

SUSTAINABLE

CVC GHG Foundation C1's Carbon Footprint 2021 Overview

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9th November 2022



Life Is On





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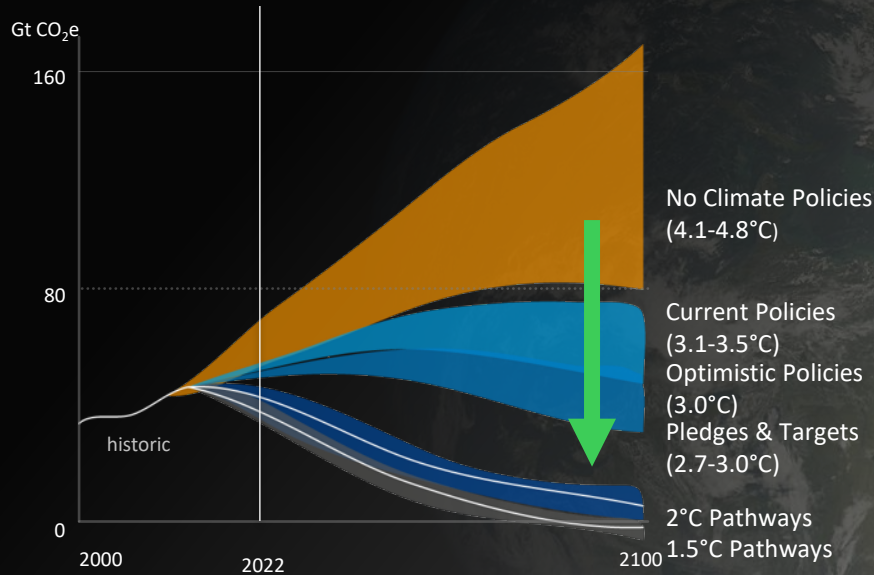


Today's Agenda

- ✓ Introduction
- ✓ Methodology
- ✓ ConvergeOne's 2021 carbon footprint
- ✓ Recommendations for improvement
- ✓ Recommendations for next steps
- ✓ Q&A
- ✓ Appendixes

A Sense of Urgency

Climate change is the defining issue of our time



We are on a trajectory of a **3.5° Celsius** increase in the global average temperature. Companies need to **act now** to decrease the impact of climate change.

Commitments

23+%
of Fortune 500 made climate commitments to meet by 2030

Ambition

14,200+
companies have signed on to UN Global Compact to shape a sustainable future

Opportunity

\$30+B
growth in green technology and sustainability solutions market in just 4 years

Sources: International Energy Agency, Schneider Electric



When done right, **sustainability pays**.
It is an **opportunity**, not a threat.

Sustainable companies **outperform** their competitors, showing **better returns** and **corporate longevity**.

Global 100, Corporate Knights

Companies with public sustainability goals are more likely to **adopt innovative solutions**.

Corporate Energy & sustainability Progress Report

Sustainable companies will have an easier time **attracting investors** and **talent**.

A Fundamental Reshaping of Finance, BlackRock

Sustainability enables organizations to deliver **better results** for all of its stakeholders

Introduction

CVC Capital Partners launched the **GHG Foundation program** in collaboration with Schneider Electric in 2022 as a first step in its decarbonization journey. The aim of setting and achieving Science-based Targets called for a carbon footprint assessment at the portfolio companies' level.

In the CVC GHG Foundation program our work consisted of the following

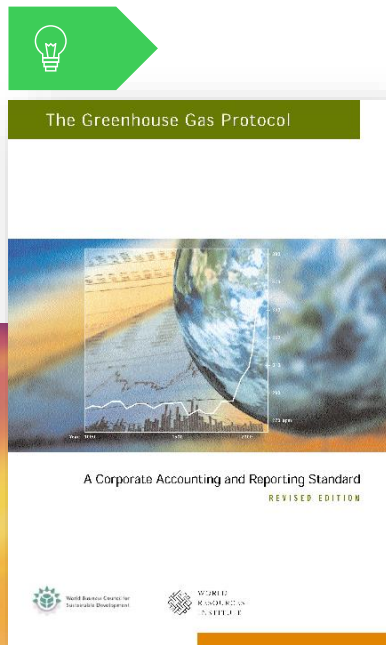
- **Emission-relevant data collection** for all Scopes
- **Carbon footprint calculation** of Scope 1 & 2 emissions
- **Screening assessment** of indirect Scope 3 emissions

This document is a synthesis of the GHG Emissions Inventory and its Attachments. It provides an overview of the process undertaken and the results achieved during the 2021 GHG inventory assessment.

