reporting year.
- Changes in calculation methodology or improvements in the accuracy of emissions factors or activity data that result in a significant impact on the emissions data.
- Discovery of significant errors, or a number of cumulative errors, that are collectively significant.

REPORTING BOUNDARY

Endava includes Scope 1 and Scope 2 GHG emissions, as defined by the GHG Protocol Corporate Accounting and Reporting Standard, which includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), nitrogen trifluoride (NF_3), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6), within its Annual Report and Financial Statements.

Organisational Boundary

Endava adopts an operational control approach for our organisational boundary. This includes all sources of emissions over which Endava has the full authority to introduce and implement its operating policies at the operation. Under the operational control approach, 100% of the calculated impact arising from group companies and subsidiary entities over which Endava has operational control is included. The organisational boundary is reviewed on an annual basis to ensure that any new or discontinued operations are included or removed where necessary.

A review of properties is completed to identify what, if any, new sites fall within the scope of the emissions reporting (e.g. the property assets associated with a company acquisition, the opening of an office in a new location, etc), as well as what sites, if any, are no longer within the reporting

scope (e.g. site closures, divested entities, etc). The updated organisational and property records are then reconciled to determine the boundary for the reporting period, after which the emissions source data is requested from the appropriate site contacts. Emissions from new sites opened during the reporting period are reported from the date the lease started. Similarly, reporting of emissions for a site that closes during the reporting period ceases after the later of the date when the site closes (end of lease agreement) or the last utility invoices are received.

Treatment of acquisitions and disposals

Emissions from entities acquired during the financial year will be incorporated into the Annual Report and Financial Statements in the next reporting period (from the start of that year) in accordance with the scope and boundary criteria set out in this document, unless otherwise indicated in our reporting. When applicable, emissions from entities disposed of during the year are included up to the date of disposal within the respective annual reporting year.

Operational Control

A site is considered to be under our operational control when the contracting of the office space is done based on a lease contract (as opposed to a serviced office agreement) AND energy supplied to the premises occupied by Endava is metered or estimated and billed based on the amount consumed in each period. For example:

- Where we have a contract directly with the energy supplier - and we are billed directly by the supplier, the site is considered under our operational control, OR
- Where energy bills are paid by the landlord and re-charged to us based on the actual amount we have consumed (i.e. metered amount), the site is considered under our operational control, OR
- Where energy bills are paid by the landlord and re-charged to us based on the landlord's estimated amount that we have consumed (i.e. individual estimated amount and not a fixed charge), the site is considered under our operational control.

Where we pay a fixed fee for energy as part of our rental payments (i.e. regardless of the amount actually consumed) then the site is considered NOT under our operational control. This is usually the case for Endava operations located in serviced offices, and exceptionally, in some leased offices.

EMISSIONS

GHG emissions are calculated by applying the relevant emissions factors (EFs) to the activity data. Activity data is based on primary data wherever possible. Where primary activity data is not available, we use estimates (also referred to as secondary data), as detailed in the 'emissions data' sections below. We have used a series of EFs to calculate the emissions for the year ended 30 June 2024, corresponding to different emission sources, as detailed in the 'emissions factors' sections below.

TOTAL GLOBAL SCOPE 1 GHG EMISSIONS tCO2e

Total Global Scope 1 GHG Emissions tCO2e are emissions that occur from sources owned or controlled by the Group, and include:

- stationary combustion sources: emissions from combustion for heating (e.g. natural gas); and

- fugitive emissions from refrigerant use; and

- mobile combustion sources: emissions from combustion company fleet (Group-owned cars and cars that are leased over a period of 30 days or more), including hybrid cars with 100% fuel consumption (no electric element was used).

