Grant Thornton

IFRS Sustainability Disclosure Standards

Example Sustainability-related Financial Disclosures 2025

with guidance notes

Contents

Introduction

IFRS Sustainability Disclosure Standards Example Sustainability-related Financial Disclosures 2025

The preparation of sustainability reporting in accordance with IFRS Sustainability Disclosure Standards ('IFRS SDS' or 'the Standards') can be challenging. For many entities, reporting on sustainability matters is new, and expertise is still being developed. Additionally, without past experience of preparing similar disclosures, it is difficult for reporting entities to know what disclosures should look like.

Grant Thornton International Ltd, through its IFRS and corporate reporting team, is developing general guidance that supports its member firms' commitment to high-quality, consistent application of IFRS SDS, and therefore is pleased to share its insights by publishing its first 'IFRS Sustainability Disclosure Standards – Example Sustainability-related Financial Disclosures 2025' ('IFRS Example Sustainability Disclosures').

These IFRS Example Sustainability Disclosures are based on the activities and results of Illustrative Corporation and its subsidiaries ('the Group' or the 'Illustrative Corporation Group') – a fictional consulting, service and retail entity, and form part of the Group's general purpose financial report for the year ended 31 December 2025. These IFRS Example Sustainability Disclosures represent the first reporting period that the Group has adopted the Standards and the Group has elected to apply certain transition reliefs.

The form and content of IFRS SDS reporting will always depend on the activities and transactions of the reporting entity. This example sustainability report presents a single instance of how Illustrative Corporation Group might prepare, disclose and present information in accordance with the requirements of IFRS SDS issued by the International Sustainability Standards Board (ISSB). They are not intended to represent the only way the IFRS SDS may be applied.

Our objective in preparing these IFRS Example Sustainability Disclosures is to illustrate sustainability reporting by an entity engaging in transactions that are typical across a range of non-specialist sectors. However, as with any publication of this type, these IFRS Example Sustainability Disclosures cannot envisage every possible transaction and therefore cannot be regarded as comprehensive. Management is ultimately responsible for the fair presentation of sustainability-related disclosures and therefore they may find other approaches more appropriate for the entity's specific circumstances.

These IFRS Example Sustainability Disclosures have been prepared based on IFRS SDS that are effective for the year ending 31 December 2025. These Standards are IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures'. No account has been taken of any new developments after 31 December 2025.

These IFRS Example Sustainability Disclosures consider relevant guidance and illustrative examples provided by the ISSB and applicable local regulatory requirements. However, they do not consider interoperability with other sustainability reporting frameworks.

Note on presentation
IFRS S1 and IFRS S2 are disclosure standards, in that they do not prescribe a particular presentation of the information that needs to be disclosed.

Instead, IFRS S1 Appendix D explains the qualitative characteristics of useful sustainability-related financial information. In particular, preparers should be conscious that disclosures need to:

- avoid generic information, sometimes called 'boilerplate', that is not specific to the entity
- avoid duplication of information in the general purpose financial report, including unnecessary duplication of information also provided in the related financial statements, and
- use clear language and clearly structured sentences and paragraphs. Additionally, the clearest form of a disclosure will depend on the nature of the information and might include tables, graphs or diagrams in addition to narrative text. If graphs or diagrams are used, additional text or tables might be necessary to avoid obscuring material detail.

Using the IFRS Example Sustainability Disclosures
For guidance on the Standards and Interpretations applied, reference is made to IFRS SDS sources throughout the IFRS Example Sustainability Disclosures on the left-hand side of each page.

The IFRS Example Sustainability Disclosures do not address any jurisdictional or regulatory requirements. They also do not take into account any specific economic situations around the world.

Most importantly, these IFRS Example Sustainability Disclosures should not be used as a standalone disclosure checklist, as facts and circumstances vary between entities and each entity should assess individually what information needs to be disclosed in its sustainability reporting.

Grant Thornton International Ltd
April 2026

IFRS Sustainability Disclosure Standards Example Sustainability-related Financial Disclosures

Illustrative Corporation Group
31 December 2025

1. Basis of preparation

IFRS S1.20, IFRS S1.22

This sustainability report ('the Report') of Illustrative Corporation Group and its controlled entities ('the Group') has been prepared for the year ended 31 December 2025.

This Report forms part of the Group's general purpose financial report for the year ended 31 December 2025 and should be read in conjunction with the related consolidated financial statements.

IFRS S1.64

Guidance note: Entities are required to issue sustainability-related financial disclosures at the same time as their financial statements to ensure connectivity and decision-usefulness.

IFRS S1.E4

However, in the first year of application, entities may apply a transition relief that permits them to publish these disclosures after their financial statements. If this relief is used, the sustainability-related disclosures must be issued no later than with the next second-quarter or half-year interim financial report in the second annual reporting period. This must be within nine months of the end of the annual reporting period for which the Standards were first applied.

This relief does not override any local jurisdictional requirements that may apply to the reporting entity.

IFRS S1.23

The data and assumptions used in preparing the climate-related financial disclosures are, to the extent possible, consistent with those used in preparing the related consolidated financial statements. Financial amounts are presented in Euroland currency units (CU), consistent with the presentation currency of the related consolidated financial statements, and are rounded to the nearest thousand.

IFRS S1.72

This Report has been prepared in accordance with IFRS Sustainability Disclosure Standards (the Standards) as issued by the International Sustainability Standards Board (ISSB). The Group asserts compliance with all requirements of the Standards for the disclosures presented.

IFRS S1.E3, IFRS S1.E5

This is the first reporting period that the Group has adopted the Standards, and the Group has applied the following transition reliefs as permitted by IFRS S1:

- relief from the requirement to disclose comparative information for sustainability-related financial disclosures, and
- disclosure of information on only climate-related risks and opportunities (in accordance with IFRS S2), with the requirements of IFRS S1 applied insofar as they relate to the disclosure of information on climate-related risks and opportunities.

Sustainability-related financial information may contain forward-looking statements, targets and projections based on current expectations, estimates and assumptions. The most significant judgements, estimates and sources of uncertainty are explained where relevant.

Guidance note: There are multiple transition reliefs available in both IFRS S1 and IFRS S2. These IFRS Example Sustainability Disclosures only apply some of the available reliefs.

2. Governance

IFRS S2.6(a)

Guidance note: Entities are required to identify the governance body charged with oversight. This example assumes a formal committee structure and regular reporting process. An entity should disclose the actual governance structure in place, including any subcommittees or delegated authorities.

IFRS S2.7

The Standard requires that where oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated governance disclosures. In the case of Illustrative Corporation Group, an integrated approach to governance of sustainability-related risks and opportunities is considered, however as disclosures are specific to climate-related risks and opportunities, there is no disclosure of other forms of sustainability-related risk and opportunity governance.

IFRS S2.6(a)

Oversight of climate-related risks and opportunities

The Board of Directors ('the Board') of Illustrative Corporation Group is the governance body responsible for oversight of sustainability-related risks and opportunities, which includes climate-related risks and opportunities. This responsibility is embedded in the Board's charter and exercised through the sustainability and risk committee (SRC), a subset of the Board. The SRC reviews and approves climate-related targets, transition plans, risk assessments and opportunity identification for alignment with strategic objectives and financial planning.

IFRS S2.6(a)(i)

Responsibilities for climate-related matters are reflected in the SRC's terms of reference. The SRC is mandated to:

- review climate-related risks and opportunities
- approve climate targets and transition plans, and
- oversee integration of climate considerations into strategic and financial planning.

Measures of performance, including the climate-related metrics disclosed in this report, are included as part of internal performance dashboards reviewed by the Board, the SRC and management. These measures of performance inform capital allocation, investment decisions and long-term planning.

IFRS S2.6(a)(ii)

The Board conducts biannual skills and competency assessments to evaluate its members' knowledge of sustainability issues. This includes climate-related competency, including climate science, regulatory developments and sector-specific transition pathways. Board members are able to access training from accredited sustainability courses and receive regular expert briefings where relevant to the matters brought to their attention. Selection criteria for new board appointments include assessing the candidate's experience in sustainability governance or climate risk management, which is a requisite skill for the chair of the SRC.

IFRS S2.6(b)(i)

At the management level, climate oversight is delegated to the chief sustainability officer (CSO), who reports directly to the chief executive officer (CEO) and to the SRC. The CSO chairs the climate risk working group which includes senior management representatives from finance, operations, risk, procurement and HR.

IFRS S2.6(b)(ii)

The climate risk working group is accountable for implementation of the Board's strategic response to climate-related risks and opportunities. The head of risk is responsible for integrating climate-related risks and opportunities into the overall enterprise risk management (ERM) system. The chief operating officer (COO) is responsible for the implementation and management of the Group's strategic response to climate-related risks and opportunities into internal operations, and the chief financial officer (CFO) is responsible for the performance measurement and monitoring of progress of climate-related metrics and targets. These responsibilities are embedded in the role descriptions and leverage existing management controls and processes.

IFRS S2.6(a)(iii) The SRC receives quarterly updates from the CSO and the climate risk working group.

