



**Endava Greenhouse Gas ('GHG')
Emissions Reporting Principles and
Methodologies for Scope 3 Data
Subject to Independent Limited
Assurance**

Reporting period 1st July 2022 to 30th June 2023

INTRODUCTION

In this document we outline the criteria and supporting methodologies that Endava Group ('Endava') has adopted to prepare its Scope 3 Greenhouse Gas (GHG) emissions for the year ended 30 June 2023. 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, the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Scope 3 Calculation Guidance, which have been tailored to Endava as described in this document.

Period

Endava reports on its GHG emissions for the 12-month period ending on 30 June. The Group is reporting its Scope 3 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 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.
- Changes in the categories or activities included in the Scope 3 inventory.

Emissions from entities acquired during the financial year will be incorporated into the annual GHG 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. When applicable, emissions from entities disposed of during the year are included up to the date of disposal within the respective annual reporting year.

REPORTING BOUNDARY AND SCOPE OF EMISSIONS

Reporting Boundary

Endava includes Scope 3 GHG emissions, as defined by the GHG Protocol Corporate Accounting and Reporting Standard, which includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆), within its annual GHG report.

For our Scope 1 and Scope 2 GHG emissions, 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. 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.

Operations or activities that are excluded from our Scope 1 and Scope 2 inventories as a result of the organisational boundary definition i.e. assets we do not control (e.g. serviced offices) are included in our Scope 3 inventory.

Scope 3 emissions are defined as those which are not directly generated from our operations or activities but occur within our value chain which we can have influence over. We reviewed and assessed all fifteen Scope 3 categories and have excluded those which we have assessed as being not applicable to Endava, immaterial or where data is unavailable. For the year ended 30 June 2023, we report Scope 3 emissions across seven categories as defined by the GHG Protocol, being:

- Category 1 – Purchased goods and services
- Category 2 – Capital goods
- Category 3 – Fuel and energy-related activities not included in Scope 1 or Scope 2
- Category 5 – Waste generated in operations
- Category 6 – Business travel
- Category 7 – Employee commuting
- Category 8 – Upstream leased assets

Per the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and Corporate Value Chain (Scope 3) Standard, companies shall account for all Scope 3 emissions as defined in the Standard and disclose and justify any exclusions. The definition of our Scope 3 boundary in this context is the seven categories as listed above and an explanation for the eight categories excluded from our boundary can be found in the Exclusions section on page 15.

In addition, the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and Corporate Value Chain (Scope 3) Standard states that companies shall account for emissions from each Scope 3 category according to the minimum boundaries provided in table 5.4 of the Standard. The boundary for each of our seven Scope 3 categories in this context is described in the respective calculation sections below.

We calculate our GHG emissions through the collection of primary and secondary data and convert them into the associated GHG emissions using the relevant emission factors (EFs). For the year ended 30 June 2023, we primarily used spend-based data to calculate emissions from Scope 3 sources. We also used more accurate activity-based data wherever possible, as detailed in the “Emissions data” sections below. Endava has used a series of EFs to calculate the emissions for the year ended 30 June 2023, corresponding to different emission sources, as detailed in the respective sections below.

Scope 3, Category 1 ('3.1'): Purchased Goods and Services

EMISSIONS AND SOURCES

This category includes upstream (cradle-to-gate) emissions that result from the extraction, production, and transportation of goods and services purchased or acquired by Endava in the reporting year, not otherwise included in categories 2 to 8.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.1 emissions are calculated based on a hybrid method, using secondary data, due to limited availability of primary data at this time.

Emissions for this category were calculated using a group report on accounts payable from the Oracle AP reporting system, which captures details of all purchase invoices received from suppliers covering the reporting period (based on invoice dates from 1 July 2022 to 30 June 2023). The report includes details of the relevant Endava purchasing legal entity, invoice date, invoice amount, invoice currency, purchase order category and vendor (except for payments made via virtual cards, where specific vendor detail is not available).

Spend per the accounts payable report was aggregated by each procurement accounting category (e.g., IT: Software and licence support, Professional Services: Audit services etc.).

Accounts are excluded from the Scope 3.1 emissions calculation if they would result in double counting. Such accounts relate to expenses where the related emissions are otherwise accounted for under other Scopes or categories, for example Capital Goods in 3.2 below.