STATIONERY COMBUSTION SOURCES

1.   Emissions Data
To calculate emissions from combustion for heating, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, heating fuel consumption data is collected for each site in the relevant unit (e.g. cubic metres, kilowatt-hours, therms, or MMBtu of natural gas). Primary activity data formats include utility bills, meter readings, landlord-provided consumption documents, or building management software records. Consumption amounts are pro-rated where any primary activity data covers a period outside the reporting period.

Estimates
Where heating fuel consumption data gaps are identified for any given site, we extrapolate the consumption for the period of the data gap based on site-specific average consumption, calculated using the primary activity data available for that specific site.

For sites where primary activity data is not available, estimations relating to heating fuel consumption are made using the physical size of the office (in square metres), the number of days during the reporting period that the site was under Endava's operational control, and the average heating fuel consumption per unit area across all Endava offices where primary activity data exists for the reporting period.

Emissions Factors
Once all activity data has been collected, this is converted into a standardised activity data unit of MMBtu or gallons. The heating fuel consumption values are then directly multiplied by the corresponding EF.

Emissions from combustion for heating have been calculated using EFs obtained from the US Environmental Protection Agency (USEPA Hub April 2023 release). Emissions calculated from these EFs have been converted to CO_2e using the Intergovernmental Panel on Climate Change ('IPCC') Sixth Assessment Global Warming Potentials ('AR6 GWP').

FUGITIVE EMISSIONS FROM REFRIGERANT USE

2.   Emissions Data
To calculate fugitive emissions from leakage of refrigerant used in air conditioning systems, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, primary activity data is collected providing detail of refrigerant purchase quantities in the reporting period in the relevant unit (e.g. kg of R134a). It is assumed that all purchased refrigerants in the year replace refrigerants that have leaked. Primary activity data formats include evidence from data received from landlords and/or the air-conditioning system

maintenance provider.

Zero-consumption primary activity data is recorded for the reporting period for sites where facilities managers and/or data owners have confirmed that either there are no air-conditioning units / other assets consuming refrigerants at a site, or that no top-ups/purchases of refrigerant have occurred for a site during the reporting period.

Estimates
For sites where primary activity data (including confirmation of zero-consumption primary activity data in the reporting period) is not available, estimations relating to refrigerant leakage are made based on the physical size of the office (in square metres), the number of days during the reporting period that the site was under Endava's operational control, and the average refrigerant leakage rate based on   government benchmarking tools for each location. Default refrigerant types are assigned to each site where an estimate is required, based on the building type and location.

Emissions Factors
Once all activity data has been collected, the consumption amounts are directly multiplied by the corresponding EF.

Fugitive emissions from refrigerant use have been calculated using EFs obtained from the California Air Resources Board (California ARB 2021). Emissions calculated from these EFs have been converted to CO_2e using the IPCC Fifth Assessment Global Warming Potentials ('AR5 GWP'), which is the latest available for refrigerant mixes.

MOBILE COMBUSTION SOURCES

3.   Emissions Data
To calculate these emissions, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, primary activity data is collected providing detail of vehicle type (e.g. car, van), fuel type (e.g. petrol, diesel) and fuel consumption per vehicle in the reporting period (e.g. gallons or litres of petrol or diesel). Where fuel consumption data is not available, but mileage data for the reporting period is available, the mileage data is used. Primary activity data is evidenced from records of consumption per vehicle based on fuel supplier data (e.g. fuel card readings) or distances from odometer records.

Estimates
Where primary activity data is not available, we use an estimated mileage consumption amount for the reporting period, provided by the vehicle users.

Consumption associated with personal use of non-electric company vehicle is included if the fuel has been paid for by Endava. Where no record of explicit work-related mileage is provided, it is assumed that all distance travelled by company vehicles are work-related and reported accordingly.

Emissions Factors
Once all activity data has been collected, the consumption amounts are directly multiplied by the corresponding EF.

Emissions from mobile combustion sources have been calculated using EFs from the following sources:

- Where fuel consumption activity data is used (e.g. gallons/litres of fuel), we use EFs obtained from the US Environmental Protection Agency (USEPA Hub April 2023 release), converted to CO_2e using AR6 GWP).