The quarterly reports received by the SRC include, where relevant:

- updates on the likelihood and magnitude of the Group's identified transition and physical risks
- relevant regulatory developments
- outcomes of any scenario analysis undertaken, and
- performance against climate targets.

IFRS S2.6(a)(iv) To achieve the SRC's mandate of integrating climate considerations into strategic and financial planning, the Group embeds climate-related risks and opportunities into evaluation criteria for proposed investments and significant transactions.

This not only reflects the integration of climate-related risks and opportunities into the ERM system, but also enables consideration of potential trade-offs associated with the enterprise risks and opportunities.

IFRS S2.6(a)(v) The SRC receives recommendations from the CSO on proposed climate-related targets. If accepted by the SRC, proposed climate-related targets are subject to approval of the full board.

At reporting date, the Board has approved the following climate targets:

- 50% emissions reduction by 2035
- net zero by 2050, and
- 100% of operational energy sourced from renewable sources by no later than 2035.

Progress against targets is monitored via a climate performance dashboard reviewed quarterly by executives and the SRC, and the relevance of the current targets are reviewed annually by the Board. The Group's internal audit function includes the dashboard and associated reporting in its annual plan.

3. Risk management

IFRS S2.25(a), IFRS S2.25(c)

Risk management approach

The Group applies a structured, entity-wide approach to climate-related risk management, fully embedded within its broader ERM framework. Climate-related risks are not treated as standalone concerns, but are assessed alongside other strategic and operational risks, considering their potential magnitude of impact, likelihood and time horizon over which they are expected to arise.

The Group identifies climate-related risks at an operational level, with annual assessments conducted for each business unit in each geographic location across Euroland, the United States, and the United Kingdom. Business units are responsible for ongoing monitoring of risks relevant to their operations.

At the board level, the SRC conducts formal quarterly reviews of entity-wide risks and opportunities. These include review of climate-related risks and opportunities which are informed by reports from the CSO and the climate risk working group.

IFRS S2.25(a)(i)

Guidance note: The Standard requires entities to describe the processes used to identify climate-related risks and opportunities. This includes the types of data sources relied upon, both internal and external.

Internal sources may include, for example, operational records, budget and investment case assumptions, risk registers and scenario analyses and stakeholder engagement outputs.

External sources may include, for example, climate modelling from the Intergovernmental Panel on Climate Change (IPCC) and local meteorological agencies, industry-specific outlooks and peer disclosures, jurisdictional business commentaries and supplier-specific emission factors.

IFRS S2.25(a)(i)

The process used to identify, assess, prioritise and monitor the Group's climate-related risks and opportunities draws on a combination of internal and external data sources to provide a comprehensive understanding of climate-related exposures across the business. Assessment of risks incorporates both qualitative and quantitative assessments.

Climate hazard assessments incorporate local climate projections and risk assessments published for the relevant jurisdiction, as well as a Group-wide climate hazard assessment based on IPCC models. These projections also inform the Group's assessment of likelihood over short, medium and long-term time horizons.

Evaluation of climate vulnerability and exposure incorporates consideration of past historical experience, internal forecasts and projections and relevant publicly available information.

Climate-related opportunities are also identified through a structured process embedded within the ERM framework. Opportunities are assessed across short, medium and long-term horizons using a scoring system that evaluates financial impact, strategic alignment, feasibility and stakeholder relevance. This process is supported by cross-functional input from sustainability, finance, operations and strategy teams.

They are reflected in the enterprise risk register and considered in investment decisions, project approvals and strategic planning. This integration enables consideration of climate-related opportunities to be embedded in the Group's long-term strategy.

IFRS S2.25(a)(iii)

Magnitude of potential impact is evaluated considering potential financial, operational and strategic impacts, including but not limited to revenue loss, cost increases, impact on people, supply chain disruptions and potential asset impairment.

IFRS S2.25(a)(iv)-(vi)

Risks that show high sensitivity to climate scenarios or that could materially affect financial performance are escalated for board-level oversight and integrated into strategic planning and capital allocation decisions.

There have been no changes to the overall ERM process compared to the prior reporting period.

IFRS S2.26, IFRS S1.B42(b)

Guidance note: Entities may present risk and opportunity management disclosures together if they are governed through a single integrated process, thereby avoiding duplication in line with IFRS S1. However, separate disclosures, as shown in the case of the Group, may be more appropriate where distinct processes exist or where separate presentation enhances clarity.

IFRS S2.25(a)(ii), IFRS S2.25(b)

Use of scenario analysis in climate-related risks and opportunities

The climate risk working group facilitates the identification of climate-related risks and opportunities at a business unit level by developing climate-related scenarios for each business unit to consider. Scenario analysis supports the identification, assessment, prioritisation and monitoring of climate-related risks. Scenario analysis also helps to identify opportunities by highlighting areas of potential growth under different climate futures such as demand for low-carbon telecom solutions, eligibility for green financing and cost savings from energy efficiency.

IFRS S1.59

Use of industry-based guidance

In identifying the Group's climate-related risks and opportunities, the Group also considered disclosure topics in the IFRS S2 Industry-based Guidance for the following industries: Software & IT Services (Volume 58), Telecommunication Services (Volume 59) and Electronic Manufacturing (Volume 54).

IFRS S2.12, IFRS S1.55(a)

Guidance note: IFRS S2 requires an entity to "refer to and consider the applicability of" the disclosure topics in the Industry-based Guidance on implementing IFRS S2 when identifying climate-related risks and opportunities.

This is similar to the requirement in IFRS S1 to refer to and consider the applicability of disclosure topics in the SASB Standards for identification of sustainability-related risks and opportunities.

4. Strategy

IFRS S2.9(c)

Guidance note: The Standard requires entities to disclose how climate-related risks and opportunities affect their strategy and decision-making, including impacts on the business model and value chain. Further, IFRS S2 Appendix A provides guidance on what constitutes the value chain, noting that it encompasses the interactions, resources and relationships an entity uses and depends on to create its products or services from conception to delivery, consumption and end-of-life, including interactions, resources and relationships in the entity's operations, such as human resources – those along its supply, marketing and distribution channels, such as materials and service sourcing, and product and service sale and delivery – and the financing, geographical, geopolitical and regulatory environments in which the entity operates.

Entities are expected to describe the value chain to the extent necessary to explain how climate-related risks and opportunities currently affect and are anticipated to affect the entity's business model and value chain. Disclosures should be based on reasonable and supportable information available at the reporting date, and should clearly identify key dependencies, exposures and resilience measures across the value chain. The description must be sufficiently detailed to support users' understanding of the entity's risk profile and strategic response.

IFRS S2.8

The Group's strategy is designed to manage the risks and opportunities arising from climate change, including those arising from the physical effects of climate change (physical risks), and those arising from the global transition to a low-carbon economy (transition risks).

IFRS S2.10(d)

The Group defines its climate-related time frames in a manner that aligns with its strategic and operational planning processes, allowing consistency across risk assessment, target setting and scenario analysis.

Short term	Medium term	Long term
1-3 years	3-10 years	10 years +

IFRS S2.10(d)

Guidance note: How an entity defines, assesses and plans for the short, medium or long term is the result of many factors, including the industry in which the entity operates and the associated business and investment cycles. Therefore, IFRS S2 does not define time horizons.

Instead the Standard requires an entity explain how the time frames linked to the climate-related risks and opportunities are defined and how they are linked to the planning horizons used in strategic decision-making.

The time horizons used in this illustration are aligned with the strategic planning cycle and consistent through the report. Note – this is not a requirement of the Standard.

IFRS S2.10(a)-(c)

Climate-related risks and opportunities

The following climate-related risks and opportunities have been identified as most significant to the Group's strategy, based on their potential to affect the Group's financial performance, business continuity and strategic plans.

For the year ended 31 December 2025, expressed in thousands of Euroland currency units (CU)

Risks affecting the business model	Type	Time frame
Inability to meet regulatory and customer expectations to decarbonise and provide lower carbon services	Transition risk	Short to medium term
Data centre and investment property vulnerability to climate-related disruptions affecting both operational reliability and property values	Physical risk	Short term, increasing over the medium to long term

Risks affecting the value chain	Type	Time frame
Volatility in cost of hardware components due to increased demand for critical minerals and rare earths as part of the global transition	Transition risk	Medium term
Supply chain delays due to acute climate-related physical risks causing increased costs, project overruns, or service disruptions	Physical risk	Short term, increasing over the medium to long term

Opportunities	Type	Time frame
Pursuing circularity in telecommunications and IT hardware.	Opportunity	Medium to long term

Guidance note: The requirements of IFRS S2 are intended to enable users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on an entity's business model and value chain. The definition of the value chain in IFRS S1 is intentionally broad.

IFRS S2.11

Given the potential challenges associated with providing disclosures about an entity's value chain, IFRS S2 requires that an entity uses all reasonable and supportable information that is available to the entity at the reporting date without undue cost or effort, including information about past events, current conditions and forecasts of future conditions in identifying the climate-related risks and opportunities affecting the business. This approach is also described in paragraph B6(b) of IFRS S1.

