2021 Annual Sustainability Report Colt Group
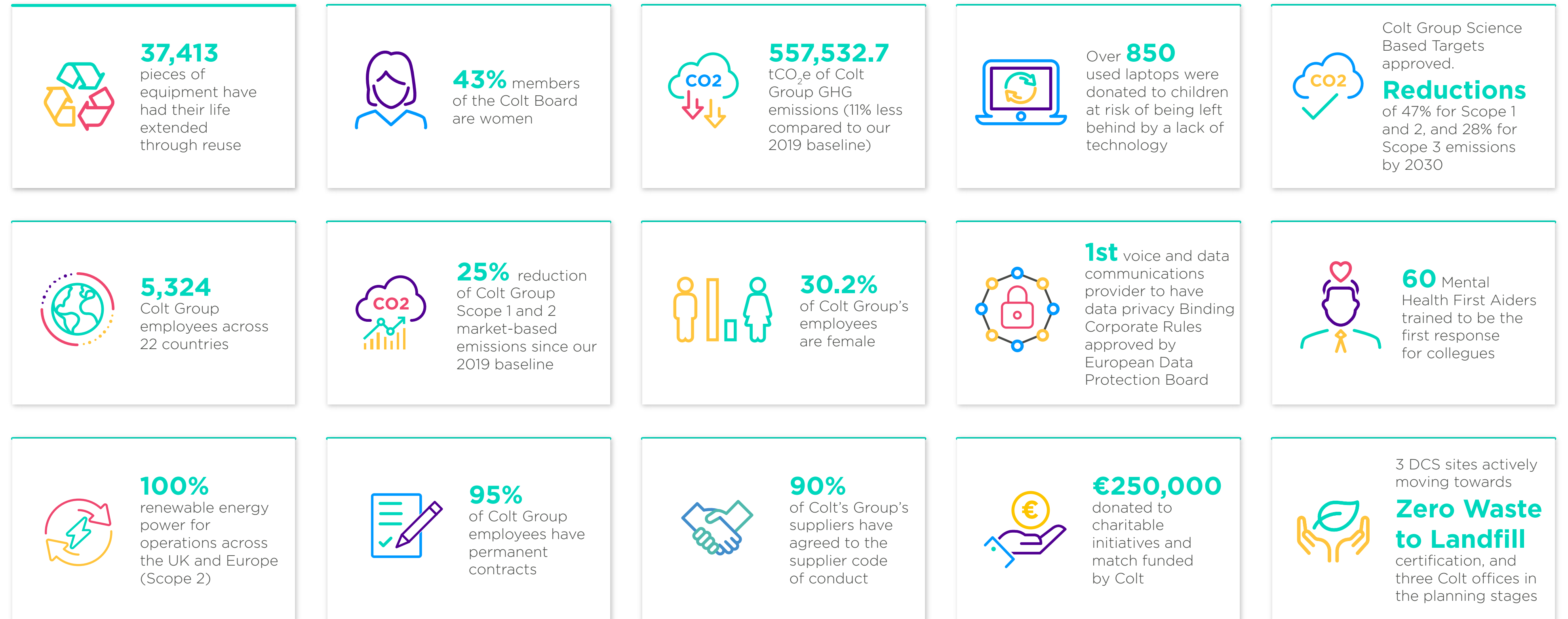
colt | colt **Data Centre Services**

Contents

1. Colt at a glance 2021

37,413 pieces of equipment have had their life extended through reuse

43% members of the Colt Board are women

557,532.7 tCO$_2$e of Colt Group GHG emissions (11% less compared to our 2019 baseline)

Over **850** used laptops were donated to children at risk of being left behind by a lack of technology

Colt Group Science Based Targets approved. **Reductions** of 47% for Scope 1 and 2, and 28% for Scope 3 emissions by 2030

5,324 Colt Group employees across 22 countries

25% reduction of Colt Group Scope 1 and 2 market-based emissions since our 2019 baseline

30.2% of Colt Group's employees are female

1st voice and data communications provider to have data privacy Binding Corporate Rules approved by European Data Protection Board

60 Mental Health First Aiders trained to be the first response for collegues

100% renewable energy power for operations across the UK and Europe (Scope 2)

95% of Colt Group employees have permanent contracts

90% of Colt's Group's suppliers have agreed to the supplier code of conduct

€250,000 donated to charitable initiatives and match funded by Colt

3 DCS sites actively moving towards **Zero Waste to Landfill** certification, and three Colt offices in the planning stages

2. Introduction

2.1. Keri Gilder – CEO, Colt Technology Services

As an industry and as individuals, we are responsible for addressing climate change and making the world a better place. Our impact and our potential cannot be understated and it's why sustainability is a key pillar of our strategy. We've already been working on this for several years, so I'm incredibly proud to present our first Sustainability Report as a culmination and recognition of our efforts.

