

Task Force on Climate-related Financial Disclosures

Climate-related risks and opportunities

We support the aims of the Task Force on Climate-related Financial Disclosures (TCFD) in communicating the risks and opportunities arising from climate change. In accordance with the Financial Conduct Authority's (FCA) Policy Statement PS20/17, in this section from pages 54 to 57 we are making disclosures consistent with the TCFD's recommendations and recommended disclosures, having considered all sector guidance. An exception relates to Scope 3 emissions, for which we will submit targets to the Science Based Targets initiative (SBTi) during the first half of 2023. We will build an action plan to meet these targets once they have been validated by the SBTi and work in conjunction with our technology vendors and other suppliers to obtain the necessary data.

Our Scope 1 and Scope 2 emissions for 2022 were subject to external verification in line with ISO 14064-3. Our reported 2022 emissions will also be subject to external verification.

Governance

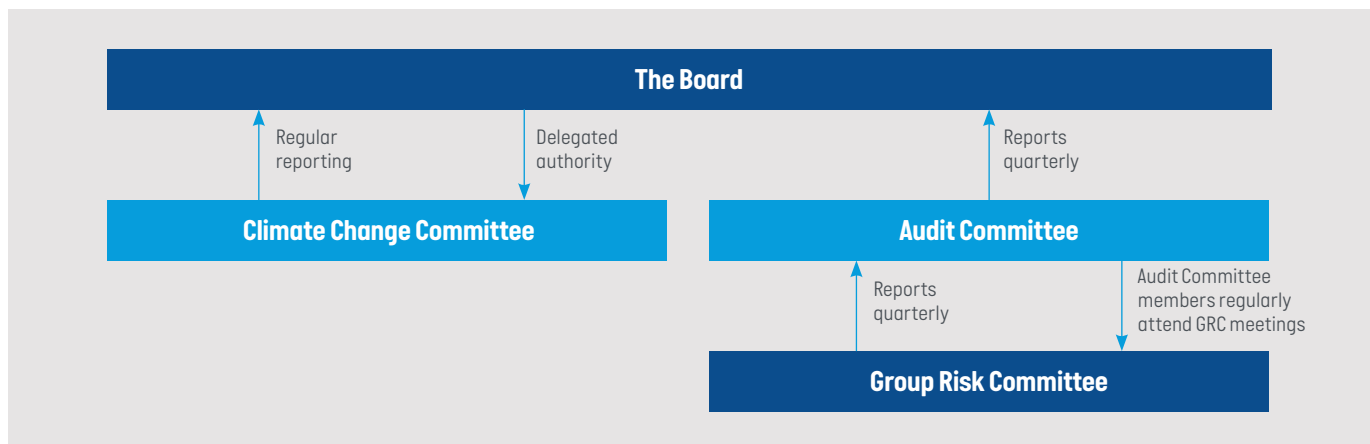
As outlined on page 75, the Board has overall responsibility for managing risks and opportunities, including climate change risk.

The Board has considered the risk to the business relevant to climate change but does not yet believe it is sufficiently material in relation to potential financial cost and potential for disruption to the business to be classed as a principal risk in its own right. The Board continues to monitor climate-related risk. It does so through its review of the Group's principal risks related to any failure to meet our commitments or comply with applicable laws and regulations in relation to ESG matters.

The Board has delegated day-to-day oversight of climate change risk to the Climate Committee. This committee meets quarterly and leads on all climate-related initiatives. It is chaired by the Group Finance Director. Other members include the Head of Facilities, the Managing Director of our Circular Services business (RDC), the Environmental Coordinator, Head of Insurance, Climate & Property, the UK Fleet Manager as well as representatives from Group Service Lines Human Resources, including representatives from Germany, France and Spain. During 2022, the Climate Committee considered the following topics:

- Physical exposures of buildings and infrastructure
- Internal travel levy and carbon offsetting proposals
- Travel pilot in Germany to encourage the use of rail over flights
- Net Zero strategy
- Circular Services
- Technology Sourcing initiatives
- SBTi and CDP submissions
- Waste targets
- Self-generated power
- Renewable energy purchases
- Fleet CO₂ emissions
- International Sustainability Standards Board proposals

The Group Risk Committee (GRC) considers emerging risks, such as climate change, when required. The Audit Committee is updated quarterly on discussions and outcomes from the GRC meetings and the Board is formally updated at least annually on all risk matters through a review of the Group Risk Log and related discussion, including climate-related issues where relevant. The Board has also endorsed the Group's Sustainability strategy, of which risk management and reporting form a part.



