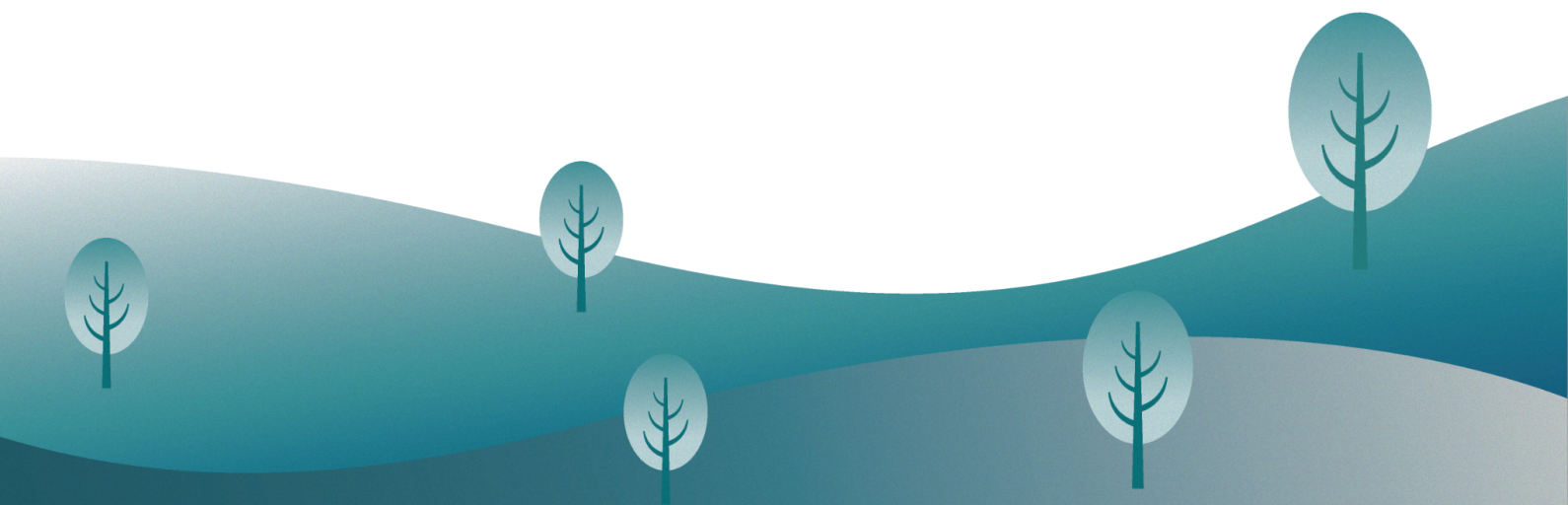


Greenhouse Gas (GHG) Emissions Report 2023

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Introduction

To prepare this report, the following standards, frameworks and guidelines were used:

- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard;
- GHG Protocol Scope 2 Guidance;
- Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Technical Guidance for Calculating Scope 3 Emissions. Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard;
- HM Government - Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance;
- EPA Greenhouse Gas Inventory Guidance: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases;
- Working 9 to 5 on Climate Change: An Office Guide by Samantha Putt del Pino and Pankaj Bhatia.

2023 is the first year when the information about Exactpro carbon dioxide emissions was systematically collected in accordance with the relevant standards. 2023 is, therefore, the base year for our future climate change reports.

GHG Inventory

Organisational Boundaries

The Exactpro Group is headquartered in the UK, operates delivery centres in Georgia, Sri Lanka, Armenia, Lithuania and the UK as well as representative offices in the US, Canada, Italy and Australia, over which it has full financial and operational control. In setting organisational boundaries, we choose a corresponding approach for consolidating GHG emissions.

Operational Boundaries

To align best with our structure and to reach the most accurate inclusion of assets in the inventory, we determined the following groups of GHG emissions:

Assets	Scope 1	Scope 2	Scope 3	Comments
Own operating and network equipment	-	-	V Category 2: Capital goods	100 % financial control and operational control
Leased network equipment	-	-	V Category 8: Upstream leased assets	Operating lease – 0% of operational control
Own cooling and fuel combustion equipment	V <ul style="list-style-type: none"> own gas heating = combustion emissions own ACs = fugitive emissions 	-	-	100 % financial control and operational control Emissions from refrigerators (fugitive emissions) are negligible and excluded
Leased office spaces	-	V <ul style="list-style-type: none"> Electricity (Sri Lanka, Georgia, Lithuania, Armenia) Heating (Georgia) 	V Category 8: Upstream Leased Assets (other office spaces and correlating services)	Operating lease – <ul style="list-style-type: none"> 100% of operational control (office spaces) 0% of operational control (maintenance services)
GHG emissions from operations			V Office procurement, outsourcing, etc.	According to the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard

Scope 1

Gross global emissions for 2023: **1.04 Mt CO₂e**

Emission factors are taken from “UK Government GHG Conversion Factors for Company Reporting” and EPA “Emission Factors for Greenhouse Gas Inventories” published for 2023. The Screening method is used for fugitive emissions calculation.