We have signed up to ambitious science-based targets, and taken a leadership role in our industry regarding diversity and inclusion and data protection for our customers. But we know there's more to do.

Studies a few years back highlighted an urgent call to action, stating that if the IT and telecoms sector were a country, it would be third on the list of carbon emissions behind the US and China. We are competing against some of the world's biggest technology names when attracting and retaining talent. The importance of all aspects of ESG is clear for Colt and its customers.

My leadership team are highly committed to sustainability and its importance resonates at all levels of the business. We're working closely with our supply chain on their impact and with our customers on the role that Colt can play on theirs.

We are on a journey with our colleagues at Colt DCS. Together, we have set ambitious plans that will help meet our sustainability goals, protect human rights, support our people and provide our customers and partners with the highest levels of confidence regarding compliance and data protection. I look forward to reporting our progress on these to our colleagues, customers and partners in 2023.

Thank you.

Keri Gilder
CEO, Colt Technology Services

2.2. Niclas Sanfridsson – CEO, Colt Data Centre Services

It is with great pleasure that I am introducing Colt's 2021 Annual Sustainability Report, my first as CEO of Colt Data Centre Services. Whilst the data centre industry as a whole has seen exponential growth over the last few years, it is also true to say it is an industry which needs to do more to become a 'greener' and more energy efficient sector. That's why we are taking ownership to reduce the environmental impact of our operations globally and incorporating sustainability as a key strategic business driver. We are focused on delivering sustainable hyperscale data centre solutions that meet the needs of our customers, but importantly also those of our planet.

2021 marked a shift in our global sustainability journey. We set out key performance targets in the area of sustainability and the internal programmes we have initiated will help us reach them. We have developed comprehensive Science Based Targets that will enable us to cut our emissions across all our data centre operations.

Our aim is to reduce our direct and indirect emissions by 47% by 2030 and work closely to align with suppliers to significantly reduce our supply and value chain emissions, in order to limit global warming. As part of our commitment to a strong, sustainable future for our data centres we are working towards zero waste to landfill certification for three of our key Data Centres.

This report details the overall progress of our Environmental, Social, and Corporate Governance strategy across both Colt Technology Services and Colt Data Centre Services businesses.

We stand together to promote sustainable measures to protect our planet, protect human rights, develop a diverse and inclusive working environment for our people to flourish within and to adhere to good business conduct through our strict corporate compliance measures.

Niclas Sanfridsson
CEO, Colt Data Centre Services

About Colt

3. About Colt

3.1. Our story

We are an established global enterprise with 52 offices globally and more than 5,000 employees
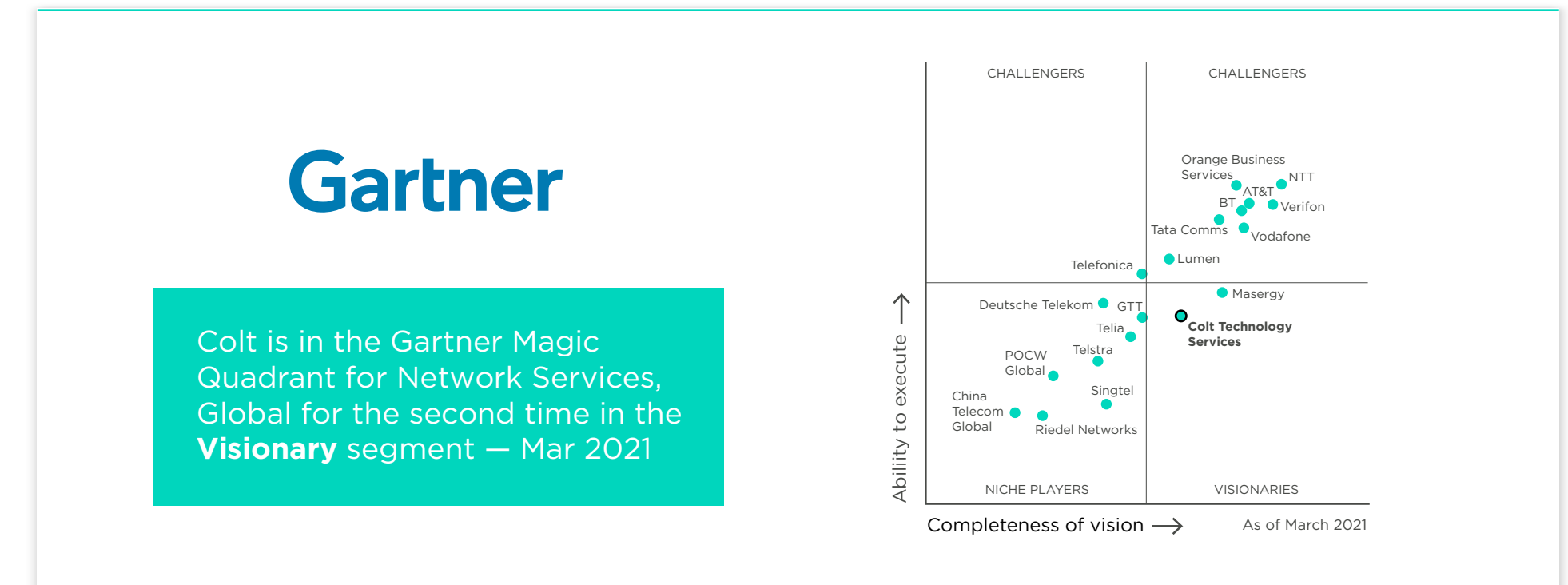
The Colt Group of companies is a multinational telecommunications and data centre services group headquartered in London (Colt Group). The holding company of the Colt Group is Colt Group Holdings Limited, incorporated in England and Wales.