IFRS S2.12

Please note that an entity also refers to and considers the applicability of the industry-based disclosure topics defined in the Industry-based Guidance on Implementing IFRS S2.

IFRS S2.13, IFRS S2.14(a)-(c), IFRS S2.15, IFRS S2.16

Transition risk: Policy and market risks of lower carbon emissions services

The Group is exposed to the transition risk of being unable to meet market expectations of its customers to decarbonise its operations and provide customers with the same services at a lower carbon footprint. This is increasingly expected in large consulting and construction contracts with public sector entities in Euroland and the UK, including in some cases the inclusion of contractual requirements.

This includes the Group's major consulting customer, which amounted to CU 24,744 or 12% of the Group's revenues for the financial year. The Group anticipates that similar expectations will increasingly become more common over the short to medium term in private sector contracts as emissions reporting regulatory requirements continue to expand internationally.

This risk is most material to the Group's consulting segment which amounted to almost 54% of the Group's revenue in the current financial year. During the year, the Group also recognised an impairment loss of CU 870 in relation to internally developed software used in the consulting segment, which was no longer compatible with the decarbonisation expectations of the Group's customers.

The Group's consulting segment is also heavily reliant on the operations of its data centre assets in Euroland, the UK and the US (classified in the related financial statements as IT equipment in property, plant and equipment and right-of-use assets). Energy consumption of data centres is high, and data centre systems must be maintained at appropriate temperatures for optimal performance, requiring significant energy and water usage. Data centres in Euroland are also subject to the Euroland Energy Efficiency Directive (EED), which will, from the 2028 financial year, require greenhouse gas (GHG) emissions to reduce over time. The exact details of the EED, including the extent of reductions required, are still being finalised by Euroland government.

Failure to align with customer expectations and regulatory requirements could result in loss of customers and associated revenue in future. As disclosed in Note 10 of the related consolidated financial statements, the Group has already experienced a continued decline in consulting services related to conventional telecommunication solutions, and is expecting lower growth in this segment. The Group estimates that the overall annual impact of these transition risks could range from CU 26,900 to CU 33,350, or 13 to 16% of the Group's total revenue for the current financial year, over the short to medium term, based on a net loss of between 2.5 and 10% of contracts, in addition to the loss of the Group's major consulting customer.

Guidance note: IFRS S2 requires an entity to disclose the 'current' and 'anticipated' financial effects of its climate-related risks and opportunities. The disclosure requirements for information about climate resilience and the disclosure requirements for information about current and anticipated financial effects are distinct and are intended to serve different information needs.

The requirements related to the current and anticipated financial effects of climate-related risks and opportunities are intended to provide information about the effects of these risks and opportunities on an entity's financial performance, financial position and cash flows.

How the Group is responding

The Group is investing in the development of internally generated software to support the provision of consulting services that incorporate decarbonisation considerations as part of the solution. During the year the Group recognised CU 3,306 in internally generated software additions as part of this project. This included capitalised borrowing costs of CU 80.

The Group is currently in the process of implementing new technology to maximise the energy efficiency of its data centres through using highly efficient evaporative cooling solutions. This follows a pilot implementation of the technology in the prior financial year where the Group invested CU 735 to improve the energy efficiency of a single data centre in Euroland. The Group observed a 15% increase in the energy efficiency of that data centre in the current financial year as a result of the investment.

Over the next two years, the Group will expand the implementation of this technology across all of its data centre assets, at an estimated total cost of CU 785 (current net book value of data centre assets is CU 3,202 at 31 December 2025, including for CU 2,101 in Euroland and CU 1,101 in US). The Group expects a similar improvement in energy efficiency to the pilot project.

Additionally, the Group has committed to sourcing 100% of its energy needs from renewable resources by no later than 2035. To achieve this goal, the Group is currently planning to install solar heating systems in all its offices around the world, and install solar panels on their New York data centre. The estimated cost of this investment is between CU 600 and CU 750 over the next three years. The Group is also evaluating its options in relation to energy sourcing, including potentially entering into renewable energy power purchase agreements for its long-term energy needs.

In the current financial year, 28% of the Group's total energy consumption was from renewable sources. More information about the Group's energy consumption and renewable energy targets is contained in the metrics and targets section of these disclosures.

IFRS S1.21

Guidance note: The Standard requires an entity to provide information in a manner that enables users of general purpose financial reports to understand connections between items to which the information relates, and connections between disclosures provided by the entity, both within the sustainability-related financial disclosures, and across other general purpose financial reports published by the entity, such as its related financial statements.

As a result, the Group has chosen to describe how certain amounts or business activities are connected to the related consolidated financial statements.

IFRS S2.13,
IFRS S2.14(a)-(c),
IFRS S2.15,
IFRS S2.16

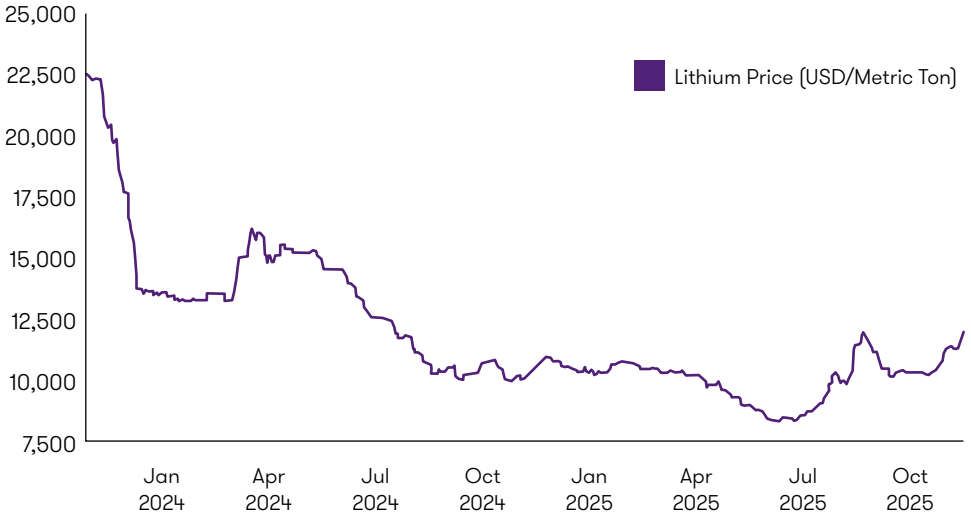
Transition risk: Rising cost of telecom hardware components due to supply chain decarbonisation and carbon taxes, impacting gross margins and procurement strategies

The Group is also exposed to a risk of increasing volatility in supply chain costs of computer and telecommunications hardware, particularly due to the volatility in the costs of critical minerals and rare earths required for hardware components in the medium term. Growing demand for critical minerals and rare earths from the global transition to a lower carbon economy, such as batteries and electric vehicles, as well as AI and associated data centres, is increasing pressure on production costs of critical hardware components.

This risk is most material in the retail segment, which is highly dependent on global suppliers and where hardware costs are a significant component of the cost of goods sold. The impact is particularly relevant in Euroland and the US, where the Group sources and sells a substantial volume of hardware products. Hardware sales amounted to CU 47,585 or 23% of the Group's revenue for the current financial year.

In the current year, the cost of materials in the retail segment remained relatively static year on year (CU 22,040 and 27% of segment revenue). However, the pricing of critical minerals such as lithium, nickel and cobalt has dropped significantly, and these price decreases have not been reflected in the cost of production of hardware components (see graph below). Furthermore, demand for critical minerals is projected to increase in both a low warming and intermediate warming scenario, and price rises are expected in these commodities over the medium to long term; with the International Energy Agency (IEA) forecasting that demand for critical minerals will need to triple by 2030 and quadruple by 2040.

The volatility of lithium pricing (USD) is shown in the below graph:



Due to the wide range of potential variables affecting production prices, and the medium to long term nature of the risk, the Group considers that the financial effects of this transition risk are not separately identifiable from other market-related and broader business risks. As such, the Group has not provided quantitative information about the anticipated financial effects. Changes in the price of production of hardware components would potentially result in decrease in sales revenue and in the gross margin of the retail segment. The Group could also be subject to new environmental taxes as a retailer of low recyclable hardware.

How the Group is responding

The Group has recently embarked on an initiative to improve circularity of its hardware components, and to reduce its demand for these key resources, with 3% of the hardware used in construction projects in the current financial year from refurbished or recycled materials. The Group intends to pursue the opportunity to grow this service in future. More information is disclosed in the opportunities section of this Report.

As disclosed in the metrics and targets section of this Report, the Group also applies an internal carbon price to procurement decisions and will continue to do so.

IFRS S2.19

Guidance note: There are two criteria for which an entity need not provide quantitative information about the current or anticipated financial effects of a climate-related risk or opportunity. These include:

- where effects are not separately identifiable, or
- where the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful.

IFRS S1.20

IFRS S1 also provides a proportionality mechanism whereby an entity need not provide quantitative information about the anticipated financial effects of a climate-related risk or opportunity if the entity does not have the skills, capabilities or resources to provide that quantitative information.