Accounts are also excluded from the Scope 3.1 emissions calculation to avoid non-emissive spend categories, and to remove spend that does not exit the operational boundary, such as intercompany transactions. The invoice amount used in the emissions calculations excludes sales taxes, such as UK VAT.

The included spend categories are then mapped to the corresponding US EPA USEEIO category based on the description of Endava's procurement accounting category and the description of USEEIO sector codes.

EMISSIONS FACTORS

Industry specific EFs are applied to the spend value per procurement accounting category in US Dollars. An inflation adjustment factor is applied to EFs to account for inflation between the USEEIO EF year and the current year value of US Dollars, as follows:

- $EF_{2023} = P_y / P_{2023} * EF_y$, where P_y is the price level in year "Y" and EF_y is the emission factor in year "Y". Industry inflation levels post-2018 are sourced directly from the US Bureau of Economic Analysis.

Where vendor specific EFs or emission intensity data is available, it takes priority over industry-average EFs. In this case, spend with select vendors for which supplier-specific EFs are available is subtracted from total spend in the category and mapped to vendor-specific EFs.

Vendor specific EFs are sourced from vendors that report to the Carbon Disclosure Project ('CDP'). Vendor specific EFs are used for all vendors with a CDP Report that is comprehensive in scope coverage (i.e. Scope 1, 2, and upstream categories of Scope 3 – being categories 3.1 to 3.8) and are relevant to the spend category being used.

Where vendor specific EFs are not available, we use category EFs from the US EPA's USEEIO (version 2.0.1) database. The category EF applied is based on the procurement accounting category of the associated spend.

Scope 3, Category 2 ('3.2'): Capital Goods

EMISSIONS AND SOURCES

This category includes upstream (cradle-to-gate) emissions that result from the extraction, production, and transportation of capital goods purchased or acquired by Endava in the reporting year.

These goods generally have a long service life and are categorised as capital expenditure. Unlike goods purchased and accounted for under Category 3.1, goods included in this category are intended to be used for one year or more (e.g., laptops, desks, etc.).

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.2 emissions are calculated based on a hybrid method, using secondary data, due to limited availability of primary data at this time.

Emissions for this category were calculated using a group report on accounts payable from the Oracle AP reporting system, which captures details of all purchase invoices received from suppliers covering the reporting period (based on invoice dates from 1 July 2022 to 30 June 2023). The report includes details of the relevant Endava purchasing legal entity, invoice date, invoice amount, invoice currency, purchase order category and vendor (except for payments made via virtual cards, where specific vendor detail is not available).

Spend per the accounts payable report was aggregated by each procurement accounting category (e.g., Facility: Desks, IT: Laptops, etc.) relevant for Capital Goods.

Accounts are excluded from the Scope 3.2 emissions calculation if they would result in double counting. Such accounts relate to expenses where the related emissions are otherwise accounted for under other Scopes or categories, such as Purchased Goods and Services in 3.1 above.

Accounts are also excluded from the Scope 3.2 emissions calculation to avoid non-emissive spend categories, and to remove spend that does not exit the operational boundary, such as intercompany transactions. The invoice amount used in the emissions calculations excludes sales taxes, such as UK VAT.

The included spend categories are then mapped to the corresponding US EPA USEEIO category based on the description of Endava's procurement accounting category and the description of USEEIO sector codes.

EMISSIONS FACTORS

Industry specific EFs are applied to the spend value per procurement accounting category in US Dollars. An inflation adjustment factor is applied to EFs to account for inflation between the USEEIO EF year and the current year value of US Dollars, as follows:

- $EF_{2023} = P_y / P_{2023} * EF_y$, where P_y is the price level in year “Y” and EF_y is the emission factor in year “Y”. Industry inflation levels post-2018 are sourced directly from the US Bureau of Economic Analysis.

Where vendor specific EFs or emission intensity data is available, it takes priority over industry-average EFs. In this case, spend with select vendors for which supplier-specific EFs are available is subtracted from total spend in the category and mapped to vendor-specific EFs.