Strategy

We supply technology products and services to our customers, which help them to reduce their own environmental impact by reducing business travel and increasing the flexibility of their workforce. This is supported by our Technology Sourcing infrastructure and through investments in our Integration Centers across Europe and North America to enable us to fulfil product more locally. Following our Brexit preparations, we have the ability to dispatch products from our Kerpen Integration Center to customers in the European Union, which had previously been shipped from our Hatfield Integration Center. While there have been benefits of this change in terms of export administration and shipping cost, it has also helped to reduce carbon emissions.

Computacenter's exposure to climate-related risks and opportunities can be seen through the lens of our position as one of the world's leading VARs. Our ability to procure technology products through leading technology vendors, add value for our customers through our Professional Services expertise, and then ship or hold that product depends on:

- the resilience of our technology vendors;
- their ability to efficiently manufacture the product on a timely basis; and
- their ability to send it to our customers or to us, in a timely and cost-efficient manner.

Our Services business depends on our people being able to access our service delivery locations and our customers' locations, as well as the uninterrupted functioning of our operational infrastructure, such as our principal offices, Integration Centers and Service Centers.

Any physical or transitional climate-related risk which disturbs the equilibrium of our value chain could impact the execution of our strategy, our levels of customer service and satisfaction, and ultimately our financial performance. We do not recognise climate change as a principal risk to the business, and do not therefore recognise it in our financial planning process due to its financial immateriality in the timescales we use. Nevertheless, we have set out opposite those climate-related risks which we think could reasonably result in that happening, although for many of these their frequency and severity is difficult to predict. We have therefore based our analysis on certain assumptions, which we have also explained.

Physical Risk: Extreme weather events and long-term changes in climate patterns

Significant changes in weather patterns in the medium to long term, both acute and chronic, could result in interruptions in our technology vendors' ability to manufacture and distribute on a timely basis, and could cause damage to our service delivery locations, including our Service Centers, Integration Centers and Data Centers, affecting our ability to run an uninterrupted service for our customers.

Most of our technology vendors are substantial international businesses, which have the size, resilience, technological capability and investment capacity to mitigate the future risk of climate-related damage to their manufacturing and distribution process. We work with multiple technology vendors, which mitigates against one organisation, area or region being impacted by extreme weather. We carry out a physical assessment of our service delivery locations across the globe as part of our insurance risk assessment process and retain the services of one of the foremost global engineering and risk-based insurers. We ensure we have business contingency planning, so we can move our service delivery to alternative locations with minimal impact to service levels. None of our service delivery locations are at material risk of flooding from rivers or from sea level rises or from wind or wildfire risk and, like many organisations during the Covid-19 pandemic, we have reduced our reliance on physical offices.

Transition Risk: Compliance and reputational risk

As we move towards a low-carbon economy, there are increasing compliance requirements emanating from the UK Government, regulatory authorities and standard-setters, such as additional FCA Listing Rules, Department for Business, Energy & Industrial Strategy (BEIS) guidance and International Sustainability Standards Board (ISSB) disclosure requirements, as well as pressure from business stakeholders and market initiatives related to sustainability reporting, such as the TCFD. If we fail to meet these requirements and expectations, or if we fail to set and achieve our climate impact reduction targets, this is likely to harm our reputation and could cause customers to reduce their business with us.

We take our climate-related responsibilities seriously, which helps mitigate against this risk. We have had a Climate Committee in place since 2020. Recent initiatives have included the installation of a large number of solar panels at our Hatfield, Kerpen and Livermore Integration Centers. We also source renewable energy for our operations in the United Kingdom, Germany, Spain and the United States. These and other initiatives (detailed on pages 46 to 52) have contributed to a reduction of our Scope 1 and 2 emissions of 78 per cent since 2019 (see page 47). We have met our target to be carbon neutral for our Scope 1 and 2 emissions in 2022. We have achieved this through a combination of

reducing our greenhouse gas emissions (for example, through a combination of generating our own power through the use of solar panels, the purchase of green electricity and reducing consumption) and offsetting. We have a target to reduce our Scope 1, 2 and 3 emissions to Net Zero by 2040, backed by Science Based Targets. Our progress towards these targets will be monitored and reported on in future Annual Reports. See the metrics and targets section on page 56 for more detail.