IFRS S2.13, IFRS S2.14(a)-(c), IFRS S2.15, IFRS S2.16

Physical risk: Infrastructure vulnerabilities from climate-related disruptions

The Group is exposed to the risk that climate-related physical events such as floods, heatwaves, and increased frequency of severe weather could disrupt data centre and telecommunications infrastructure and increase the likelihood of service interruptions. Additionally, the Group's investment properties across Euroland and the US and its research laboratory in Euroland are also exposed to these extreme physical risks. Climate-driven disruptions could result in increased operating costs for recovery of IT data, potential loss of revenue from service interruptions, loss of customers and higher insurance premiums.

In particular, its highest risk data centre and some of its investment properties are in New York, USA where the primary hazard is flooding from intense storms in the short to medium term, with a long-term increasing risk of flooding from sea level rise. Over the medium to long term, its Euroland research laboratory in the Netherlands is also anticipated to be exposed to storm-related flooding due to its low-lying geography. In addition to the risk of flooding from storms, in the geographic locations of all of its data centres, the number of extreme heat days is projected to double or triple by 2050, creating long-term potential demand on cooling systems with related impacts to performance should cooling systems fail.

Data centre and telecommunications outages financially impact the Group, not only for the immediate impact on service interruption for the period of the outage, but more importantly, through the reputational repercussions of having unreliable critical telecommunications infrastructure. Critical telecommunications infrastructure downtime also has the potential to incur penalties from governments.

Physical risk impact to the Group's investment properties may result in a loss of rental income for the period of time necessary to address any damage. Increasing physical risks may also affect the fair value of investment property, although the scarcity of property stock in its investment property locations means it is unlikely property prices will materially decrease. Flooding at its research laboratory may interrupt in-process R&D, potentially setting back progress of ongoing projects or damaging sensitive equipment.

During the financial year, the Group experienced one instance of a performance issue arising from a severe storm in Euroland that caused a lightning strike and associated power outage to the electricity grid, affecting one of its data centres. The data centre services were immediately shifted to an alternative data centre, however there were intermittent performance issues for 15 minutes as backup systems came online.

The estimated financial impact of a single data centre outage for more than 30 minutes ranges from CU 600 to CU 2,000 (1 to 2 % of the current financial year's consulting services revenue), depending on whether the outage also triggers performance failure clauses in telecommunication systems. Repeated outages in a financial year would likely create compounding losses in the customer base of up to CU 4,000 per outage (4% of the current financial year's consulting services revenue, and 2% of the Group's total revenue). This estimate considers the number of existing contracts with minimum performance clauses.

While the Group has insurance coverage over all its assets, the cost of insurance premiums is projected to increase as a result of extreme weather events, with global insured losses in the current financial year being 40% higher than previous year. In the medium term the XDI 2025 Global Data Centre Physical Climate Risk and Adaptation Report has predicted insurance premiums for data centres could increase between 80 and 300% in the medium to long term and, in the long term, coverage may be refused by insurers dependent on the location of the assets. Similarly, commercial and residential property insurance is also expected to increase due to the impact of climate-related events in the medium to long term. Construction costs are also rising, increasing the amount of potential costs of replacement and repair, which would be needed if significant damage arises.

The Group estimates that the potential cost of replacing or repairing the asset as a result of climate-related incidents in a high-warming scenario over the long term could be as high as CU 6,273 per annum, reflecting a 10% probability per annum of an event occurring over the medium to long term. This is the equivalent of 30% of the current carrying value of the assets at risk (CU 20,910), and 42% of profit after tax for the current financial year (CU 14,858).

How the Group is responding

To address these vulnerabilities, the Group's short-term strategy is to commence leasing additional data centre capacity as a business continuity measure for all three of its global data centres in the US, UK and Euroland. This data centre capacity is targeted at mitigating the impact of power outages and extreme weather events on IT infrastructure in these regions. The anticipated financial effect of such leasing arrangements will be future recognition of right-of-use assets and associated lease liabilities for the term of the lease. The estimated annual cash outflow is expected to be limited to between 1 and 2% of the potential cost of replacement of repair, however the total value of the right-of-use asset and associated lease liability will be dependent upon the relevant terms and conditions of the lease in accordance with the Group's accounting policy for leases.

Over the medium to long term, the Group intends to continue to strengthen the climate resilience of its critical assets by implementing climate adaptation measures in high-risk locations. These measures may include physical adaptation measures, such as flood levees, pumps or drainage, relocation of critical equipment within existing asset locations, or in extreme cases, consideration of relocation or disposal.

High-risk locations are defined as those with a documented history or forecast of extreme weather events, for which the potential impact of such an event would result in a data centre outage exceeding 30 minutes, R&D interruption exceeding one week, or potential loss of rental income of three months or more. The Board has approved a total investment of CU 20,000 over the next 10-year period for climate adaptation measures.

This climate adaptation investment has already commenced. In 2024, the Group's New York data centre was at risk of flooding due to a significant storm that caused flash flooding. While its data centre was not affected, the Group is conscious that data centres in New York of other companies were historically flooded and experienced associated performance interruptions as a result of Hurricane Sandy in 2012. New York's data centre is also an identified location with high insurance premium increases predicted over the medium to long term. In the prior financial year, the Group completed the installation of flood resilience measures at this site, providing protection against flash flooding up to one metre at a cost of CU 1,000.

The Group also engages with insurers to reassess coverage terms and explore parametric insurance models that better align with evolving climate risks. In 2025, insurance premiums increased by CU 300, reflecting the Group's elevated exposure and growing physical asset portfolio. It is anticipated the New York flood resilience measures will lead to savings on insurance premiums in the range of 2 to 7% compared to the cost before the upgrade.

IFRS S2.13, IFRS S2.14(a)-(c), IFRS S2.15, IFRS S2.16

Physical risk: Supply chain delays from extreme weather

Extreme weather events also create indirect impacts on the Group's operations from project overruns and service disruptions resulting from shipping delays in hardware deliveries from its suppliers. Disruptions in the supply chain may lead to delays in project delivery, increased costs either from sourcing other replacement hardware or ongoing installation staff costs, and potential loss of revenue as a result of customer reimbursement.

This risk is most significant in the retail and construction segments, which rely on global supply chains for critical components and infrastructure. The majority of the Group's IT hardware is manufactured in China with semiconductors produced in Taiwan. Hardware is then shipped to major retail warehouses in the Netherlands and the US, and on-shipped to customers.

The Group is currently reliant on the Suez Canal shipping route to transport IT hardware to Europe, and the Panama Canal shipping route to the US. For the Suez Canal, the primary interruption to the shipping route has been the political conflict in the region rather than climate-related interruptions. However, the Panama Canal has been significantly affected by drought, reducing the water level in the canal and reducing the number of ships able to use the route daily.

Climate change is expected to increase the frequency and duration of drought conditions in the Panama Canal's watershed, which would reduce water levels in Gatún Lake and limit the number of daily vessel transits. Lower lake levels have already resulted in vessel queuing and reduced transit capacity, causing shipping delays across global supply chains. In periods of severe drought, vessels may be required to reroute via longer ocean paths, adding an estimated 8–14 days to transit times and increasing freight costs and associated emissions due to higher fuel use.

During the current financial year, the Group experienced multiple delays of between 5–14 days in shipping through the Panama Canal. This is longer than the 2–7 days delay from previous incidences. The current year financial impact of these delays is not separately identifiable, with freight costs (included in cost of materials and inventory in accordance with the Group's accounting policies). However, the Group is required to maintain higher inventory levels than previously in order to minimise disruption to business, resulting in a 13% increase in merchandise on hand year on year (see Note 17 in the related consolidated financial statements). Maintaining higher inventory balances also increases the risk of write-down of inventory to net realisable value. In the current year the Group recognised CU 361 from write-down of inventories.

How the Group is responding

While current restrictions have been episodic, projections indicate a potential increase in drought-related disruptions over the medium to long term. Should, in the future, the Group regularly experience delays averaging above 10 days, the Group would reroute a proportion of shipments via different ocean routes. Therefore freight costs could potentially increase by 2 to 4%.

The Group is also reliant on global port infrastructure, particularly in Shanghai and the Netherlands, which are some of the largest in the world. Increases in extreme weather over the medium to long term is anticipated to increase the risk of delays in loading and unloading of materials. The Group will continue to monitor hydrological trends in these regions and assess long-term implications for delivery timelines and cost exposure.

IFRS S2.13, IFRS S2.14(a)-(c), IFRS S2.15, IFRS S2.16

Opportunity: Pursuing circularity in telecommunications and IT hardware

The Group aims to support the low-carbon transition of its customers, by the development and delivery of low-carbon products and services across all business units in the medium to long term.

Low-carbon is defined by the Group as service offerings with lifecycle GHG emissions at least 20% below the prevailing market average for comparable products or services. Lifecycle emissions are measured using the Greenhouse Gas Protocol Product Standard (2011).