To build this GHG Emissions Inventory, Schneider Electric Sustainability Business Division worked hand in hand with Alexander Valladares (Senior Manager), C1.

Methodology

The **Greenhouse Gas Protocol** is the industry-recognized standard for calculating GHG emissions

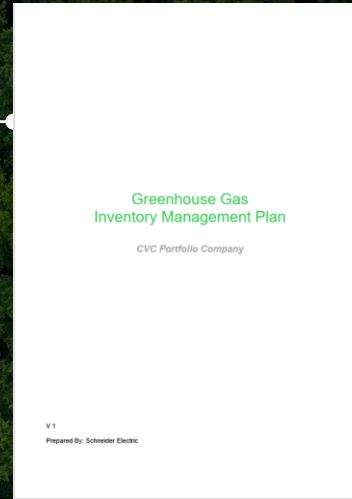


The carbon footprint calculation was performed in line with requirements of the GHG Protocol

Documents supporting GHG Reporting

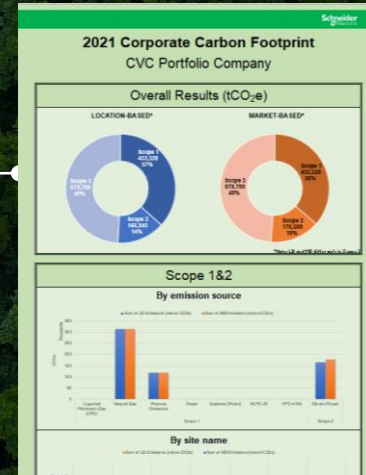
Inventory Management Plan (IMP)

- Defines the **governance process** for **measuring, monitoring** and **reporting** GHG emissions data
- Provides **reporting transparency** for external or third-party reporting & validation – e.g., SBTs




Attachments

- A – List of reported sites
- B – Scope 1 & 2 activity data and associated emissions
- C – Details of emission factors and greenhouse gases
- D – Results of the Scope 3 Screening assessment
- E – Out-of-scope (biogenic) emissions




Defining Approach and Boundaries



Control Approach

Operational Control is appropriate for companies with straightforward ownership structures.

All emissions where C1 **has direct control over its operations** (all owned or leased assets operated by C1).



Organizational Boundaries

- **39** leased Offices
- **3** leased Office and Warehouses
- **3** leased and **1** owned Data Center
- **1** leased Office, Warehouse and Data Center
- **1** leased Switchroom
- **58** leased vehicles