Our initial assessment indicates that transition risks associated with the shift to a low-carbon economy are more likely to have an impact on our business in the short term, while physical risks (both acute and chronic) may become a greater issue in the longer term, if global temperature increases are not held within the 2°C limit envisaged by the Paris Agreement or we see the impacts of global warming of 1.5°C above pre-industrial levels, envisaged in the Intergovernmental Panel on Climate Change 'Special Report'. More detail on the risks and opportunities arising from climate change, and the mitigating actions we are taking to address them, are shown below. The time periods below reflect our targets as being submitted to the SBTi and are indicative of our view that transition risks are a more likely impact on our business in the short term while physical risks may become more consequential in the long term.

Short term (to 2032)

Higher transition risks associated with moving to a low-carbon economy

- Reputational risk with shareholders, customers and employees, if we do not adequately address climate change.
- Compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
- Increased cost of climate-related levies/ increased pricing of greenhouse gas (GHG) emissions.
- Changing customer behaviour.
- Travel curbs.

Opportunities

- Customers will continue to invest in their IT infrastructure, to enable hybrid working practices which are carbon-reducing, and also to reduce the carbon footprint of their IT infrastructure. We will therefore continue to see high demand for modern, lower-carbon footprint technology products, strengthening the resilience of our business model and contributing to our continued growth.
- Our Circular Services (redeployment, remarketing and recycling of technology products) will become increasingly important to our customers.

Medium term (2032 to 2040)

Continued transition risks

- Increasing reputational risk with shareholders, customers and employees, if we do not adequately address climate change.
- Continuing compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
- Increased cost of climate-related levies/ increased pricing of GHG emissions.
- Changing customer behaviour.
- Travel curbs.

Opportunities

- Continuing customer investment in their IT infrastructure, with continued high demand for modern, lower-carbon footprint technology products.
- Our Circular Services will remain important to our customers.

Long term (beyond 2040)

Less significant increase in physical risks

- Continued isolated extreme weather events causing manageable business disruptions.
- Higher summer temperatures and rapid changes in temperature and humidity causing challenges for data center cooling.

Opportunities

- Our ability to provide Circular Services by ourselves will help us to differentiate, as customers will expect these services to be integrated into more of the technology products and services they procure, e.g., through 'Device as a Service' (Daas).
- Customers will increasingly require our advice on the selection and deployment of technology products, to help them achieve their carbon reduction strategies.

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Short term (to 2032)

Slight increase in transition and physical risks in the short term

- Isolated and manageable business disruptions caused by extreme weather events, such as flooding or drought.
- Ad-hoc supply chain interruptions.
- Increased insurance costs due to natural disasters.

Opportunities/Resilience

- Our ability to supply technology products locally in multiple regions (UK, EU, North America and APAC) will help large international customers to reduce shipment costs and the associated carbon footprint. This international coverage will also increase our resilience and help us provide greater supply chain resilience to our customers.

Medium term (2032 to 2040)

Increasing physical risks due to a failure to adequately transition to a low-carbon economy

- Power outages due to restrictions on use of fossil fuels.
- Increasing cost of power.
- Flooding due to increased sea level (no strategic locations are at material risk).
- Increasing transport costs.
- Telecoms and internet disruptions.

Opportunities/Resilience

- We will continue to maintain operational resilience through the geographical dispersion of our Service Centers.
- Our existing strength as one of the world's most international and Services-led VARs give us the opportunity to establish a leadership position in helping both customers and technology vendors to achieve their sustainability goals.

Long term (beyond 2040)

Increased physical risks due to a failure to adequately transition to a low-carbon economy

- Power outages due to restrictions on use of fossil fuels.
- Increased cost of power.
- Flooding due to increased sea level (no strategic locations are at material risk).
- Pandemics due to new diseases caused by climate and population changes.
- Population changes – due to things such as controls on population growth, increasing migration, and the need for automation.
- Increased transport costs.
- Telecoms and internet disruptions.