How the Group is responding

One of the ways the Group is seeking to reduce product lifecycle carbon emissions is through the pursuit of improved circularity of key components used in hardware. At the Illustrative Research Lab in Greatville, the Group has been working with the University of Euroland to research improved recycling of rare earths, copper and silicon that can be embedded into the Group's future operations.

As noted in the International Energy Agency Nov 2024 report (IEA report), recycling practices are not well established for many energy transition minerals such as lithium, cobalt, nickel, rare earth elements and silicon. The IEA report estimated that without scaling up secondary supplies (from recycling and reuse), investments required in mining to reach net zero emissions by 2050 globally would be USD 240 billion or around 30% higher over the period to 2040.[1] Additionally, the IEA report found that, on average, recycled minerals emit 80% less GHG emissions than their primary counterparts. This is, in part, because recycling processes often use less energy than the mining and processing of virgin minerals.

At present, the greatest challenge is improving the cost benefit of collection, sorting and pre-processing. The nature of the majority of hardware used in the Group's business is complex waste, which must be separated and sorted prior to recycling. Economically at present, the value of minerals extracted is often not high enough to justify the separation and sorting cost from complex waste.

The Group considers that pursuing improved circularity of hardware within the Group's operations will bring the strategic benefits not only of lower lifecycle carbon emissions as expected by its customers, but also has the potential to ease some of the pressures from supply chain delays.

During the current financial year, the Group spent CU 1,690 on research and development costs recognised as employee benefits expenses. Of this amount, approximately 50% of the research and development costs were focused on this project. The Group intends to expand this investment, with planned investment of additional CU 2,500 over the short term as the research moves from research phase towards potential development and application activities. This will lead to approximately CU 1,000–CU 1,500 of investment per annum over the short to medium term, anticipated to be employee benefits expenses and associated research materials. The Group will assess the progress of the project and, in line with the Group's accounting policy, determine whether the recognition requirements for the capitalisation of development costs are met, or if research costs will be expensed.

[1] IEA, Recycling of Critical Minerals: Strategies to scale up recycling and urban mining (Nov 2024)

In the current financial year, 3% of the hardware used in construction projects was recovered from refurbished or recycled materials. The current research progress is not yet advanced enough to reliably estimate how this percentage may increase in future.

Guidance note: This opportunity identified by the Group has been described as a climate-related opportunity but would also relate to circular economy as a sustainability-related opportunity.

As the ISSB explained in the Basis of Conclusions to IFRS S2, the impacts of climate change are wide ranging, interrelated and have varied effects on an entity. Therefore, it is impossible to precisely define the full scope of climate-related risks and opportunities that might affect an entity.

IFRS S2.22(a), IFRS S2.22(b)(iii), IFRS S2.22(b)(i)(7)

Climate resilience assessment

In quarter one of the financial year, the Group conducted a climate-related scenario analysis for the financial year, covering all operations and business units. The analysis was overseen by the Board's SRC and executed by the climate risk working group.

The Group's strategy and business model demonstrates highest resilience under a low-warming and intermediate-warming scenario and lowest resilience under a high-warming scenario.

The Group recognises that climate projections are not forecasts but plausible pathways, and actual outcomes may differ.

Guidance note: The requirements related to the climate resilience of an entity's strategy and business model are intended to inform users of general purpose financial reports about the entity's ability to cope with and withstand the effects of climate-related risks and uncertainties in different scenarios. This is because the likelihood, magnitude and timing of climate-related risks and opportunities affecting an entity are often complex and uncertain.

The requirements in IFRS S2 make a distinction between the concepts of 'resilience assessment' and 'scenario analysis'. A resilience assessment is management's assessment of a range of plausible but uncertain climate outcomes, the implications for the entity's business model and strategy and its capacity to adapt or respond. Scenario analysis is the analytical exercise used to inform that assessment.

IFRS S2.22(a)(i)-(iii)

Implications on strategy and business model

The effects and implications of the scenario analysis were as follows:

Low-warming (SSP1-1.9, 1.4°C by 2100)

The business model remains stable with limited revenue at risk of only 5%, and 10% of assets exposed to physical climate risks.

The Group's climate targets, the planned decarbonisation of its products and services, and planned investments in future management prepare the business well for a low-warming scenario.

- Under this scenario, all the Group's segments would be able to transition, with customer demand for low-carbon services increasing across all segments.
- Supportive policy environments and changes in consumer lifestyles would enable the Group to continue to pursue investments in renewables, electric vehicles and developing low-carbon products.
- The Group's investment in climate adaptation measures would be necessary, but potentially not as extreme as under an intermediate-warming scenario, and sufficient at current planned levels to mitigate physical risks.
- Under this scenario the Group would be able to allocate CU 20,000 between 2025-2050 to capitalise on growing demand for low-carbon products.
- The unpredictability of future policy decisions could mean that climate-related policies are, though consistently ambitious, regionally specific.

Intermediate-warming (SSP2-4.5, 2.7°C by 2100)
Revenue at risk rises to 10%, and 15% of assets are exposed to physical risks.

The Group's current strategy anticipates a relatively consistent increase in demand for low-carbon products and services. Under an intermediate-warming scenario, this demand may be more fragmented and inconsistent than under a low-warming scenario.

- The Group would need to consider the pace of investment for low-carbon products and the Group's investment in circularity may need to be reduced.
- Savings made from a less stringent climate policy environment enable the group to absorb any over investment in low-carbon products and halt development of new low-carbon products.
- The Group's investment in climate adaptation measures would be necessary, but sufficient at current planned levels to mitigate physical risks.
- Under this scenario, the Group would allocate a more cautious sum of CU 12,000 between 2025-2050 to low-carbon products in response to slower progress on climate policy.

High-warming (SSP5-8.5, 4.4°C by 2100)
Up to 15% of revenue is at risk, and 30% of assets are exposed to severe physical climate risks.

The Group's investment in low-carbon services and circularity may not generate any benefits in a high-warming scenario and its business strategy would need to be adapted accordingly.

- The Group would likely be exposed to more frequent supply chain disruption due to more extreme physical risks, and therefore integrated recycling in its own operations may mitigate some of this supply chain risk.
- The Group's investment in climate adaptation measures may need to increase, and some assets may need to be relocated.
- The Group's flexibility would be significantly constrained, as limited access to capital due to the reduced viability of a decarbonised business model, restricts the scale and pace of adaptation measures that can be implemented.
- Under this scenario the Group would consider allocating CU 20,000 between 2025-2050 for adaptation investments, however, the growing requirement for adaptation technologies may drive up the price of projects. This may significantly restrict the Group's ability to fund the large-scale adaptation projects, which may be required
- Uncertainties include future policy responses, technological progress, customer demand shifts and the frequency of climate hazards.

Impact on Group assets

The Group's asset base, which includes a mix of leased and owned data centres, offices and warehouses across its core geographies, provides a degree of operational flexibility to adapt to the changing climate.

This structure of a combination of leased and owned assets allows the Group to relocate leased assets and repurpose or upgrade owned assets as needed in response to the changing climate and market conditions under each scenario. The length of the Group's leases, often up to 2040, may restrict its ability to relocate assets in the short and medium term, depending on the renegotiation of lease terms.

The Group is already upgrading many of its owned assets with on-site solar in the short term which can facilitate flexibility of use.

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Why the Group's strategy remains resilient

The Group's current and planned investments in mitigation, adaptation and opportunities are integrated throughout the Group's overall strategy.

The Group is currently investing in implementing climate adaptation measures for critical assets in high-risk locations. These measures include physical adaptation measures, relocation of critical equipment, or in extreme cases, consideration of relocation or disposal. These planned investments allow The Group's business model to adapt to higher physical climate risks impacting its critical assets across the short, medium and long term.

The Group has planned mitigation investments as part of the Group's decarbonisation strategy, including implementation of energy efficiency technology and decarbonisation software development. The current period investment of CU 3,306 in decarbonisation software development, combined with planned investments, will allow the Group's business model to meet regulatory and customer expectations to decarbonise and provide lower carbon services across the short to medium term.

Finally, the Group has planned mitigation investments as part of its circularity strategy, including R&D on circularity measures. The current period investment of CU 848, combined with planned investment, will allow the Group's business model to adapt to cost volatility in hardware components due to increased demand of critical minerals and rare earths as part of the global transition.

This investment in circularity allows the Group to seize the opportunity to support the transition of its customers, with the development of low-carbon products and services across all business units in the medium to long term.

About the scenario analysis

Guidance note: The Group has selected three scenarios for its climate-scenario analysis. IFRS S2 does not specify the number of scenarios to be used. In line with Appendix B12, the scenarios must be chosen based on reasonable and supportable information available at the reporting date. Reasonable and supportable information would include but is not limited to publicly available international and regional scenarios from authoritative sources.