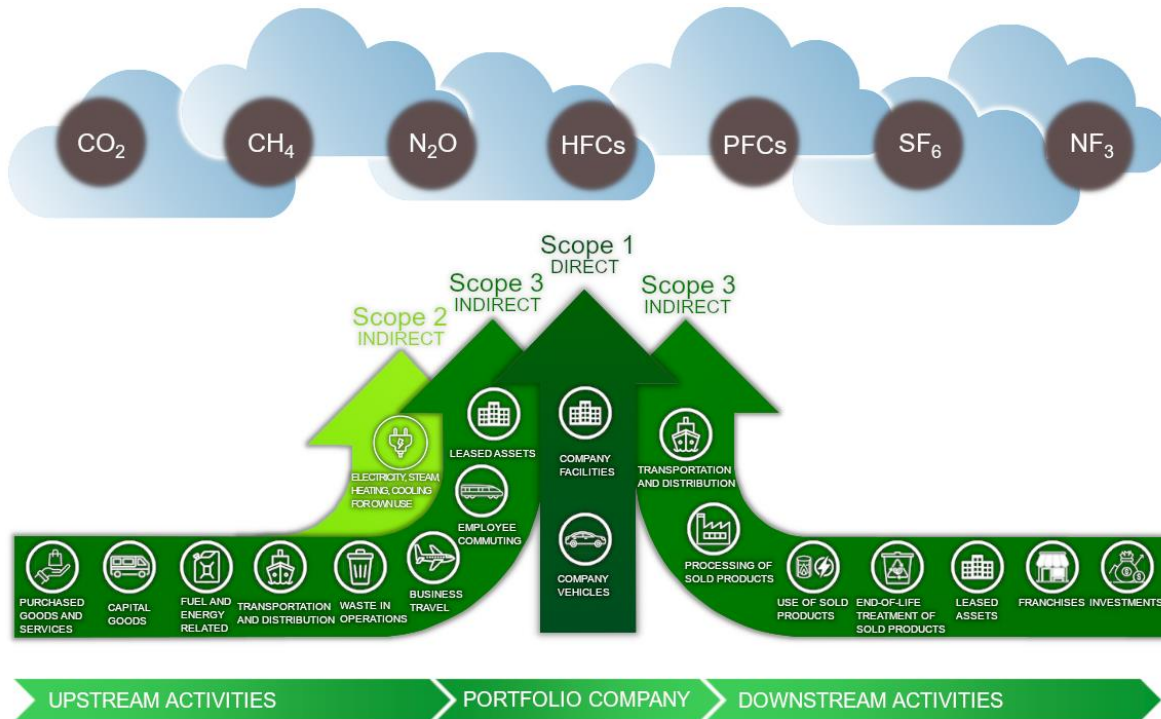


Operational Boundaries

All emissions within the organizational boundaries:

- **Direct** (Scope 1)
- **Indirect** (Scope 2 & Scope 3)

Scope 1, 2, and 3 Emissions



Scope 1 – Direct emission

Emissions from sources that are controlled by a Company directly

Scope 2 – Indirect emissions (energy)

Indirect emissions generated from purchased electricity, heat, steam, or cooling

Scope 3 – Indirect emission (other)

All other indirect emissions from upstream and downstream value chain emissions (15 total categories)

Emission sources

Scope 1

Fuel combustion

Natural gas

Fleet

Petrol cars

Fugitive emissions

Refrigerants (excluded)

Scope 2

Consumption of
purchased
Electricity

Scope 3

Purchased goods & services

Capital goods

Fuel and Energy related activities not
included in Scope 1&2

Upstream Transportation & Distribution
(partially excluded)

Waste generated in operations

Business travel

Employee commuting

Use of sold products (excluded)

End-of-life treatment of sold products
(excluded)

Quantification methods



Scope 1&2 Activity-based

- Identifying relevant emissions sources
- Collecting primary (consumption) data
- Estimations where required



Scope 3 Screening assessment

- Collecting mostly expenditure data
- Translating expenses to emissions using conversion factors
- Results are indicative and help to identify emission hotspots

Estimated data

- **Electricity** consumption for 39 sites (SE estimated)
- **Natural gas** consumption data for 37 sites (SE estimated)

Exclusions

Scope 1&2

- Refrigerants (for top-up of HVAC units)

Scope 3

- C4 - Part of Upstream Transportation and Distribution
- C11 - Use of Sold Products
- C12 - End-of-life treatment of Sold Products

Scope 2 “dual reporting”

Most goals are set with a market-based method to incorporate renewable energy

Location-Based

The average emissions intensity of grids on which energy consumption occurs (generally regional or country-level).

Electricity: **9,347** t CO₂e

Electricity: **9,431** t CO₂e

Market-Based

The emissions intensity associated with how an entity purchases energy: includes renewable energy contracts, utility-specific factors, and residual factors.

