

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

Reporting period 1st July 2021 to 30th June 2022

INTRODUCTION

In this document we outline the criteria and supporting methodologies that Endava Group ('Endava') has adopted to prepare its Greenhouse Gas (GHG) emissions for the financial year ended 30th June 2022. Endava Group is defined as the legal entity Endava plc and its subsidiaries.

Our methodology for reporting GHG emissions is based on principles within the 2013 UK Government environmental reporting guidance (Chapter 2) and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), which have been tailored to Endava as described in this document.

As the Directors of Endava we confirm that we are solely responsible for the preparation of the 'Greenhouse Gas ("GHG") Emissions' section of the Annual Report and Accounts, the 'Environmental Impact' section of the 'we care' Sustainability Report and for reporting the selected greenhouse gas emissions data for the year ended 30th June 2022 in accordance with the reporting criteria set out in this document.

The Directors of Endava are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Endava and the intended users of the Reports;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing, and maintaining systems, processes, and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria;
- and producing the Reports, including underlying information and a statement of Directors' responsibility, which provides accurate, balanced reflection of Endava's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Reports.

Assurance

We engaged PricewaterhouseCoopers LLP ('PwC') to provide independent limited assurance over selected greenhouse gas emissions data for the year ended 30th June 2022, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', and the International Standard on Assurance Engagements (ISAE) 3410 'Assurance engagements on Greenhouse Gas Statements'.

Organisational Boundary and Scope of Emissions

Emissions and Sources

Endava includes Scope 1, 2 and selected Scope 3 greenhouse gas emissions, as defined by the GHG Protocol Corporate Accounting and Reporting Standard [carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆)], within its annual greenhouse gas report. The following sources of emissions are included within the report:

Scope 1 Direct emissions; includes:

- stationary combustion sources: emissions from combustion for heating (e.g., gas);
- mobile combustion sources: emissions from company fleet (owned cars and cars that are leased over a period of 30 days or more).

Refrigerant use is excluded from the emissions reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

Scope 2 Indirect emissions: emissions that result from the consumption in owned or controlled (as defined in the operational control section below) facilities of purchased or acquired electricity, as well as from electricity consumed by electric vehicles from company fleet (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.

Emissions that result from purchased district heating are excluded in this reporting year due to these emissions being immaterial.

Scope 3 Indirect emissions: indirect emissions arising from Endava's value chain, which are not under Endava's operational control, which are limited to upstream leased buildings (rental of real estate) at this time (a subset of Scope 3 Category 8).

Other material scope 3 emissions (e.g., business travel, waste, water, purchased goods and services, and others) are excluded from the emissions reporting scope subject to limited assurance, but will be included in future years once a consistent approach to data collection has been implemented for this source.

Organisational Boundary

Endava adopts an Operational Control boundary approach in its annual greenhouse gas reporting. 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. On an annual basis the organisational boundary is reviewed to ensure that any new operations are included where necessary. This is completed using the organisational structure from the Company Secretary. From this, 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 year, after which the emissions source data is requested from the appropriate site contacts.

Emissions from entities acquired during the financial year will be incorporated into the annual greenhouse gas report 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. Emissions from entities disposed of during the year are included up to the date of disposal within the respective annual reporting year. There are no exclusions in the 2022 reporting.

Emissions from new sites opened during the financial year (operational leases) are reported from the date the lease started and utilities are invoiced to Endava. Similarly, reporting of emissions for a site that closes during the financial year ceases after the date when the site closes (end of lease agreement) or the last utility invoices are received - whichever is the latest.

Operational Control

To determine the operational boundary of the GHG inventory, a site will be considered under our 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 amount consumed, for example:

- Where we have a contract directly with the electricity or natural gas supplier - the site is considered under our control, **OR**
- Where electricity or natural gas is 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 control, **OR**
- Where electricity or natural gas is paid by the landlord and re-charged to us based on an estimated amount that we have consumed (i.e., estimated amount) **AND** the amount is based on either the floorspace or employee number or occupancy rate or a combination of these three options.

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 control and therefore emissions associated with this energy usage would be Scope 3. This is the case for Endava operations located in serviced offices.

Reporting Format

Period

Endava produces its Annual Report and Accounts for the 12 months to 30 June, and the greenhouse gas emissions reporting also aligns to this period. 2022 is the first year that Endava is publicly reporting its Scope 1, Scope 2, and limited Scope 3 greenhouse gas emissions from upstream leased buildings, aligned to the methodology within this document.