IFRS S2.22(b)(i)(1), IFRS S2.22(b)(i)(4)

Three scenarios were selected, each reflecting a plausible climate future and aligned with the IPCC Shared Socio-Economic Pathway Scenarios (SSP X-Ys):

Low-warming (SSP1-1.9, 1.4°C by 2100)	**Intermediate-warming (SSP2-4.5, 2.7°C by 2100)**	**High-warming (SSP5-8.5, 4.4°C by 2100)**
This scenario assumes strong, early policy action, rapid decarbonisation, and high international cooperation. It is fully aligned with the Paris Agreement and net zero emissions are reached around the middle of the century. In this scenario, consumption is oriented toward low material growth and lower resource and energy intensity, making circularity in the economy increasingly prominent.	This scenario assumes that social, economic and technological trends do not shift markedly from historical patterns. Carbon dioxide (CO2) emissions remain around current levels until the middle of the century. Development proceeds unevenly, with some countries making relatively good progress whilst others fall short of expectations.	This scenario assumes no additional climate policy and CO2 emissions roughly double from current levels by 2050. The push for economic and social development is coupled with reliance on fossil fuels and the adoption of resource and energy intensive lifestyles around the world.

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IFRS S2.22(b)(i)(2) The scenarios span a spectrum from strong policy action to no additional climate policy and from a small to large increase in climate hazards, aiming to incorporate a diverse and plausible range of climate futures in the scenario analysis.

IFRS S2.22(b)(i)(3) Each scenario incorporates both transition risks and physical risks, with the primary focus shifting from high transition risks in the low-warming scenario to high physical risks in the high-warming scenario.

IFRS S2.22(b)(i)(5) All scenarios are based on IPCC SSP scenarios, representing internationally recognised potential climate futures and policy responses. These scenarios were selected because of their international and industry-agnostic applicability. The low and high emissions scenarios were selected to test resilience under two different extremes, and the middle of the road scenario was chosen to provide additional diversity, following the Task Force on Climate-related Financial Disclosures (TCFD) guidance which suggests using three diverse scenarios.

IFRS S2.22(b)(i)(6) The scenario analysis was conducted over three time horizons:

Short term	Medium term	Long term
2025-2028 (1-3 years)	2028-2035 (3-10 years)	2035 onwards (10 years +)

IFRS S2.22(b)(ii) In the Group's scenario analysis, it scaled its internal carbon price up or down in response to potential changes in regulation and external carbon price trajectories

The following table summarises the key assumptions and variables which the Group applied in each scenario, from the IPCC scenarios:

Assumption	Low-warming (SSP1-1.9)	Intermediate-warming (SSP2-4.5)	High-warming (SSP5-8.5)
Degrees of global warming (2100)	1.4°C	2.7°C	4.4°C
Population	Peak and decline	Medium growth	Peak and decline
Income	High	Medium	High
Inequalities	Reduced	Gradual reduction	Reduced
Production and consumption	Effective land-use regulation, less resource intensive consumption, environmentally friendly technologies and lifestyles	Technological progress, production and consumption patterns are a continuation of past trends	Free trade. Resource-intensive production, consumption and lifestyles

IFRS S2.B11 **Guidance note:** In accordance with the Standard, when selecting inputs for climate-related scenario analysis, entities should consider all reasonable and supportable information available at the reporting date, without undue cost or effort. Inputs may be qualitative or quantitative, sourced externally or developed internally.

IFRS S2.22(b)(ii) The inputs mentioned here are for illustrative purposes only. Although IFRS S2 requires these specific disclosures, the ISSB observed that an entity might make assumptions in carrying out its climate-related scenario analysis that should be disclosed if material, because the assumptions listed in the Standard are not exhaustive. This is reflected in the overarching objective of the disclosures in paragraph 22.

5. Metrics and targets

This section provides disclosures to understand the Group's performance in relation to climate-related risks and opportunities, including its progress towards climate-related targets.

Impact of acquisitions and discontinued operations

Unless otherwise disclosed, acquisitions have been included in metrics from the date of control. Discontinued operations are included in the metrics until the point of disposal.

IFRS S2.29(a)(iii)

Greenhouse gas emissions

Measurement approach, inputs and assumptions

GHG emissions are measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004).

The Group has applied an operational control approach to the organisational boundary for GHG reporting, reflecting those activities for which the Group is able to exert control over day-to-day emissions generating activities. Activities under operational control includes all the Group's subsidiaries, and those of its joint venture Halftime Ltd.

The Group has operational control over leased assets for which it recognises a right-of-use asset. Where the Group holds investment property, the Group does not have operational control over the tenanted proportion of the building, but retains operational control over the base building, and where the investment property is vacant.

Investments in associates, and other investments accounted for as financial assets are outside the Group's organisational boundary and reflected in investments of scope 3 emissions (category 15).

Scope 1 and scope 2 emissions are calculated using direct activity data from utility bills, fuel purchase records and sub-metering where available, and estimated for any timing differences in availability of information. Scope 3 emissions are estimated using a combination of activity-based and spend-based methodologies, prioritising supplier-specific data where available.

Emission factors are selected based on those that best represent the underlying activity. The Group prioritises type of technology and geographic location when selecting emission factors. Emission factors are adjusted for inflation and foreign exchange (FX) where necessary.

Scope 1 emission factors are sourced from relevant national government agencies (such as the UK Department for Environment, Food & Rural Affairs (DEFRA) or US Environmental Protection Agency (EPA)) where possible.

Scope 2 emission factors are sourced from the relevant national government agencies, or in its absence, the IEA for location-based reporting. The Group also calculates scope 2 emissions on a market-based approach for the purposes of measuring progress against its GHG emissions targets. The Group obtains supplier-specific emission factors for the purpose of market-based scope 2 measurement.

IFRS S2.B40-57

Scope 3 emission factors are selected in accordance with the scope 3 measurement framework in IFRS S2.

All emissions are reported as tonnes of CO_2 equivalent (tCO_2-e). Where direct measurement of emissions is used, the individual GHGs have been converted to CO_2 equivalent using the 100-year Global Warming Potentials (GWPs) from the IPCC Sixth Assessment Report (AR6).

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IFRS S2.29(a)(iv)-(vi)

Absolute gross GHG emissions

The following table presents the absolute gross GHG emissions for the year ended 31 December:

	2025 (tCO_2-e)
Scope 1 emissions	302
Scope 2 emissions	5,870
Scope 3 emissions	98,852
Total emissions	**105,024**

The 2025 absolute gross GHG emissions include 10,502 tCO_2-e from operations associated with Goodtech GmbH which was acquired in March 2025. The below table shows the Group's emissions for 2025 excluding the impact of Goodtech.

	2025 (tCO_2-e) (excluding Goodtech)
Scope 1 emissions	298
Scope 2 emissions	4,862
Scope 3 emissions	89,362
Total emissions	**94,522**

IFRS S2.29(a)(iv)

Disaggregation of scope 1 and 2 emissions

The Group's operational boundary for scope 1 and scope 2 emissions include the emissions associated with its joint venture Halftime Ltd. The below table shows the disaggregation of scope 1 and scope 2 emissions between the consolidated group and its equity accounted investments.

	Scope 1 (tCO_2-e)	Scope 2 (Location, tCO_2-e)
Emissions from consolidated Group	288	5,302
Emissions from equity accounted investments (Halftime Ltd)	14	568
Total 2025 emissions	**302**	**5,870**

IFRS S2.29(a)(iv)

Guidance note: The Standard requires disclosure of scope 1 and scope 2 GHG emissions disaggregated between the consolidated accounting group and other investees excluded from the consolidated accounting group. The purpose of this disclosure is to enable an understanding of the connection between the organisational boundary for GHG emissions accounting purposes, and the reporting entity boundary for the related financial statements.

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IFRS S2.29(a)(vi)

Scope 3 emissions by category

The following table presents the categories included within the entity's measure of scope 3 GHG emissions, in accordance with the scope 3 categories described in the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011):

Category	2025 (tCO_2-e)
1. Purchased goods and services	19,207
2. Capital goods	38
3. Fuel and energy (not included in scope 1 or scope 2)	1,064
4. Upstream transportation and distribution	25,540
5. Waste generated in operations	132
6. Business travel	9,907
7. Employee commuting	297
8. Upstream leased assets	102
9. Downstream transportation and distribution	17,878
10. Processing of sold products	Not relevant[2]
11. Use of sold products	22,925
12. End-of-life treatment of sold products	Not relevant[3]
13. Downstream leased assets	16
14. Franchises	Not relevant[4]
15. Investments	1,746
Total scope 3 emissions	**98,852**

IFRS S2.29(a)(vi)

Guidance note: Please note that the Group does not participate in activities associated with asset management, commercial banking or insurance activities, therefore, paragraph 29(a)(vi) of IFRS S2 does not apply in this case.

IFRS S2.29(a)(iii)(3)

Changes to methodology

In the current period the Group was able to obtain supplier-specific emissions data from a third-party distributor for the purpose of calculating scope 3 emissions associated with upstream transportation and distribution (category 4). This enabled use of the site-specific method, in place of the average-data method.

The Group will continue to engage with its value chain partners to obtain supplier-specific information where possible, to improve data maturity.

[2] The majority of the Group's products are final products rather than intermediate products. Downstream emissions associated with the small amount of intermediate products are included in use of sold products (category 11).
[3] The physical products sold by the Group are largely inert and therefore, while contributing to landfill, do not generate significant emissions.
[4] The Group does not have any franchises and therefore this category of scope 3 emissions is not relevant.

