Carbon Reduction Plan in accordance with PPN 06/21

Introduction

The Trakm8 Group is committed to fulfilling our share of the global responsibility to combat climate change by helping to ensure worldwide temperate increases are kept below 1.5°C.

The Group been certified to ISO14001 for almost a decade and our route to environmental sustainability has been ongoing for many years.

We understand that effective management of our CO2e emissions is of key importance and that our long-term success depends on sustainable business practices in all areas of our operations.

The Trakm8 Group Board has given its full support to our continued efforts to further reduce our carbon footprint and we have made significant progress in recent years.

Our Scope 1 and Scope 2 emissions have been reduced by a little over 20% since 2018 and our long-term goal is to reach Net Zero by 2050 or earlier.

Jon Edwards
Trakm8 Group Company Secretary

SUPPLIER NAME: Trakm8 Group

PUBLICATION DATE: September 2022

Trakm8 Group

Trakm8 Group is a UK based technology leader in Fleet Management, Insurance Telematics, Connected Car, and Route Optimisation. Through IP owned technology, the Group uses AI data analytics collected from its installed base of telematics units to fine tune the algorithms that are used to produce its solutions; these monitor driver behaviour, identify crash events and monitor vehicle health to provide actionable insights to continuously improve the security and operational efficiency of both company fleets and private drivers.

The Group's product portfolio includes the latest data analytics and reporting portal (Trakm8 Insight), integrated telematics/cameras/optimisation, self-installed telematics units and one of the widest ranges of installed telematics devices. Trakm8 has over 299,000 connections.

Headquartered in Coleshill near Birmingham alongside its manufacturing facility, the Group supplies to the Fleet, Optimisation, Insurance and Automotive sectors to many well-known customers in the UK and internationally.

Trakm8 has been listed on the AIM market of the London Stock Exchange since 2005. Trakm8 is also recognised with the LSE Green Economy Mark.

Commitment to achieving Net Zero

Trakm8 Group technologies and services assist our customers in improving their own efficiency and environmental performance and achieving our target of reaching zero emissions by 2050 is important to our business. We are committed to fulfilling our role in meeting the UK government net zero ambitions and have plans to sign up to the Science Based Target Initiative's (SBTi) Business Ambition for 1.5°C within the next 6-12 months or sooner.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline year Financial Year 2018

Additional Details relating to the Baseline Emissions calculations.

Following careful consideration, we have determined that FY 2018 is a suitable, solid baseline year that provides a representative view of our normal operations.

Years prior to 2018 were impacted by the Group's acquisition of Box Telematics, DCS Systems, Route Monkey and Roadsense which occurred between 2013 and 2015 and more recent years were obviously impacted by the global coronavirus pandemic which had significant impacts on the Group's operations as well as those of our customers and supply chain.

We have identified the methodology that we need to use to calculate each Scope 3 category and the data that we need to gather for each category.

Our GHG emissions inventory will follow the methods outlined in GHG Reporting Protocol corporate standard and Corporate Value Chain (Scope 3) Standard.

Primary sources of emissions for each Scope and Category

Trakm8 emissions in each Scope and Category required under PPN 06/21 result from:

- Scope 1 emissions arise from purchased gas (for hot water and heating) and fuel for company fleet cars.

- Scope 2 emissions arise from purchased electricity.

- Scope 3 emissions reporting within this plan cover only the following categories as required under PPN 06/21:

    o Category 4 Upstream Transportation and Distribution

    o Category 5 Waste Generated in Operations

    o Category 6 Business Travel

    o Category 7 Employee Commuting

    o Category 9 Downstream Transportation and Distribution

Baseline Year 2018 Emissions Data

Baseline Year: FY 2018	
Baseline year emissions:	
EMISSIONS TOTAL	**(Tonnes CO2e)**
Scope 1	**112.71**
Scope 2	**160.28**
Scope 3 (Included Sources)	
• Category 4 Upstream transportation and distribution	• 72.2
• Category 5 Waste generated in operations	• 34.13
• Category 6 Business travel	• 86.52
• Category 7 Employee commuting	• 138.00
• Category 9 Downstream transportation and distribution	• 53.91
Total Scope 3 emissions	**384.76**
Total Emissions	**657.75**