Vendor specific EFs are sourced from vendors that report to the Carbon Disclosure Project (‘CDP’). Vendor specific EFs are used for all vendors with a CDP Report that is comprehensive in scope coverage (i.e. Scope 1, 2, and upstream categories of Scope 3 – being categories 3.1 to 3.8) and are relevant to the spend category being used.

Where vendor specific EFs are not available, we use category EFs from the US EPA’s USEEIO (version 2.0.1) database. The category EF applied is based on the procurement accounting category of the associated spend.

Scope 3, Category 3 (‘3.3’): Fuel and Energy-Related Activities not included in Scope 1 or Scope 2

EMISSIONS AND SOURCES

This category includes emissions related to the extraction, production, and transportation of fuels and energy purchased or acquired by Endava in the reporting year, not already accounted for in scope 1 or scope 2, including:

- Upstream emissions (cradle-to-gate) of purchased fuels (extraction, production, and transportation of fuels consumed by Endava).
- Upstream emissions (cradle-to-gate) of purchased electricity (extraction, production, and transportation of fuels consumed in the generation of electricity, steam, heating, and cooling consumed by Endava).
- Upstream emissions (cradle-to-gate) of energy consumed as transmission and distribution (T&D) losses (generation of electricity, steam, heating and cooling that is consumed (i.e., lost) in a T&D system) – reported by Endava as the end user.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.3 emissions are calculated based on the average-data method, due to limited availability of supplier-specific data.

Emissions for this category are estimated using secondary (e.g., industry average) EFs for upstream emissions per unit of consumption. Activity data to which these EFs are applied are quantities and types of energy consumed, as detailed below.

Purchased electricity

- Purchased electricity well-to-tank (WTT) emissions are calculated based on the total purchased electricity usage from Endava's Scope 2 emissions calculations for the year ended 30 June 2023.
- Purchased electricity transmission and distribution well-to-tank (T&D WTT) emissions are calculated based on the total purchased electricity usage from Endava's Scope 2 emissions calculations for the year ended 30 June 2023.
- Purchased electricity transmission and distribution losses (T&D losses) emissions are calculated based on the total purchased electricity usage from Endava's Scope 2 emissions calculations for the year ended 30 June 2023, multiplied by grid loss rates for each regional grid.

Natural gas

- Natural gas WTT emissions are calculated based on the total natural gas usage from Endava's Scope 1 emissions calculations for the year ended 30 June 2023.

District heat

- District heat WTT, T&D WTT, and T&D losses emissions are calculated based on the total district heat usage from Endava's Scope 2 emissions calculations for the year ended 30 June 2023.

Fleet

- Fleet well-to-tank (WTT) emissions are calculated based on the total fleet usage from Endava's Scope 1 and 2 emissions calculations for the year ended 30 June 2023.

EMISSIONS FACTORS

Purchased electricity WTT emissions:

- DEFRA UK 2021 WTT EFs are used, as this was the most recent year for which country- or region-level data is available.

Purchased electricity T&D WTT emissions:

- DEFRA UK 2021 T&D WTT EFs are used, as this was the most recent year for which country- or region-level data is available.

Purchased electricity T&D losses emissions:

- eGrid (2022 dataset using 2020 data) loss rates are used for US electricity consumption.
- DEFRA UK 2022 loss rates are used for UK electricity consumption.
- European Residual Mixes (2021, published in 2022) loss rates are used for non-US, non-UK electricity consumption.
- IEA (2022, using 2020 factors) CO₂e EFs from electricity only generation are used for non-US and non-UK countries, for which data is not available in the European Residual Mixes database. These EFs are converted to AR6 GWPs.

Natural gas WTT emissions:

- IPCC AR6 EFs for methane, carbon dioxide, and nitrous oxide are used (we use the 100Y global warming potential emissions factor, assuming impact over a 100 year timescale).

District heat WTT, T&D WTT, and T&D losses emissions:

- DEFRA UK 2022 WTT, T&D WTT and T&D loss rates are used for all district heat WTT, T&D WTT and T&D losses emissions, as we are unaware of more accurate regionally-specific data.

Fleet WTT emissions:

- DEFRA UK 2022 EFs are used to calculate fleet WTT emissions.