Scope 2

Gross global emissions: **95.42 Mt CO₂e**

Total energy consumed:

Electricity	205 MWt
Natural gas	11 848 m ³

Location-based method and grid-average emission factors are used for accounting. The company cannot use a market-based method to report emissions due to the lack of contractual instruments.

Scope 3 Inventory and Boundaries

Categories reported	Boundaries
1. Purchased goods & services	All upstream emissions of goods and services purchased or acquired by the reporting company in the reporting year.
2. Capital goods	All upstream (cradle-to-gate) emissions of capital goods purchased in the reporting year: <ul style="list-style-type: none"> - IT equipment (PCs, laptops, servers, etc.), - own ACs, - office furniture (workplaces).
4. Upstream transportation & distribution	Purchased transportation services excluding business travels.
6. Business travel	Transportation and hotel staying of employees for business-related activities during the reporting year.
7. Employee commuting	Estimated fuel emissions that occur during the use of transport (private and public) to / from the office locations by Exactpro employees.
8. Upstream Leased Assets	<ul style="list-style-type: none"> - Office spaces under a unified licence fee agreement,

	<ul style="list-style-type: none"> - Maintenance services provided by lessors as per the bills, - Network equipment.
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In accordance with the relevance principle defined by the GHG Protocol Standards and based on the corporate value chain assessment, the following categories were acknowledged as irrelevant and/or negligible and were, therefore, excluded from the report:

Categories excluded	Explanation
3. Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	As only life-cycle emission factors are available for Scope 2, the same is not reported in this category.
5. Waste Generated in Operations	Taking into account the company's characteristics and the lack of information for calculations, the category cannot be considered relevant.
9. Downstream Transportation and Distribution	Not applicable
10. Processing of Sold Products	
11. Use of Sold Products	
12. End-of-Life Treatment of Sold Products	
13. Downstream Leased Assets	
14. Franchises	
15. Investments	

Scope 3 GHG Emissions

1. Purchased goods & services

Gross global emissions: **76 Mt CO₂e**

Emissions calculation methodology:

An Average-data method is used for drinking and tap water consumption calculations. For the rest of the emissions, a Spend-based method and DEFRA conversion factors are used.

Drinking water	16378 L	1.77 Mt CO ₂ eq
Tap water	1055 m ³	0.35 Mt CO ₂ eq

2. Capital goods

Gross global emissions: **110 Mt CO₂e**

Emissions calculation methodology:

A Spend-based method and DEFRA conversion factors are used for calculations.

4. Upstream transportation & distribution

Gross global emissions: **0.1 Mt CO₂e**

Emissions calculation methodology:

A Spend-based method and DEFRA conversion factors are used for calculations.

6. Business travel

Gross global emissions: **57.91 t CO₂e**

The inventory includes all the official business travels. Supplier-specific data was used, where received. For air travels, ICAO calculator data was taken. For other calculations, a distance-based method and public emission factors were used.

7. Employee commuting

Gross global emissions: **60.3 t CO₂e**

By means of transport:

Transport	Total t CO ₂ e
car/taxi	27.64
bus	23.44
metro	4.15
train	5.06
motorbike	3.26

The data on commuting patterns was collected on a fixed date and a distance-based method was applied for calculations. The emission factors were taken from the UK *Government Greenhouse Gas Conversion Factors for Company Reporting*.

Due to the specifics of the IT sector and flexible corporate policy on working from offices, avoided emissions estimated for the commuting category are approximately 132 t CO₂e. The same is reported in addition to the gross global emissions provided above: the avoided emissions are not deducted from the total commuting result, nor used in calculations in other ways.

8. Upstream Leased Assets

Gross global emissions: **15 Mt CO₂e**

Emissions calculation methodology:

A Spend-based method and DEFRA conversion factors are used for calculations.

Environmental Metrics

Carbon intensity = 0.22477 MtCO₂e/FTE

Energy intensity = 0.77669 MWh/FTE

On the grounds of specifics of the IT-sector and the company as an independent provider of AI-enabled software testing services, annual (average) FTE was chosen as a denominator.