Emissions breakdown - Scope 1, 2, 3

Scope 1: 510 tCO₂e (2.3%)

Emitted directly from sources operated by C1 (Natural gas, Petrol and Diesel)

Scope 3: 12,779 tCO₂e (56.5%)

All other indirect emissions in ConvergeOne's value chain, both upstream and downstream



Scope 2 (LB): 9,347 tCO₂e (41.3%)

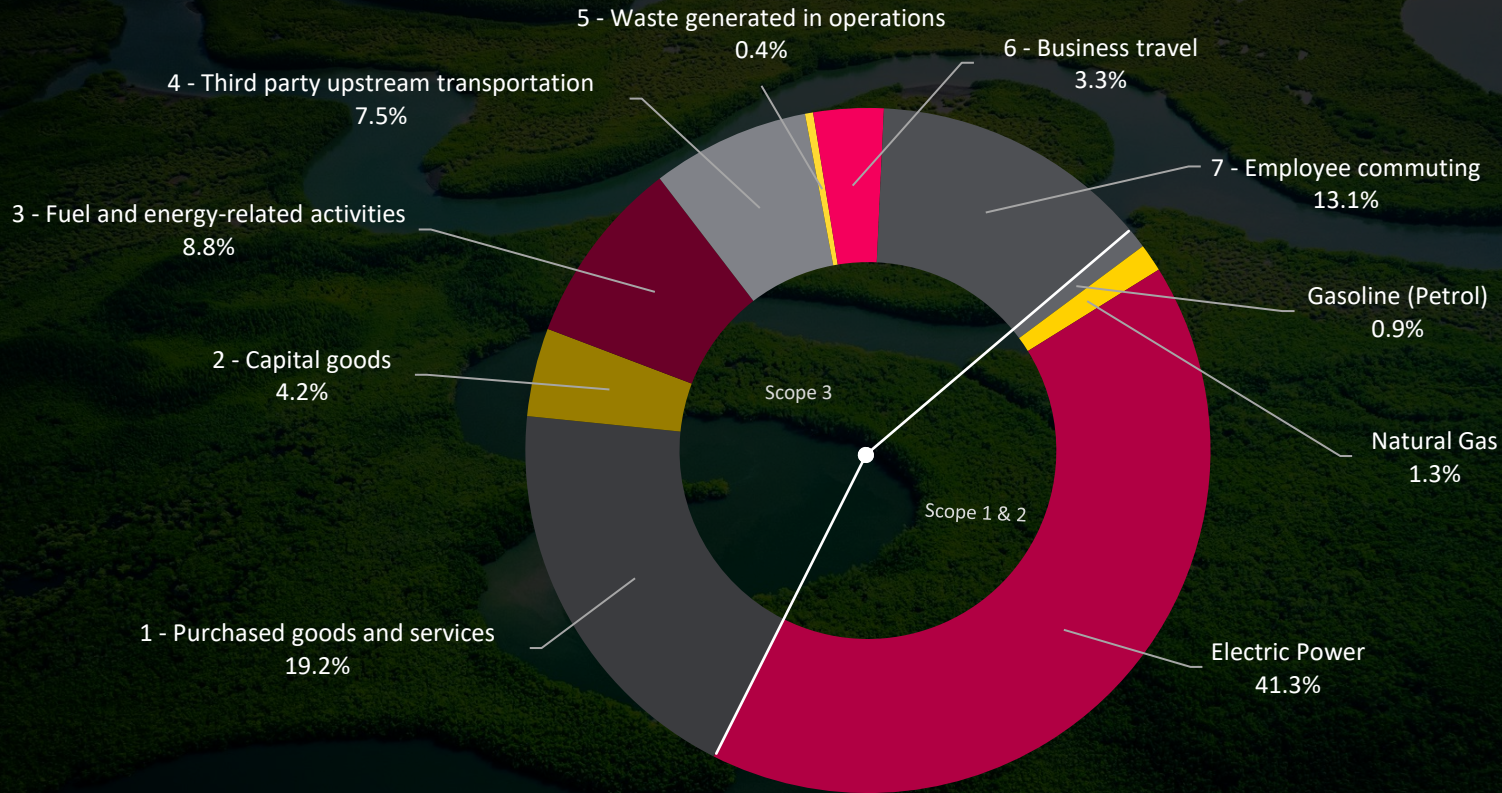
Emitted indirectly from the generation of purchased energy (electricity)