Scope 3, Category 5 ('3.5'): Waste Generated in Operations

EMISSIONS AND SOURCES

This category includes emissions that result from the disposal and treatment of waste (in facilities not owned or controlled by Endava) generated in Endava's operations in the reporting year.

Emissions from the transportation of waste is not included, on the basis of this falling outside the minimum boundary requirements of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.5 emissions are calculated based on the average-data method, i.e., we estimate emissions based on total waste going to landfill or recycling and apply average EFs for each disposal method. Due to limited data availability on waste generated in our operations, we estimate employee generated waste using the following methodology:

- We calculate the number of employees working onsite in each location in the reporting period. This is calculated using total employee counts by location (average headcount for the reporting year of staff employed by the Group) and applying the percentage of workdays that employees worked onsite. This information is obtained from the timesheet module of Endava's HR system, which includes details of number of days worked in the office and number of days worked from home.
- Using CalRecycle benchmarks (produced by the California Department of Resources Recycling and Recovery), we estimate the quantity of landfill and recycling waste separately produced by employees at each location by multiplying the headcount as above by the CalRecycle rate. For all buildings, we assume: "Public Administration" as the building type, and "Landfill" and "Recycling" as the waste types.
- We assume no waste estimate is generated by Endava employees when working from home/offsite.

EMISSIONS FACTORS

- Non-US locations: we use DEFRA UK 2022 EFs for landfill and recycling of waste.
- US locations: we use EFs from the US EPA EF Hub 2022 for landfill and recycling of waste.

Scope 3, Category 6 ('3.6'): Business Travel

EMISSIONS AND SOURCES

This category includes emissions that result from transportation (in vehicles not owned or operated by Endava) and accommodation of employees for business-related activities during the reporting year.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.6 emissions are calculated based on:

- Distance-based method: for business travel where data on distance and mode of business trips is available (being the majority of business travel emissions for the year ended 30 June 2023). Using such data, we then apply the appropriate emission factor for the mode used. Under this method, emissions are calculated based on travel with a start date falling in the reporting year.
- Spend-based method: for business travel where data on distance and mode of business trips is not available but spend data for the mode used is available (being a minority of business travel emissions for the year ended 30 June 2023). In this case, we determine the amount of money spent on each mode of business travel and apply the secondary (industry-specific) EFs. Under this method, calculations are based on spend with an invoice date falling in the reporting year.

Air Travel:

- Distance (activity)-based method: an export of flight booking records, including flight date, cost, route, vendor, cabin class, distance travelled (kilometres or miles) etc. is generated from Endava's business travel booking platform.
- Flights are categorised into Long Haul (≥ 2300 miles), Medium Haul (≥ 300 miles, < 2300 miles), and Short Haul (< 300 miles) buckets.
- We multiply total mileage by EFs for air transport based on mileage bucket and (where available) class of passenger.

Rail Travel:

- Distance (activity)-based method: an export of rail booking records, including date of departure, location country, distance travelled (kilometres or miles), number of passengers on the trip, and rail travel vendor is generated from Endava's business travel booking platform.
- Rail transportation mode is categorised by geography (distance-based rail travel data is only available for the UK). Rail travel is categorised as follows: Light Rail (light rail service (often commuter rail) (e.g., from city to suburbs not on a subway)), London Underground, National Rail (refers to rail travel within one nation), International Rail (refers to international rail travel).
- We multiply total passenger-distance by EFs for rail transport based on the travel modes categorised above.

Hotel Accommodation:

- Activity-based method: an export of hotel booking records, including date, cost, number of nights, vendor, country of stay etc. is generated from Endava's business travel booking platform.
- We multiply the number of hotel nights by DEFRA's country specific EFs (kg CO₂e / room per night).
- Where country level detail is not available, we use a global emission factor that is calculated using the 75th percentile of all available country specific factors in the UK Government hotel tab (excluding London).

Other Travel (car rental, local transfers, taxi), as well as spend-based data on air travel, rail and hotel accommodation:

- Travel-related spend not covered via Endava's travel booking platform is obtained from the accounts payable report used as described above (and excluded from) for Scope 3.1 and 3.2 emissions calculations.
- Spend is aggregated by travel category.
- Each travel category is mapped to the most accurate EPA USEEIO category. The category EF applied is based on the procurement accounting category of the associated spend.
- We multiply total spend by the EF for that category.