FY 2021 Emissions Data

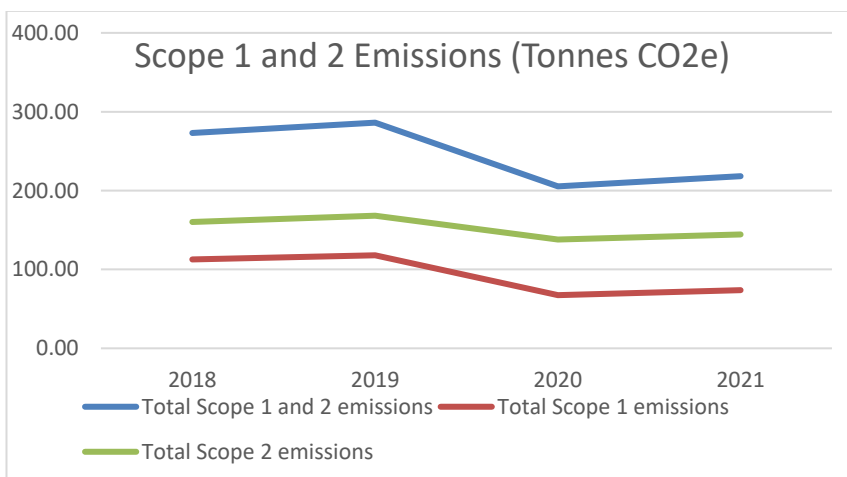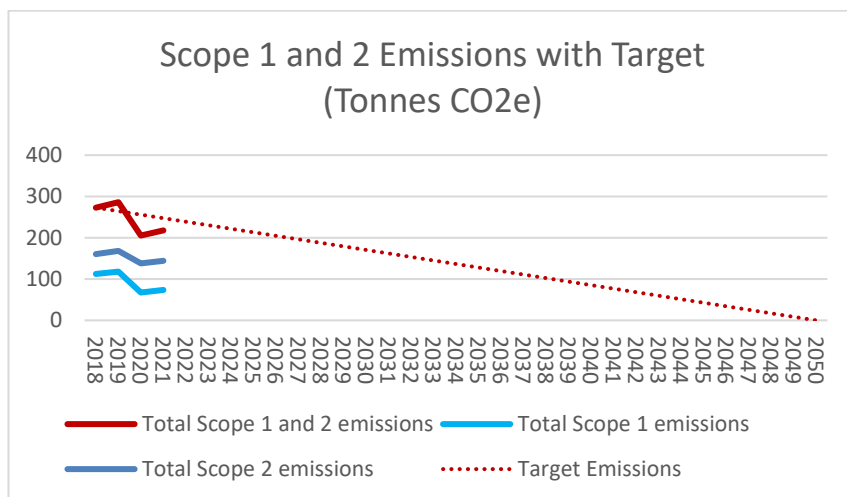| FY 2021	
EMISSIONS TOTAL	**(Tonnes CO2e)**
Scope 1	**73.83**
Scope 2	**144.29**
Scope 3 (Included Sources)	
• Category 4 Upstream transportation and distribution	• 47.32
• Category 5 Waste generated in operations	• 28.63
• Category 6 Business travel	• 16.80
• Category 7 Employee commuting	• 96.85
• Category 9 Downstream transportation and distribution	• 25.2
Total Scope 3 emissions	**214.8**
Total Emissions	**432.92**

Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- Reduction of Scope 1 emissions by 33% or more within 5 years of baseline and by 50% by 2030
- Reduction of Scope 2 emissions by at least 25% or more within 5 years of baseline and by 50% by 2030

As a consequence of work planned to achieve these targets, we project that Scope 1 and Scope 2 carbon emissions will decrease by 40% within 5 years which represents a reduction in emissions of approx. 77 tCO2e by 2023.