- Where mileage consumption activity data is used, we use Ecoinvent EFs (Ecoinvent 3.9.1) or UK Government GHG Conversion Factors for Company Reporting 2023 for hybrid cars.

ACTIVITIES EXCLUDED FROM SCOPE 1 EMISSIONS

- Emissions from mobile combustion sources: fuel used for business travel in employee-owned or rented vehicles (leases under 30 days) are reported separately, under Scope 3, category 6 (business travel);
- Emissions from stationary sources: emissions from back-up electric power generators are excluded because the vast majority are not owned by Endava or are not under Endava's operational control; and
- Well-to-tank (WTT) emissions for fuels: these emissions are reported separately, under Scope 3, category 3 (fuel and energy-related activities).

TOTAL GLOBAL MARKET BASED SCOPE 2 GHG EMISSIONS tCO2e; TOTAL GLOBAL LOCATION BASED SCOPE 2 GHG EMISSIONS tCO2e

Scope 2 emissions are emissions that result from the consumption in owned or controlled facilities (as defined in the operational control section above) of purchased electricity and district heating for facilities, as well as from electric vehicles in the company fleet (Group owned cars and cars that are leased over a period of 30 days or more). Electricity is reported under both market-based and location-based methods.

SCOPE 2 PURCHASED ELECTRICITY EMISSIONS (FACILITIES)

Emissions Data
To calculate emissions from purchased electricity consumed in owned or controlled facilities, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, purchased electricity consumption data is collected for each site in the relevant unit (e.g. kilowatt-hours). Primary activity data formats include utility bills, metre readings, landlord provided consumption documents, or building management software records. Consumption amounts are pro-rated where any primary activity data covers a period outside the reporting period.

Estimates
Where purchased electricity consumption data gaps are identified for any given site, we extrapolate the consumption for the period of the data gap based on site-specific average consumption, calculated using the primary activity data available for that specific site.

For sites where primary activity data is not available, estimations relating to purchased electricity consumption are made using the physical size of the office (in square metres), the number of days during the reporting period that the site was under Endava's operational control, and the average purchased electricity consumption per unit area across all Endava offices where primary activity data exists for the reporting period.

Emissions Factors

Once all activity data has been collected, the consumption amounts are directly multiplied by the corresponding EF.

Location-based emissions
To calculate location-based emissions for purchased electricity, the following EFs have been used:

- For UK sites, we use DEFRA UK (2023).

- For US sites, we use eGRID EFs (2023 release based on 2021 data).

- For Australian sites, we use Australia National GHG Accounts Factors (February 2023 release).

- For all other sites, we use International Energy Agency (IEA) EFs for each country's grid (2022 release based on 2020 data).

Market-based emissions
To calculate market-based emissions for purchased electricity, the most precise EF available has been used following the hierarchy below:

If available, supplier-specific EFs are used, following the data hierarchy in the GHG Protocol Scope 2 Guidance (Table 6.3), provided that the factors meet the Scope 2 Quality Criteria (Table 7.1).

Where supplier-specific EFs are not available, we have used the residual mix EF for the relevant country, as follows:

- For US sites, we use Green-e Residual Mix EFs for US grids (Green-e Residuals 2022) with CH_4 and N_2O EFs added from eGRID subregions and converted to CO_2e using AR6 GWP.

- For non-US sites, we use the Association of Issuing Bodies' (AIB) European Residual Mix EFs (2022 European Residual Mix) with CH_4 and N_2O EFs added from DEFRA UK (2023) and converted to CO_2e using AR6 GWP for each country's grid.

Location-based EFs are used to calculate market-based emissions if no other market-based EFs are available, following the data hierarchy in the GHG Protocol Scope 2 Guidance (Table 6.3).