- Spend values are provided in current year US Dollars. To adjust for inflation, we apply an inflation adjustment factor as described for Scope 3.1 and Scope 3.2 emissions calculations above.

The following is excluded:

- Emissions from transportation in vehicles owned or controlled by Endava and accounted for in either Scope 1 (for fuel use), or in the case of electric vehicles, Scope 2 (for electricity use), as well as in Scope 3 Category 7 (Employee Commuting).
- Business travel for which travel arrangements have been carried out and paid by Endava employees and claimed via personal expense reimbursement (excluded as immaterial to total Scope 3 emissions for the year ended 30 June 2023).

EMISSIONS FACTORS

Air travel (distance/activity-based):

DEFRA UK 2022 EFs for long, medium (short-haul), and domestic (short-haul) flights. These include an 8% uplift factor for flights not being in a straight distance. When available, the EFs split out by class are used; if DEFRA does not have a specific EF for a length and cabin class combination, the nearest conservative length and cabin class EF is used. EFs “Including indirect effects of non-CO2 emissions” are used. DEFRA UK 2022 Aviation WTT EFs are applied to air travel activity to account for WTT emissions associated with the extraction, refining and transportation of the aviation fuel to the plane before take-off.

Air travel (spend-based):

Vendor specific EFs are sourced from vendors that report to the CDP. Vendor specific EFs are used for all vendors with a CDP Report that is comprehensive in scope coverage (i.e. Scope 1, 2, and upstream categories of Scope 3 – being categories 3.1 to 3.8) and are relevant to the spend category being used.

Where vendor specific EFs are not available, we use category EFs from the US EPA’s USEEIO (version 2.0.1) database. An inflation adjustment factor is applied to the EFs used to account for inflation between the USEEIO EF year and the current year value of US Dollars, as described in the sections above on Categories 3.1 and 3.2.

Rail travel (all distance/activity-based):

DEFRA UK 2022 EFs for National Rail, London Underground, International Rail, and Light Rail are used for rail travel in non-US countries. We have adjusted these to use AR6 GWPs. DEFRA UK 2022 UK National and International Rail WTT EFs are applied to rail travel activity to account for WTT emissions from this source.

Hotel accommodation (activity-based):

Where data on hotel-nights is used, we use DEFRA UK 2022 for country specific hotel EFs.

Hotel accommodation (spend-based):

For hotel accommodation where only spend-based data is available:

Vendor-specific EFs are sourced from vendors that report to the CDP. Vendor specific EFs are used for all vendors with a CDP Report that is comprehensive in scope coverage (i.e. Scope 1, 2, and upstream categories of Scope 3 – being categories 3.1 to 3.8) and are relevant to the spend category being used.

Where vendor-specific EFs are not available, we use category EFs from the US EPA's USEEIO (version 2.0.1) database. An inflation adjustment factor is applied to the EFs used to account for inflation between the USEEIO EF year and the current year value of US Dollars, as described in the sections above on Categories 3.1 and 3.2.

Other travel (car rental, local transfers, taxi):

We use the US EPA's USEEIO (version 2.0.1) database to source "passenger ground transport" and "vehicle rental and leasing" EFs, adjusted for inflation, given the fact that we only have spend-based data available for these emission sources.

Scope 3, Category 7 ('3.7'): Employee Commuting

EMISSIONS AND SOURCES

This category includes emissions that result from transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by Endava).

Emissions from employee teleworking are not included, on the basis of this falling outside the minimum boundary requirements of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.7 emissions are calculated based on the average-data method, i.e., we use average secondary activity data to estimate distance travelled and mode of transport.

To estimate consumption data, we first estimate the percentage of employee days worked from the office:

- We calculate the number of employees working onsite in each location in the reporting period. This is calculated using total employee counts per location (average headcount for the reporting year of staff employed by the Group) and applying the percentage of workdays that employees worked onsite. This information is obtained from the timesheet module of Endava's HR system, which includes details of number of days worked in the office and number of days worked from home. We estimate the number of employees commuting in each location as all non-remote employees.