Opportunities/Resilience

- We will continue to maintain operational resilience through the geographical dispersion of our Service Centers.
- Our existing strengths as one of the world's most international and Services-led VARs gives us the opportunity to establish a leadership position in helping both customers and technology vendors to achieve their sustainability goals.

> 2°C scenario

The less than 2°C scenario assumes that we act responsibly, in line with business and society globally, to reduce GHG emissions. This may include the introduction of carbon pricing by national governments. In this scenario, we expect that transition risks pose the biggest threat to our business, with only a limited and manageable impact on our operations from physical risks. The greater than 2°C scenario assumes climate policy is less effective and emissions cause climate change above that envisaged in the Paris Agreement. Under this scenario, we would expect physical risks to become much more apparent in the longer term.

The scenarios we have chosen above reflect the TCFD requirement for a 2°C or lower scenario and a higher carbon scenario that is more likely to result in higher physical risks to the business. In the short- to medium-term at least, the resilience of our business to transition risks, which are well-managed, will not impact our strategy. Physical risks will be unlikely to materially affect our business model until the longer term but this will be kept under review.

Our strategy to address climate-related issues includes our achievement of being carbon neutral for our Scope 1 and 2 emissions in 2022, our target to reduce our Scope 3 emissions by 50 per cent by 2032 and our target to be Net Zero for our Scope 1, 2 and 3 emissions by 2040, with all targets backed by Science Based Targets.

Risk management

Our risk management and control framework enables us to effectively identify, assess and manage climate-related risks. As summarised on page 75, the Board reviews climate change risk as part of its review of our principal risk relating to complying with our commitments and applicable laws and regulations in relation to environmental, social and governance matters. The process for identifying and assessing climate-related risk is the same as for all principal risks, as described on page 75. Each of our principal risks has an assigned risk owner, who is responsible for its management. This includes ensuring the effectiveness of internal controls and for overseeing risk mitigation plans. Each risk owner presents the controls and mitigations for peer review at least annually in the Group Risk Committee meetings. The Board also reviews the principal risks annually. We do not currently recognise climate change as a principal risk to the business.

The Group Finance Director chairs the Climate Committee that was established in 2020. The Climate Committee consists of Group managers and senior employees with specific environmental interests, as noted in the Governance section on page 54. The Committee's aim is to debate and propose initiatives to continue to reduce our environmental impact, with some material investments to be approved at Group Executive level.

Metrics and targets

In line with our current risk assessment and mitigation plan, we continue to largely concentrate on transition risks and our commitment to becoming a Net Zero business, as outlined above.

We have taken into account the cross-industry metric categories defined in the TCFD's guidance on metrics, targets and transition plans (October 2021) in monitoring our transition to a low-carbon economy and the risks involved with it.