Progress against these Scope 1 and Scope 2 emission reduction targets since our baseline year can be seen in the graphs below:

Carbon Reduction Projects

Completed Scope 1 and Scope 2 Carbon Reduction Initiatives

The following environmental management project has been implemented since the 2018 baseline:

- Electrification of Company Car Fleet (switch to electric / hybrid)
  - Approx. 34% reduction in Scope 1 Mobile Combustion emissions
  - Reduction of approx. 35 tCO2e
- Improved Maintenance of gas boilers and increased awareness of usage by staff
  - Approx. 40% reduction in Scope 1 Stationary Combustion emissions
  - Reduction of approx. 4 tCO2e

We have also experienced an almost 10% reduction in our electricity use despite the shift to an electric vehicle fleet. This may in part be due to reduced production levels compared with our baseline year.
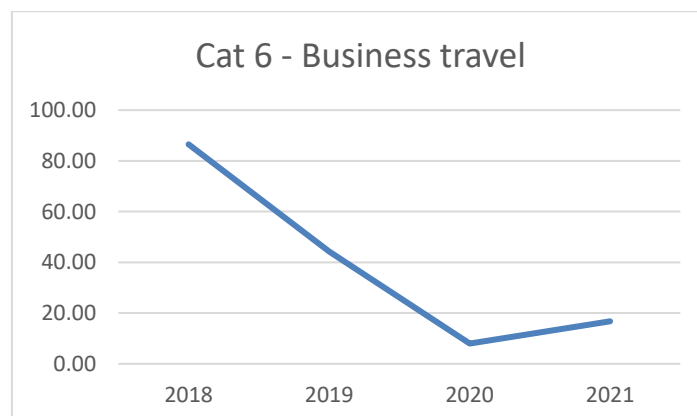
Collectively, we have reduced our Scope 1 and Scope 2 emissions by 54.87 tCO$_2$e, which is a reduction of 20% against the 2018 baseline.

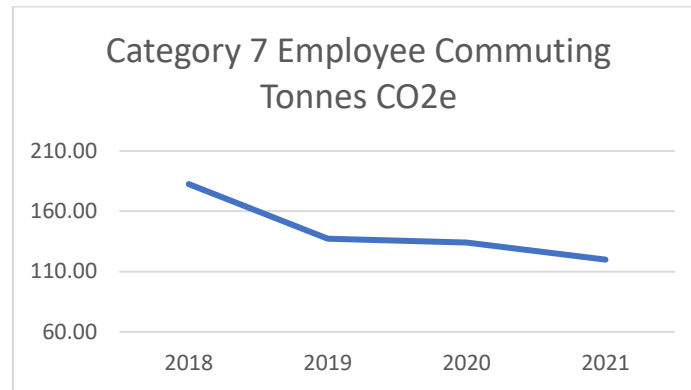All measures outlined in this plan will be in effect when performing the contract.

Completed Scope 3 Carbon Reduction Initiatives

In addition to our efforts to reduce our Direct Scope 1 and Scope 2 emissions, we have invested significant effort in both improving our Indirect Scope 3 emission measures and in reducing our Scope 3 emissions.

- We have recently implemented a Staff Commuting Survey to improve the quality of Scope 3, Category 7 (Commuting) data which had been estimated previously.
- Reduction in Business Travel (increased use of technology for remote meetings and demonstrations etc.)
  - Approx. **80%** reduction Scope 3 (Category 6) emissions
  - Reduction of approx. **69.7 tCO2e**

- Re-organisation of working practices (increased home working)
  - Approx. **29.8%** reduction in Scope 3 (Category 7) emissions
  - Reduction of approx. **41.15 tCO2e**

Category 7 Employee Commuting Tonnes CO2e

Future Carbon Reduction Initiatives

In the future we hope to implement further measures such as:

- Maintain certification to ISO14001
- Formal registration with SBTi during Q4 2022 or Q1 2023
- Transfer of electricity supplier to "Green Electricity" supply by 2030 or earlier
- Reduction in number of facilities used within the Group

Declaration and Sign Off

This carbon reduction plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported (where available) in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the Trakm8 Board of Directors

Signed on behalf of the Supplier:

Jonathon Luke Edwards

Trakm8 Group Company Secretary and Chief Financial Officer

6th October 2022