- We use data published by governments (e.g., US Bureau of Transportation Statistics for US commute mixes, US National Household Travel Survey for US commute distances) and data aggregators (e.g., Statista for UK commute mix and distance, and Numbeo for commute mix and distance for non-US and non-UK countries) to estimate average commute mix and distance for each location, and apply that to the total number of commuting employees in each location to determine miles travelled by car, public transit, walking and biking. For the year ended 30 June 2023, reliable country-specific data was not available for average commute mix and distance for Moldova, therefore the average data for commute mix and distance travelled in Romania was used as a proxy for employees commuting in Moldova.
- We multiply distance travelled by each mode of transport by the EFs for that commute-method category to calculate GHG emissions.

EMISSIONS FACTORS

- For commuting by car in all countries, we use the US EPA Passenger Car 2022 EF, with methane and nitrous dioxide added using AR6 GWP. Car WTT emissions are calculated using the DEFRA UK 2022 Car WTT EF.
- For commuting by public transit in all countries, we use a synthetic emissions factor for a passenger-mile travelled by public transit in the U.S. We use the National Transit Database (2021) data on public transit systems to estimate the mix of bus, heavy rail, light rail, and commuter rail in the U.S. We apply the EPA EF Hub (2022) EF for each public transit mode to calculate an average EF for a passenger-mile on public transit. DEFRA UK 2022 Public Transit WTT emissions are calculated using the DEFRA UK 2022 Public Transit WTT EF.
- For walking and biking, we assume no emissions.

Scope 3, Category 8 ('3.8'): Upstream Leased Assets

EMISSIONS AND SOURCES

This category includes emissions generated from the operation of Endava offices over which Endava does not have operational control, i.e. that result from operation of assets leased by Endava in the reporting year and not included in Scope 1 and Scope 2 – reported by Endava as lessee.

A site is 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 the amount consumed in each period, for example:

- Where we have a contract directly with the electricity or natural gas or district heating supplier - and we are billed directly by the supplier - the site is considered under our control, OR

- Where electricity or natural gas or district heating 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 or district heating is 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 control.

Emissions associated with the above buildings are accounted for in our Scope 1 and 2 GHG emissions and not therefore in our Scope 3 balance.

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 as above and therefore emissions associated with this site's energy usage would be Scope 3. This is usually the case for Endava operations located in serviced offices, and, exceptionally, in some leased offices.

EMISSIONS DATA

For the year ended 30 June 2023, Scope 3.8 emissions are calculated based on the average-data method, i.e., we estimate emissions for each leased asset based on average statistics and secondary data, such as average emissions per asset type and floor space.

We collect data on square footage of serviced offices occupied by Endava during the reporting period. For any offices where we do not have details of square footage, we estimate this based on number of desks available to Endava (assuming 1 desk = 5 square metres). We then estimate electricity, heating, other fuel consumption and refrigerant leakage per square foot of office space based on benchmarks, as follows:

Electricity, heating and other fuel consumption:

- For buildings outside the US, we use IEA Energy Efficiency Indicators to calculate fuel mix (e.g., proportion of buildings energy consumption by a certain fuel type) combined with the energy use intensity provided by building type per the US Department of Energy's Building Performance Database. For buildings in the US or not covered by the IEA, we use the US Department of Energy's Building Performance Database.
- We do not adjust benchmark fuel usage per month down while some employees continue to work from home, as we do not currently know how much this reduces by.

Refrigerant leakage:

- We assume global refrigerant leakage of R-410A and R-134a for each building where refrigerants are present, and use square feet to convert to kg R-410A and R-134a based on the EPA Hydrofluorocarbons (HFC) accounting tool.

The following are excluded:

- Scope 1 and 2 emissions of suppliers of other leased assets, as they have been reported elsewhere.

- Scope 1 and 2 emissions of landlords from which Endava leases its offices considered as being under Endava's operational control.