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IFRS S2.29(a)(v)

Contractual instruments and renewable energy

In 2025, the Group retired 210 gigawatt-hours (GWh) of renewable electricity certificates and generated 40 GWh from on-site photovoltaics, supporting the market-based scope 2 calculation used for the Group's GHG emissions targets.

These actions are part of the Group's target to source 100% of its energy needs from renewable resources by 2035. The Group's renewable energy procurement is primarily concentrated in Euroland and the UK, where regulatory incentives and customer demand are strongest.

	2025 Scope 2 (Market, tCO_2-e)
Scope 2 emissions (market-based)	3,282

IFRS S2.29(b)

Assets and business activities exposed to transition risks

The Group's transition risks primarily affect the consulting segment revenues, which amounted to CU 110,810 or 54% of the Group's total revenues in the current year (CU 109,302). This includes a single customer which amounted to CU 24,744 or 12% of the Group's revenues.

Assets associated with the consulting division are CU 75,057 or 43% of the Group's consolidated assets. This includes the Group's data centres at a carrying value of CU 3,202 or 4% of the segment assets for the current financial year.

IFRS S2.29(c)

Assets and activities exposed to physical risks

The Group's directly exposed assets include its owned and leased land and buildings, and the value of its investment property. This includes the Group's data centres and the research lab. The total carrying value of these assets is CU 52,885 or 30% of total assets.

Of these assets, CU 20,910 or 12% of total assets are considered assets 'at risk' due to being located in high-risk locations for extreme weather events.

IFRS S2.29(d)

Assets or business activities aligned with climate-related opportunities

In the current year, the Group invested CU 1,690 into research and development of which CU 848 or 50% was invested into research on improving the circularity and decarbonisation of hardware components.

Additionally, the Group recognised additions of CU 3,306 of capitalised internally generated software development to support the future provision of integrated decarbonisation consulting services.

IFRS S2.29(e)

Capital deployment

The below table summarises how the Group has deployed capital in relation to its climate-related risks and opportunities for the current period:

Action	2025 (CU)
Implementation of energy efficiency technology	Nil
Decarbonisation software development	3,306
Research and development on circularity measures	848
Climate adaptation and resilience measures	Nil
Total capital deployment	**4,154**

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IFRS S2.29(f)

Internal carbon price

The Group applies an internal carbon price of CU .12 per tCO_2-e to all capital allocation and sourcing decisions. This is slightly above the current price of Euroland carbon permits, which was CU .083 at financial year end.

This internal price is reviewed annually and is used to evaluate investment cases, supplier selection and product development. The internal carbon price is also used in scenario analysis and financial planning to assess the potential impact of future carbon regulation on the Group's operations and profitability.

IFRS S2.29(g)

Remuneration

Climate-related performance metrics are integrated into executive remuneration policies. In 2025, 18% of executive management remuneration was directly linked to the achievement of climate-related targets, including annual GHG reduction milestones, renewable energy procurement and supplier engagement on emissions.

The SRC reviews performance against these metrics annually, and adjustments to remuneration are made based on progress towards the Group's climate-related objectives.

IFRS S2.32, IFRS S1.59

Industry-based metrics

The Group identifies relevant industry-based metrics using the IFRS S2 industry-based guidance for Software & IT Services (Volume 58), Telecommunication Services (Volume 59) and Electronic Manufacturing Services & Original Design Manufacturing (Volume 54).

Energy consumption and efficiency

(IFRS S2 Industry-based disclosure requirements, Volume 59, TC-TL-130a.1)

In 2025, the Group's total energy consumption across all operations was 650,000 gigajoules (GJ). Of this, 28% was sourced from renewable energy, namely on-site solar generation. The Group's energy mix reflects a strategic shift towards decarbonisation, with renewable procurement concentrated in Euroland and the UK, where regulatory incentives and customer demand are strongest.

Metric	2025 value	Unit
Total energy consumption	63,840	GJ
Renewable energy share	28	%
Trailing 12-month power usage effectiveness (PUE) of data centres	1.62	Weighted average PUE

The scope of total energy consumption includes energy from all sources, including energy purchased from external sources and energy produced by the entity itself (self-generated). Direct fuel usage, purchased electricity, heating, cooling and steam energy are all included within the scope of energy consumption. In calculating energy consumption from fuels and biofuels, the Group uses higher heating values (HHV), also known as gross calorific values (GCV), which are measured directly or taken from the IPCC.

Renewable energy is defined as energy from sources that are replenished at a rate greater than or equal to their rate of depletion, such as geothermal, wind, solar, hydro and biomass. The scope of renewable energy share includes renewable fuel the entity consumed, renewable energy the entity directly produced and renewable energy the entity purchased, if purchased through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs) retained or replaced and retired or cancelled on behalf of the entity.

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The data centre industry uses the measurement PUE to measure efficiency. A PUE of 2.0 means that for every watt of IT power, an additional watt is consumed to cool and distribute power to the IT equipment. A PUE closer to 1.0 means nearly all of the energy is used for computing. The Group follows the guidance and calculation methodology described in PUE: A Comprehensive Examination of the Metric (2014), published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) and The Green Grid Association.

Water use and stress

(IFRS S2 Industry-based disclosure requirements, Volume 58, TC-SI-130a.2 and TC-SI-130a.3)

The Group's owned data centres withdrew approximately 1.2 million cubic metres (m^3) of water in 2025, of which 580,000 m^3 was consumed (not returned to the source). Water consumption is a significant issue for data centres, as they consume large amounts of water for cooling.

This is particularly problematic in regions classified as 'high' or 'extremely high' baseline water stress, as defined by the World Resources Institute (WRI) Aqueduct tool. The Group's data centres are located in Euroland, the US and the UK. None of the Group's current owned data centres are located in these regions, with all Group locations currently classified as 'low' or 'low to medium' water stress. The Group conducts due diligence on any new leases for data centre capacity to confirm that leased data centres are not located in high water stress areas.

Metric	2025 value	Unit
Water withdrawn	1,200,000	m^3
Water consumed	580,000	m^3

Water sources include surface water (including water from wetlands, rivers, lakes and oceans), groundwater, rainwater collected directly and stored by the entity, and water and wastewater obtained from municipal water supplies, water utilities or other entities.

Water consumption is defined as:

- water that evaporates during withdrawal, use and discharge
- water that is directly or indirectly incorporated into the entity's product or service, and
- water that does not otherwise return to the same catchment area from which it was withdrawn, such as water returned to another catchment area or the sea.

Systemic risks from technology disruptions

(IFRS S2 Industry-based disclosure requirements, Volume 58, TC-SI-550a.1)

As disclosed previously, the Group is exposed to potential risks of service disruptions to its data centres and telecommunications services. During the year the Group had four instances of planned service disruptions lasting one hour each. All of these instances were due to planned downtime for necessary systems upgrades and updates and were communicated in advance to the Group's customers and team. During the year, there was one instance of unplanned service disruption lasting 37 minutes. The unplanned service disruption was caused by a global outage of Microsoft hosting services.

The Group also experienced three instances of unplanned performance issues, lasting between 10 to 15 minutes. Of the three instances of performance issues, one was directly related to a severe storm in Euroland, and the other two instances were not linked to climate-related risks.

Metric	2025 value	Unit
Performance issues	3	number
Service disruptions	5	number
Total customer downtime	0.5	licence days

For the year ended 31 December 2025, expressed in thousands of Euroland currency units (CU)

Performance issues are defined as any planned or unplanned downtime causing an interruption, of more than 10 minutes but less than or equal to 30 minutes, in the provision of cloud-based services to customers. Performance issues may include those caused by technical failures, programming errors, cyber-attacks, weather events or natural disasters at hosting facilities.

Service disruptions are defined as any planned or unplanned downtime causing an interruption of more than 30 minutes in provision of cloud-based services to customers. Service disruptions may include those caused by technical failures, programming errors, cyber-attacks, weather events or natural disasters at hosting facilities.

Total customer downtime is defined as the interruption duration of each service disruption multiplied by the number of software and IT services licences affected, reported in licence-days. For context, the Group indicates the licensing basis (for example, number of seats, number of CPU cores, number of cloud subscriptions) and whether the licences are consumption-based or capacity-based.

Circularity and end-of-life product management

(IFRS S2 Appendix B Industry-based disclosure requirements, Volume 54,TC-ES-410a.1)

During 2025, the Group collected approximately 90 tonnes of end-of-life products and electronic waste (e-waste) from customers and project sites. Of this, 87% was recycled at certified facilities, with the remainder processed through approved waste-to-energy or landfill channels. The recycling facilities were certified to the Sustainable Electronics Reuse and Recycling (R2) Standard.

In addition, 3% of hardware components were reused or refurbished in 2025, reducing demand for virgin materials and supporting the Group's scope 3 reduction targets.