Scope 2 (MB): 9,431 tCO₂e

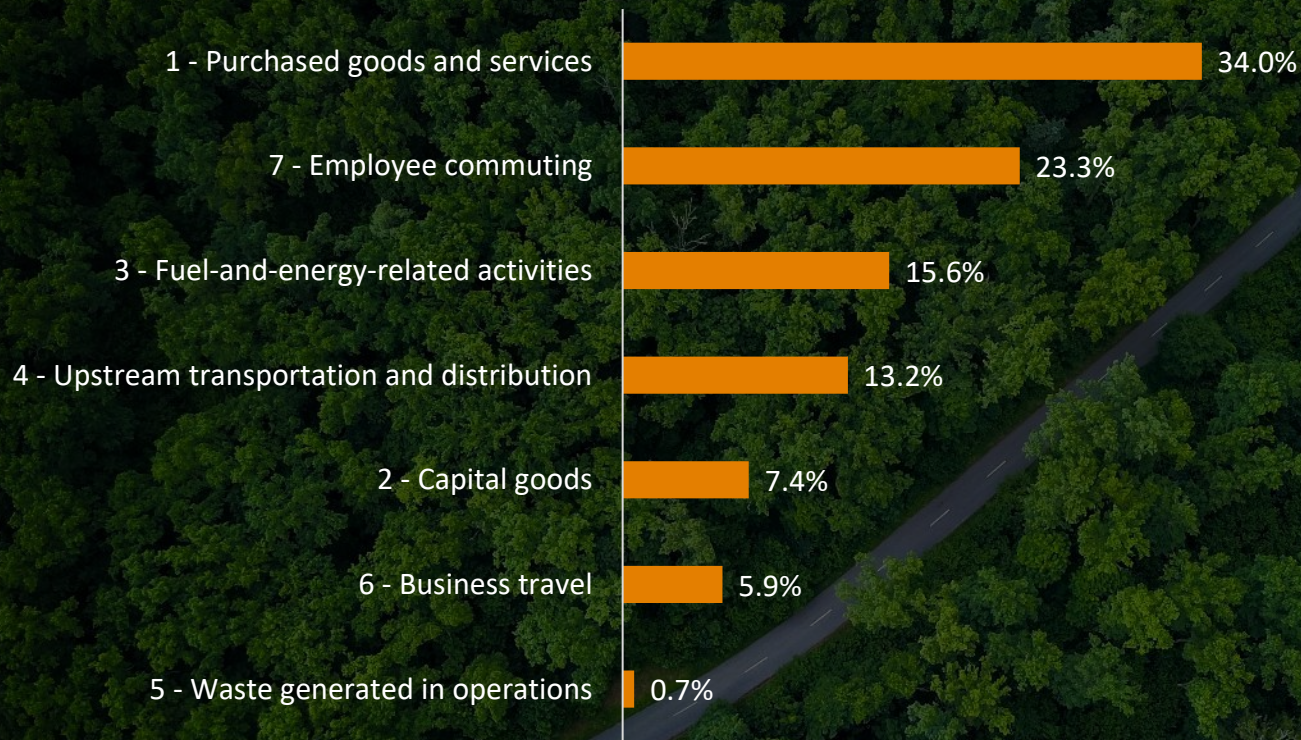
Supplier-specific emission factors /emission factors for renewable electricity purchase are used to calculate MB