Emissions Factors

We adopt the conventional approach in calculating our carbon emissions through the collection of primary, secondary, or tertiary data, and converting them into the associated carbon emissions using the relevant emissions factors. Primary data is used everywhere possible. Where primary data is not available, we use estimates, as detailed in the Emissions Data section below.

Endava has used a series of factors to calculate the emissions for the 12 months to 30 June 2022, corresponding to different emission sources, as detailed below.

SCOPE 1

For stationary combustion sources (emissions from combustion for heating): to calculate emissions from the combustion of gas, we used conversion factors taken from the UK Department for Business, Energy and Industrial Strategy and UK Department for Environment, Food and Rural Affairs (BEIS/DEFRA 2021), as well as conversion factors provided by the German Environmental Agency (UBA 2019) to ensure that emission factors are more reflective of location. UBA publishes updated conversion factors when there are changes recorded. At the time of our emission calculation, UBA 2019 is the most recent accessible update.

For mobile combustion sources: to calculate emissions from company fleet (owned cars and cars that are leased over a period of 30 days or more), we used primary data only: type of vehicles, type of fuel and consumption per vehicle. 2021 emission factors from BEIS/DEFRA were used for calculation of emissions based on mileage consumed. All company cars are assumed to be average-sized passenger cars as defined by DEFRA.

SCOPE 2

For purchased electricity, we are using IEA 2021 emission factors including international trade adjustments to calculate the emissions under the location-based method for all operations. Under the market-based method, the most precise emission factor has been used following the hierarchy below in line with GHG Protocol Scope 2 Guidance:

- **Supplier-specific emission rate** that meets the Quality Criteria provided by the GHG Protocol Scope 2 Guidance (Quality Criteria).
- **Residual mix factor for relevant country**, taken from the Association of Issuing Bodies' (AIB) European residual mix 2021 (AIB 2022).
- **Grid average factor for relevant country**, taken from the sources as described above for the location-based method.

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.

Since in 2022 there were no sites sourcing renewable energy that meets the Quality Criteria, and we operate in numerous markets for which AIB residual mix factors are available, the emissions reported in 2022 under the market-based method are higher than the emissions reported under the location-based method.

For electricity consumed by electric vehicles part of the company fleet (electric and plug-in hybrid cars owned or leased over a period of 30 days or more), we used consumption data (in km). 2021 emission factors from BEIS/DEFRA emission factors were used for the calculation of emissions based on km consumed. All company cars are assumed to be average-sized passenger cars as defined by DEFRA.

SCOPE 3

For indirect emissions outside Endava's operational control, arising from upstream leased serviced office space, spend-based data on rental of real estate was used. Emissions are estimated for this group of leased assets, based on average emissions per asset type because for the 2022 reporting year, no Scope 1 and 2 data for the serviced office spaces was available from the lessors to be allocated to Endava's Scope 3 emissions, and because electricity and heating alone cannot be estimated based on either Endava-specific consumption or cost. To estimate these emissions, emission factors from EXIOBASE v.3 dataset were used.

Emissions Data

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 significance 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 applying an "all-year" approach to this recalculation (data for all years between the base year and the reporting year will be updated).
- Changes in calculation methodology or improvements in the accuracy of emission 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.

SCOPE 1 EMISSIONS SOURCES

Stationary combustion sources for heating

To calculate emissions from combustion for heating, the most precise data available has been used following the hierarchy below:

- Primary data: the type of heating (e.g., gas) and consumption for the selected period in the unit indicated on the bill (e.g., kilowatt-hours, cubic meters). The consumption is primarily evidenced by monthly, quarterly, or annual bills. We pro-rate the invoice where the invoice covers a period different to the calendar month. If gaps in the period for natural gas data are identified for any given location, we extrapolate the consumption for this period based on average consumption for the period when data is available in that specific location.
- Estimates: for those locations where primary consumption data for the reporting year is not available, estimations relating to gas consumption are made by using the physical size of the office (square metres) and the average consumption per unit area across all Endava offices where primary data exists. The kWh/square metre /day calculated is then applied to any office where primary data is unavailable based on the site floorplan area of that location and the number of days during the reporting year when the location was under Endava's operational control.

Where the source of heating is unknown this is assumed to be gas usage.