Metric	2025 value	Unit
E-waste collected	90	Tonnes
E-waste recycled	87	%

IFRS S1.46

Other metrics used by the entity

During the year, the Group processed 2,950 petabytes (PB) of network traffic, with an average energy intensity of 390 kilowatt-hours (kWh) per terabyte (TB) of data processed.

This is a new metric for the financial year to monitor performance for the Group, as it is a key driver of scope 2 emissions and provides information relevant to the Group's digital infrastructure decarbonisation programme.

Metric	Value	Unit
Energy intensity of data processing	390	KwH/TB of data

IFRS S1.50

Energy intensity of data processing (KwH/TB of data) is internally developed by the Group and is not directly derived from any external standard or the the Standards issued by the ISSB or validated by a third party. It is designed to monitor performance relevant to the Group's digital infrastructure decarbonisation programme. This metric is an absolute measure that quantifies the total energy consumed per unit of data processed (kWh per TB) and measures the average amount of energy (in kWh) consumed to process one TB of data across the Group's operations. It is calculated using total energy consumed divided by total data processed.

Climate-related targets

IFRS S2.33

Guidance note: The Standard does not require an entity to have climate-related targets (including GHG emissions targets). However, when an entity has climate-related targets, the Standard requires the entity to disclose information about these targets.

IFRS S2.33

The Group has established three climate-related targets.

These climate targets are:

- **Target 1** – Achieve a 50% reduction in absolute GHG emissions by 2035, using a 2020 baseline (and location-based scope 2 emissions)
- **Target 2** – Achieve net zero GHG emissions by 2050, using a 2020 baseline (and market-based scope 2 emissions), and
- **Target 3** – Source 100% of energy needs from renewable sources no later than 2035.

Target 1 and Target 2 are GHG emissions targets. The targets are designed to drive decarbonisation across the Group's operations, value chain, and product portfolio to support the Group's transition to a low-carbon economy and align with global best practice and stakeholder expectations.

Both GHG emissions targets cover the seven GHGs as defined by the Kyoto Protocol and are applied Group-wide.

IFRS S2.36(a)

Progress towards Target 1 is monitored using two primary metrics:

- annual emissions reduction rate (% year-on-year), and
- absolute GHG emissions (tonnes CO_2-e) using a scope 2 location-based approach.

While Target 2 is a net GHG emissions target, as part of this target the Group is also focused on reducing absolute gross GHG emissions (scope 1, scope 2 and material scope 3) to as much as is technically and economically feasible by 2050. The Group engages stakeholders through targeted supplier collaboration programmes, educative outreach and capacity-building initiatives, such as emissions data sharing and joint decarbonisation planning, to support reductions in emissions in the value chain.

The Group uses renewable electricity certificates and on-site generation from solar photovoltaics to measure progress towards this net GHG emissions target.

IFRS S2.36(e)

The Group does not intend to rely heavily on carbon credits to achieve 2050 net zero target, but recognises that such instruments may be required for those sources of GHG emissions that cannot be reduced directly. The Group is currently developing a carbon offsetting integrity and credibility policy to guide any future purchase of carbon credits. This will include consideration of different types of carbon credits and third-party verification schemes.

The Board will monitor the total renewable energy certificates and carbon credits voluntarily surrendered and retired each year as part of the target monitoring.

Progress towards Target 2 is monitored using the following metrics:

- absolute GHG emissions (tonnes CO_2-e) using a scope 2 market-based approach
- total large-scale generation certificates (MWh of renewable electricity generated) voluntarily surrendered against current year scope 2 GHG emissions generated during the period, and
- total carbon credits (tonnes CO_2-e) retired against current year GHG emissions generated during the period.

Target 3 is not a GHG emissions target but is directly linked to the Group's scope 2 emissions when calculated using a market-based approach.

For the year ended 31 December 2025, expressed in thousands of Euroland currency units (CU)

Progress towards Target 3 is monitored using the following metrics

- total energy consumption (GJ) (energy consumed and classified in scope 1 and scope 2), and
- renewable energy share (%).

These metrics are reported quarterly to management and the SRC, and the targets are reviewed annually at Board level.

IFRS S2.36(c)

Guidance note: The Standard requires that if an entity discloses a net GHG emissions target, the entity separately discloses its associated gross GHG emissions target.

IFRS S2.35

Performance and trends

Absolute gross GHG emissions using a market-based approach

	2025 (tCO_2-e)	Historical baseline (tCO_2-e)	Unit
Scope 1 emissions	302	289	4.5%
Scope 2 emissions (market-based)	3,282	5,664	(42.06%)
Scope 3 emissions	98,852	95,239	3.79%
Total emissions (market-based)	**102,436**	**101,192**	**1.23%**

In the current financial year, the Group's absolute gross GHG emissions increased by 1.23% on the prior year when using a market-based scope 2 approach. However, this was primarily due to the acquisition of Goodtech in March 2025.

Had Goodtech been excluded from the baseline the Group achieved the following results:

	2025 (tCO_2-e) Excl. Goodtech	Historical baseline (tCO_2-e)	% change
Scope 1 emissions	298	289	3.11%
Scope 2 emissions (market-based)	3,282	5,664	(42.06%)
Scope 3 emissions	89,362	95,239	(6.17%)
Total emissions (market-based)	**92,942**	**101,192**	**(8.15%)**

When the acquisition of Goodtech is excluded from the emissions of the Group, the Group achieved an 8.15% reduction in absolute gross GHG emissions, well in excess of the interim target of 5%.

The Group retired 210 GWh of renewable electricity certificates and generated 40 GWh from on-site photovoltaics contributing to the market-based scope 2 decrease. Importantly, the decrease in scope 3 emissions represents actual reductions in the Group's activities excluding Goodtech, such as reducing the level of business travel, encouraging the use of public transportation, and engaging with its value chain to encourage decarbonisation activities.

The Group also demonstrated progress against the renewable energy target, increasing from 7 to 28% of renewable energy use.

For the year ended 31 December 2025, expressed in thousands of Euroland currency units (CU)

IFRS S2.33, IFRS S2.36

More information about the Group's targets is shown in the table below:

	Target 1: 50% reduction in GHG emissions by 2035	**Target 2: Net zero GHG emissions by 2050**	**Target 3: Sourcing 100% of energy needs from renewable sources no later than 2035**
Objective	Mitigation – reduce the Group's climate impact in line with the Science Based Targets initiative (SBTi) and the Paris Agreement	Mitigation – achieve full decarbonisation in line with science-based initiatives and sectoral decarbonisation pathways	Mitigation – eliminate fossil fuel use in operations and transition to 100% renewable energy, supporting decarbonisation and alignment with the Paris Agreement
Scope	Group-wide – all operational jurisdictions, covering scope 1, scope 2 and scope 3 emissions	Group-wide – all operational jurisdictions, covering scope 1, scope 2 and scope 3 emissions	Group-wide – all operational jurisdictions, covering all electricity and fuel use in operations (scope 2 and relevant scope 1)
Target period	2020 (base year) to 2035	2020 (base year) to 2050	2020 (base year) to 2035
Base period (Adjusted – see below)	2020	2020	2020
Milestones / interim targets	5% annual reduction; 30% reduction by 2030	70% reduction by 2035	50% renewable energy by 2028; 80% by 2031
Target type	Absolute target (total reduction in emissions, not intensity-based)	Net target	Absolute target (percentage of total energy use from renewable sources)
Alignment with international agreements	Aligned with the Paris Agreement and SBTi	Aligned with the Paris Agreement and SBTi sectoral decarbonisation pathways	Aligned with the Paris Agreement, RE100, and science-based decarbonisation pathways

The Group's climate-related targets and the methodologies used to set them are validated by independent third-party experts. Specifically, the SBTi has reviewed and confirmed that the Group's targets are aligned with internationally recognised decarbonisation pathways and the objectives of the Paris Agreement.

Adjustments to base periods

As disclosed in the related financial statements, on 31 March 2025, the Group acquired 100% of the equity instruments of Goodtech GmbH (Goodtech), a Euroland-based business.

The Group also disposed of Highstreet Limited in the current financial year, which was classified as held for sale in the prior financial year.

The following adjustments were made to the Group's base periods for target setting as a result:

- The base period will be re-adjusted in future to the current financial year for the acquisition of Goodtech, as Goodtech does not have emissions information available for historical periods extending back to 2020. This revision to the base period is currently pending verification from SBTi. For the purposes of current year, the Group has disclosed the progress made against the base period excluding the impact of Goodtech.
- The base period was not adjusted for the acquisition of Good Buy in the prior year, as a significant proportion of Good Buy's corporate emissions were already accounted for in the Group's scope 3 emissions, as a result of the pre-existing relationship. Consequently, the acquisition of Good Buy resulted in a reclassification of Good Buy's corporate emissions from scope 3 to scopes 1 and 2 from the date of control, but did not create a material trigger to recalculate the base period.
- No adjustments were made to the base period for the disposal of Highstreet Limited in the current year as this disposal was in line with the Group's decarbonisation strategy.

IFRS S2.34(d)

For the current reporting period, no revisions have been made to the Group's climate-related targets, as progress remains on track and aligned with the original objectives.

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