Out of scope (biogenic) emissions: 6.6 tCO₂e

Emissions breakdown – All sources



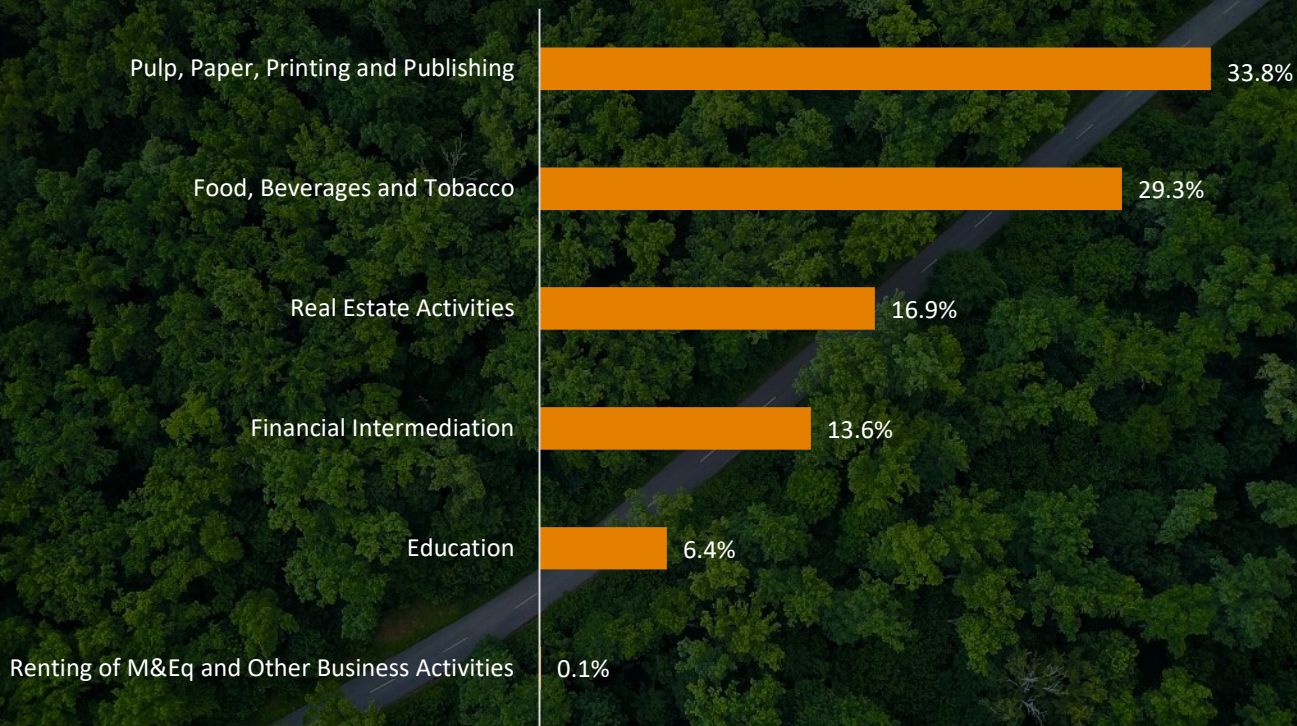
Emissions breakdown – Scope 3



In 2021, C1 reported GHG emissions in 7 categories out of 15 categories.

Scope 3

Category 1 – Most Relevant Purchased Goods and Services



Recommendations to improve inventory quality



Scope 3 Screening

Conduct a **full Scope 3 screening** assessment, including *Category 4, 11 and 12*



Scope 1&2 Exclusions

Monitor **refrigerants used** for top-up or number and type of HVAC units



Data gaps

Collect **primary data** for:

1. Electricity consumption
2. Natural Gas consumption

Recommended next steps

TRACK PROGRESS

- Establish a base year
- **Calculate** your **carbon footprint annually**
- Continuously improve your GHG inventory data
 - Dedicate a specific personnel
 - Improve primary data collection
- **Periodically report** on your progress

SET AMBITION

- Get C-level & Board involved in
 - Implement respective internal reporting and monitoring procedures/policies
- **Establish** intermediary and long-term **decarbonization targets**
- Set significance threshold and investigate year-on-year variations
 - Re-baseline if necessary (due to structural changes)

DECARBONIZE

- **Explore** decarbonization levers with associated costs and **GHG reduction potential**
 - Set a dedicated decarbonization budget
 - Focus on 'low-hanging fruit' first (such as sourcing certified RE)
 - Plan for other decarbonization levers (Scope 3 engagement, R&D, Energy efficiency audits, etc.)