EMISSIONS FACTORS

Electricity:

We use the residual mix factor for the relevant country, taken from:

- US Sites: Green-E Residual Mix Emissions Rates for US grids (most recent data set is 2022) with CH₄ and N₂O EFs added from eGRID subregions and converted to CO₂e using AR6 GWP.
- Non-US Sites: Association of Issuing Bodies' European Residual Mix 2021 (AIB 2022) with CH₄ and N₂O EFs added from DEFRA UK 2022 and converted to CO₂e using AR6 GWP for each country's grid.
- For Australia and Canada: we use Australia National GHG Factors (2022) to account for electricity consumption by office space (serviced office) suppliers in Australia, and Canada NIR data from part 3 - Annex 13 - Electricity in Canada: Summary and Intensity Tables (2022) for electricity consumed by office space (serviced office) suppliers in Canada.
- For all other countries: International Energy Agency (IEA 2022) EFs for each country's grid (most recent data set, released in 2022, uses 2020 data) is used to calculate emissions for non-US and non-UK sites.
- WTT/upstream emissions are also included following the methods described in the Scope 3.3 section above on WTT and TD&L EFs.

Heating and other fuel consumption:

For natural gas consumption, we use EFs for natural gas as follows:

- We use conversion factors taken from the US Environmental Protection Agency (US EPA 2022) Emissions factor hub, converting all emissions to CO₂e using IPCC Sixth Assessment Global Warming Potentials (AR6 GWP) - natural gas.
- WTT/upstream emissions are included following the methods described in the Scope 3.3 section on WTT and TD&L EFs.

Emissions from other energy use in serviced offices (e.g. district heat/other stationary fuels) is immaterial.

Refrigerant leakage:

For refrigerant leakage, we use EFs from California Air Resources Board (ARB) 2021.

Exclusions

As stated earlier in this document, Scope 3 emissions are defined as those which are not directly generated from our operations or activities but occur within our value chain which we can have influence over. We reviewed and assessed all fifteen Scope 3 categories and have excluded those which are not applicable to Endava, are deemed immaterial to Endava or where there is a lack of reliable data. The Scope 3 categories that have been excluded, either due to i) a lack of reliable data, or ii) immateriality or non-applicability to Endava, are summarised below.

i) Categories excluded due to lack of sufficient data:

- **Category 3.4: Upstream transportation and distribution.** No data on mileage and transportation type for upstream transportation and distribution of purchased goods has been available to account under this category separately.

This category will be included in future years once a consistent approach to data collection has been implemented for this source.

ii) Categories excluded due to either being assessed as not material or not applicable to Endava in the reporting period:

- **Category 3.9: Downstream transportation and distribution.** Endava's core business is the sale of technology services. On occasion, the Group resells certain goods (such as laptops) as part of the service delivery contracts, however this is immaterial to the business overall, and does not involve any significant element of downstream transportation or distribution therefore we are satisfied that any related emissions would also be immaterial. On this basis, this category is considered to be immaterial by management and non-applicable to the Group for the reporting year.
- **Category 3.10: Processing of sold products.** This category is not applicable to Endava. The Group does not process intermediate products.
- **Category 3.11: Use of sold products.** Endava's core business is the sale of technology services. On occasion, the Group resells certain goods (such as laptops) as part of the service delivery contracts, however this is immaterial to the business overall and we are satisfied that any related emissions would also be immaterial.

For sold services, quantifying or estimating GHG emissions specifically caused by the use of the software that we develop for our clients is a challenge for the software development industry in general, due to the complexity of accurately assessing the emissions directly caused by the use of software systems. Therefore, we conclude that it is not feasible at this point for Endava to estimate emissions from the use of sold services.

This category is considered to be immaterial by management and non-applicable to the Group for the reporting year.

- **Category 3.12: End-of-life treatment of sold products.** Endava's core business is the sale of technology services. On occasion, the Group resells certain goods (such as laptops) as part of the service delivery contracts, however this is immaterial to the business overall and we are satisfied that any related emissions would also be immaterial. On this basis, this category is considered to be immaterial by management and non-applicable to the Group for the reporting year.
- **Category 3.13: Downstream leased assets.** Activity relating to downstream leased assets is immaterial to the business overall, and we are satisfied that any related emissions would also be immaterial. On this basis, this category is considered to be immaterial by management and non-applicable to the Group for the reporting year.
- **Category 3.14: Franchises.** This category is not applicable to Endava. The Group does not have any franchises.
- **Category 3.15: Investments.** This category is not applicable to Endava. The Group does not have any material investments, except for investments in its subsidiaries.

All the excluded categories will be monitored going forward and included in the reporting boundary if and when they become applicable and/or material.