Metric category	Target
GHG emissions	<p>We have a target to reduce absolute Scope 3 GHG emissions by 50 per cent by 2032 and by 90 per cent by 2040, both from a 2021 base year. Additionally, we have committed to reduce absolute Scope 1 and Scope 2 GHG emissions by 90 per cent by 2040 from a 2019 base year. We have committed to reach Net Zero by 2040. These remain proposals until accepted by the SBTi.</p> <p>[See page 48 for details of our GHG emissions].</p> <p>In order to achieve our Scope 1 and Scope 2 reduction target, Computacenter will continue to invest in increasing the energy efficiency of our offices, data centers and other facilities, resulting in a decrease in energy consumption. Where feasible, we will continue to install on-site renewable electricity systems, such as the photovoltaic systems already in place in the United Kingdom, Germany and the United States. Where we are unable to generate our own, we will continue to source our electricity from renewable sources, helping to reduce our Scope 2 market-based emissions.</p> <p>Purchased goods and services account for 74 per cent of Computacenter's total Scope 3 emissions. In order to achieve our targets, reduction efforts need to be focused here. By engaging with and encouraging customers to make the decisions with the least amount of GHGs associated with them, e.g., energy efficient products, we will be able to reduce our Scope 3 emissions in this area. Additionally, as our technology vendors and other suppliers continue along their sustainability journeys, reducing the emissions associated with the manufacture of IT hardware, our Scope 3 emissions will continue to reduce. Furthermore, Computacenter will continue decreasing the percentage of waste sent to landfill, helping to reduce emissions from the treatment and disposal of waste. We are encouraging employees to, first, limit journeys for business travel purposes, and secondly if journeys are necessary, encouraging lower emitting forms of transport, e.g. rail rather than air.</p>
Transition risk	We have considered transition risks to achieving our strategic objectives across the Group as a whole. However, they are not considered material at this stage.
Physical risk	We have assessed the Group's locations close to water sources at risk of flooding or at risk of sea level change. None of the locations close to water sources are strategic to our operations. Additionally, no location is at major risk of wind or wildfire. We retain the services of one of the foremost engineering and risk-based insurers in the world, which assists us in our assessments, and we are also working to integrate those locations that are not part of our Group Insurance Programme.
Climate-related opportunities	<p>Customers will need us to:</p> <ul style="list-style-type: none"> • supply and deploy modern, lower-carbon footprint technology products; • provide Circular Services for their technology estate and increasingly integrate these into our Services; • provide local supply solutions, to minimise the shipment-related carbon footprint; • advise on selecting and deploying lower-carbon IT infrastructure, to help them meet their sustainability goals. <p>RDC, our Circular Services offering, processed 1.9 million devices during 2022 (which includes remarketing, redeploying and recycling), processing 3,771 tonnes of equipment and recovering 617 tonnes of raw material, with 112,000 tonnes of CO₂e avoided by reusing equipment.</p>
Capital deployment	<p>We do not have targets in relation to capital deployment but we continue to make expenditure necessary to meet our commitments in terms of climate change. In recent years we have made significant investments to reduce our carbon footprint. These include the following initiatives:</p> <ul style="list-style-type: none"> • Installing 6,308 solar panels at our Hatfield Integration Center at a cost of approximately £1.2 million; installing 1,764 solar panels at our Kerpen Integration Center, and installing 2,016 solar panels over our Kerpen car park spaces, at a cost of approximately €1 million. Combined, these will result in annual power generation of approximately 3 million kWh and the reduction in Scope 2 emissions of approximately 1,100 tonnes, based on a combination of the United Kingdom and Germany conversion factors. • Installation of a further 1,200 solar panels on the roof of our Livermore Integration Center in California, which was completed in 2022, and has generated c. 246,000 kWh since going live in August 2022. • Purchasing 'green' electricity across our UK and German businesses at an incremental cost of £100,000, resulting in emissions reductions of 10,939 tonnes. • Introducing electric vans in some of our logistics business areas and electric cars. In the United Kingdom, we have increased the proportion of non-internal combustion engine (non-ICE) cars (mild hybrid, PHEV and EV) from 56 per cent to 64 per cent and pure EVs from 13 per cent to 19 per cent, against the challenges of poor availability. In Germany, 30 per cent of the fleet is non-ICE with a rising trend. • Acquisition of our RDC Circular Services subsidiary. <p>Overall, our GHG emissions are now 17.8 per cent of the 2015 number [a reduction of 82.2 per cent].</p>
Internal carbon prices	Since October 2021, we have introduced an internal levy of £10/€12/\$14 per flight or hotel booking for the United Kingdom, France, Germany, Spain, Belgium and the United States, to purchase carbon credits each year to offset the CO ₂ emissions generated from these activities. The total levy generated during the 12-month period to 31 December 2022 is c. £280,000.
Remuneration	For the year ended 31 December 2022, no executive discretionary bonus was linked to climate considerations, other than the Group Finance Director, who has one objective related to climate change management. However, this is being kept under review by the Remuneration Committee.

Computacenter is a leading independent technology and services provider, trusted by large corporate and public sector organisations. We are a responsible business that believes in winning together for our people and our planet. We help our customers to Source, Transform and Manage their technology infrastructure to deliver digital transformation, enabling people and their business. Computacenter is a public company quoted on the London FTSE 250 [CCC.L] and employs over 20,000 people worldwide.



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