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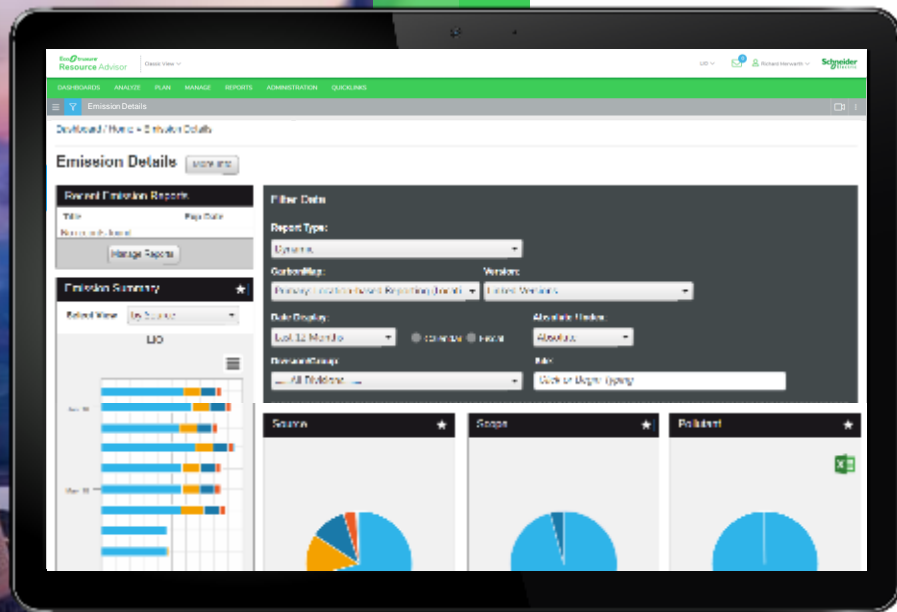


Schneider
Electric



Emissions Management

Automate emissions data management and reporting



QUICKFACT

Resource Advisor manages carbon emissions from over 2,500 different sources on behalf of clients.



SCOPE 1, 2 AND 3 EMISSIONS

Access over 200 GHG protocols through emissions factor library managed by ESS experts



SUSTAINABILITY SUPPORT

Sustainability experts on hand to help align with your reporting practices



UPDATED PERFORMANCE

Linked to your data management program, emissions data will update as new data is available



AUDITABLE MANAGEMENT

Fully tracked process, with audit trail providing complete transparency and access to raw data

CVC is Driving Continuous ESG Improvement Across their Portfolio

CVC's four-pillar approach



Portfolio companies already committed to SBTi:



What are Science Based Targets?

Science Based Targets (“SBTs”) will become the new normal

- SBTs are carbon emission reduction targets, set by the **Science-Based Targets Initiative** (SBTi), aligned with the Paris Agreement to **limit the increase in global temperature to 1.5°C**.
- In general, this means about a **50% reduction by 2030, and net zero carbon emissions by 2050**.
- A global **carbon budget** is assigned over time based on climate models from the Intergovernmental Panel on Climate Change (IPCC).
- The framework is considered the **"gold-standard"** of global corporate climate action as it supports the management of climate-related risks & opportunities, and defines the **pathway to Net Zero operations**
- **A proof of corporate quality:** Being on track for SBTs helps future-proof operations, increases operational efficiencies, and protects against environmental & regulatory risk

INITIATIVE

SBT



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



CDP
DRIVING SUSTAINABLE ECONOMIES



WORLD
RESOURCES
INSTITUTE



WE SUPPORT



WWF

Science Based Targets initiative (SBTi) Requirements

Near-term SBTs

Boundary

- Must include scope 1 & 2
- Cannot exclude more than 5% of emissions



Scope 3

- Most companies must set a Scope 3 target (if Scope 3 > 40% of total)
- The target must cover > 66% of Scope 3



Ambition

- Scope 1 & 2 goals must be 1.5C
- Scope 3 goals must be WB2C or 1.5C



Timeframe

- Targets must be 5-10 years from date of submissions
- Companies are encouraged to set a Net Zero target
- Baseline year is recommended to be the most recent year



Reporting & Relevance

- Must report on progress annually (CDP or equivalent)
- Targets must be updated with changing climate science, as applicable



Offsets

- Carbon offsets are not allowed
- Market mechanisms for renewable energy (Energy Attribute Certificates) are permissible