Renewable electricity
When a site is engaged in a specific renewable energy contract, supplier specific emission rates will be requested from the supplier on an annual basis and assessed against the Quality Criteria.

Renewable energy claims will only be made when exclusivity and traceability can be confirmed, ensuring that the relevant Energy Attribute Certificates (EACs) have been appropriately retired on Endava's behalf.

In this reporting period, there have been no sites sourcing renewable energy that meet the Quality Criteria. As we operate in numerous markets for which AIB residual mix factors are available, the total emissions reported in 2024 under the market-based method are higher than the total emissions reported under the location-based method.

SCOPE 2 DISTRICT HEATING (PURCHASED STEAM) EMISSIONS

Emissions Data
To calculate emissions from district heating consumed in owned or controlled facilities, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, district heating consumption data is collected for each site in the relevant unit (e.g., kilowatt-hours). Primary activity data formats include utility bills, metre readings, landlord provided consumption documents, or building management software records. Consumption amounts are pro-rated where any primary activity data covers a period outside the reporting period.

Estimates
Where district heating consumption data gaps are identified for any given site, we extrapolate the consumption for the period of the data gap based on site-specific average consumption, calculated using the primary activity data available for that specific site.

For sites where primary activity data is not available, estimations relating to district heating consumption are made using the physical size of the office (in square metres), the number of days during the reporting period that the site was under Endava's operational control, and the average district heating consumption per unit area across all Endava offices where primary data exists for the reporting period.

Emissions Factors
Once all activity data has been collected, we convert the consumption data into a standardised activity data unit of MMBtu. The district heating consumptions values in MMBtu are then directly multiplied by the corresponding EF.

To calculate emissions for district heating, the following EFs are used:

● For US sites, we use USEPA 2023 EF Hub EFs, using AR6 GWP.

● For European countries we use EFs from Johansen & Werner (2022) (data from 2017) with CH_4, and N_2O added using DEFRA 2023 EFs, converted to CO_2e using AR6 GWPs

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● For all other sites, where EF is not available, we use Ecoinvent dataset (3.9.1)

SCOPE 2 ELECTRICITY CONSUMED BY ELECTRIC VEHICLES EMISSIONS

Emissions Data

Scope 2 emissions from electric transport comprise electricity used to charge electric company fleet (owned cars and cars that are leased over a period of 30 days or more). We assume that 100% charging of these vehicles occurs offsite, and that all electricity consumption is based on standard grid tariff. To calculate these emissions, the most precise data available is used following the hierarchy below:

Primary activity data
Where available, primary activity data is collected providing detail of electricity consumption in the relevant unit (e.g. kilowatt-hours). Where electricity consumption data is not available, but mileage data for the reporting period is available, the mileage data is used. Primary activity data is evidenced from fuel cards or records per vehicle based on distances from odometer records.

Estimates
Where primary activity data is not available, we use an estimated mileage consumption amount for the reporting period, provided by the vehicle users.

Consumption associated with personal use of company fleet is included if the electricity has been paid for by Endava. Where no record of explicit work-related mileage is provided, it is assumed that all distance travelled by company cars are work-related and reported accordingly.

Electricity consumption is estimated using the average electric vehicle fuel economy by vehicle class from the Argonne National Laboratory Alternative Fuel Life-Cycle Environmental and Economic Transportation ('AFLEET') tool (2020). Fuel energy is combined with the distance data to calculate electricity use.

Emissions Factors
The electricity consumption data is then multiplied by the corresponding EF. The EF sources from standard grid stated above for the calculation of emissions from purchased electricity are also used for the calculation of electric fleet emissions.

ACTIVITIES EXCLUDED FROM SCOPE 2 EMISSIONS

- Electricity used for business travel in employee-owned or rented electric vehicles (leases under 30 days) which fall within Scope 3 emissions sources from business travel; and
- Transmission and distribution loss (TDL) emissions and WTT emissions are reported separately, under Scope 3, category 3 (fuel and energy-related activities).