Mobile combustion sources

Scope 1 transport emissions across Endava extend to the following:

- Fuel used in company fleet (owned cars and cars that are leased over a period of 30 days or more). To calculate these emissions, type of vehicles (cars), type of fuel (diesel, gasoline) and consumption per vehicle (mileage) were used. Emissions are

calculated by applying the correct emission factor (taken from the sources described in the Emissions Factors section) to the consumption data (e.g., litres, miles, km) for the relevant vehicle and fuel type (e.g., car / truck / motorbike, and then if they are diesel / gasoline / LPG / CNG / hybrid). Each data provider maintains a record of consumption per vehicle based on distances from odometer records. Fuel supplier invoices will be used where odometer records are not available.

Consumption associated with personal use of company fleet 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 km travelled by company cars are work-related and reported accordingly.

The following activities are excluded from Scope 1 emissions:

- Transport emissions: Fuel used for business travel in employee-owned or rented vehicles (leases under 30 days) which fall within Scope 3 emissions sources from business travel.
- Emissions from stationary sources:
 - Fugitive emissions (fluorinated gases) from the leakages of cooling liquid used for air conditioning or other sources have been excluded in this reporting year due to lack of data across locations and will be included once a consistent approach to data collection has been implemented for this source.
 - Emissions from back-up electric power generators have been excluded because they are not owned by Endava or are not under Endava's operational control.

SCOPE 2 EMISSIONS SOURCES

Purchased electricity

A hierarchy is used for electricity data:

- Primary data: the amount of electricity consumed in the selected period, with supplier invoices taking the highest priority in the unit indicated on the bill (e.g., kilowatt-hours), followed by automatic meter readings and manual meter readings. We prorate the invoice where the invoice covers a period different to the calendar month. If gaps in the period for electricity data are identified for any given location, we extrapolate the consumption for this period based on average consumption for the period when data is available in that specific location.
- Secondary data (estimates): Where invoices only show cost (i.e., amount of energy consumed is not displayed on the invoice or its annexes), the conversion from cost to energy is based on electricity prices published by the statistical office of the European Union (EUROSTAT).
- Tertiary data (estimates): for those locations where primary consumption data for the reporting year is not available, estimations relating to electricity consumption are made by using the physical size of the office (square metres) and the average consumption per unit area across all Endava offices where primary data exists. The kWh/square metre /day calculated is then applied to any office where primary data is unavailable based on the site floorplan area of that location and the number of days during the reporting year when the location was under Endava's operational control.

Electricity consumed by electric vehicles

Scope 2 emissions from electric transport across Endava extend to the following:

- To calculate these emissions, type of vehicles (cars), type of fuel (electric) and consumption per vehicle (mileage) are used. Emissions are calculated by applying the correct emission factor (taken from the sources described in the Emissions Factors section) to the consumption data entered in online forms, for each type of vehicle (car / motorcycle / truck). Each data provider maintains a record of electricity consumed based on distances from odometer records. Electric charger invoices or records are used where odometer records are not available.

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 km travelled by company cars are work-related and reported accordingly.

The following activities are excluded from Scope 2 emissions:

- Electricity used for business travel in employee-owned or rented electric and plug-in hybrid vehicles (leases under 30 days) which fall within Scope 3 emissions sources from business travel.
- Purchased heating from district heating systems due to this being immaterial to Endava's Scope 2 emissions.

SCOPE 3 EMISSIONS SOURCES

Upstream leased buildings

Upstream leased buildings extend to the serviced offices rented by Endava for the entire reporting year or for part of the reporting year. These emissions are indirect emissions from the operation of buildings that are leased by the company in the reporting year and that are not already included in the reporting company's scope 1 or scope 2 inventories.

The calculation of emissions from this category is based on spend-based estimates, as described in the Emission Factors section above. The data is sourced from the cost of the invoices received from the serviced office lessors. Emissions associated with the final supply chain consumption of this service group are calculated by applying the correct emission factor (taken from the sources described in the Emissions Factors section) to the cost in the invoices.

The following activities are excluded from Scope 3 upstream leased buildings:

- Heating in leased spaces that are within Endava's operational control, which fall within Scope 1 stationary combustion for heating and Scope 2 purchased heating.
- Electricity in leased spaces that are within Endava's operational control, which fall within Scope 2 purchased electricity.
- Water consumed and waste generated in leased spaces that are within Endava's operational control, which fall within Scope 3 emissions not reported here.