We were founded in 1992 as City of London Telecommunications (COLT), backed by Fidelity. We expanded our operations into Europe, Japan and the USA in the following two decades. In 2010, we rebranded from COLT to Colt Technology Services, and in 2014, we extended our reach into Asia Pacific and the USA. In 2015, Colt Group was delisted from the London Stock Exchange and formed two operationally distinct businesses: Colt Technology Services (Colt) and Colt Data Centre Services (DCS). Colt Group is owned by Fidelity Investments and Eight Roads, solidifying us as one of the most financially stable businesses in our industry.

Colt's day-to-day management is led by the Executive Leadership Team (ELT), and DCS's day-to-day management is led by the Senior Management Team (DCS SMT).

We are recognised as a leading technology and data centre services provider.

Colt's awards and analyst recognition

Gartner

Colt is in the Gartner Magic Quadrant for Network Services, Global for the second time in the **Visionary** segment — Mar 2021

CHALLENGERS | CHALLENGERS

Orange Business Services
NTT
BT · AT&T
Verifon
Tata Comms
Vodafone
Telefonica
Lumen
Masergy
Deutsche Telekom
GTT
Telia · **Colt Technology Services**
POCW Global
Telstra
China Telecom Global
Singtel
Riedel Networks

Ability to execute →

NICHE PLAYERS | VISIONARIES

Completeness of vision →   As of March 2021

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Colt's awards and analyst recognition

VERTICAL SYSTEMS GROUP

2nd in the Vertical Systems Leaderboard for Ethernet Services — 2018, 2019, 2020

Global Provider Ethernet Services

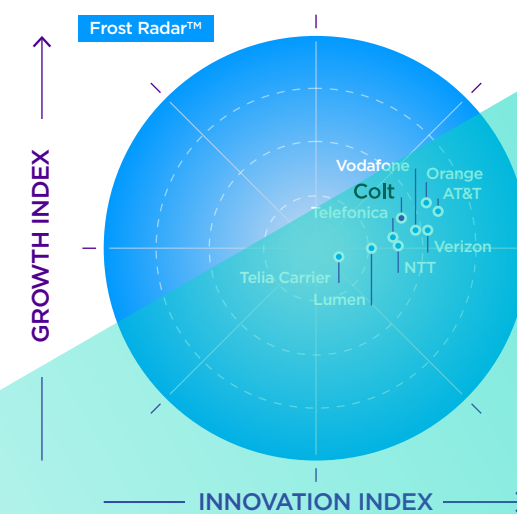|	
01	At&T (US)
02	Colt (UK)
03	Orange Business (France)
04	Lumen (US)
05	Verizon (US)

Leaderboard Year-end 2020

GlobalData.

"Colt is also a leader when it comes to the increasingly important ESG considerations that enterprises are embracing."

Colt - Business Services Europe, GlobalData, Dec'21

FROST & SULLIVAN

Frost Radar ™: European Managed SD-WAN Services Market, 2021

Frost Radar™

GROWTH INDEX

Vodafone
Colt
Orange
AT&T
Telefonica
Verizon
Talia Carrier
NTT
Lumen

INNOVATION INDEX

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Our industry awards

Automation & SDN/NFV Innovation

Colt and AT&T MEF LSO Sonata API application

SD WAN service excellence

SD WAN and SASE excellence

Network & Coverage

Best Network Technology Innovation

Best Data Centre Interconnect Provider

Cloud Connectivity

Most Innovative Cloud Service

Most Innovative Telco Cloud Strategy

Colt Dedicated Cloud Access Best Cloud Innovation

Portfolio, Strategy, CX & Execution

Best Global Wholesale Carrier - DATA

Operator of the Year

CEO of the Year

Uk Customer Experience Awards B2B Customer Experience

Most effective Business Transformation Programme

Customer Value leadership award Leading SD WAN provider
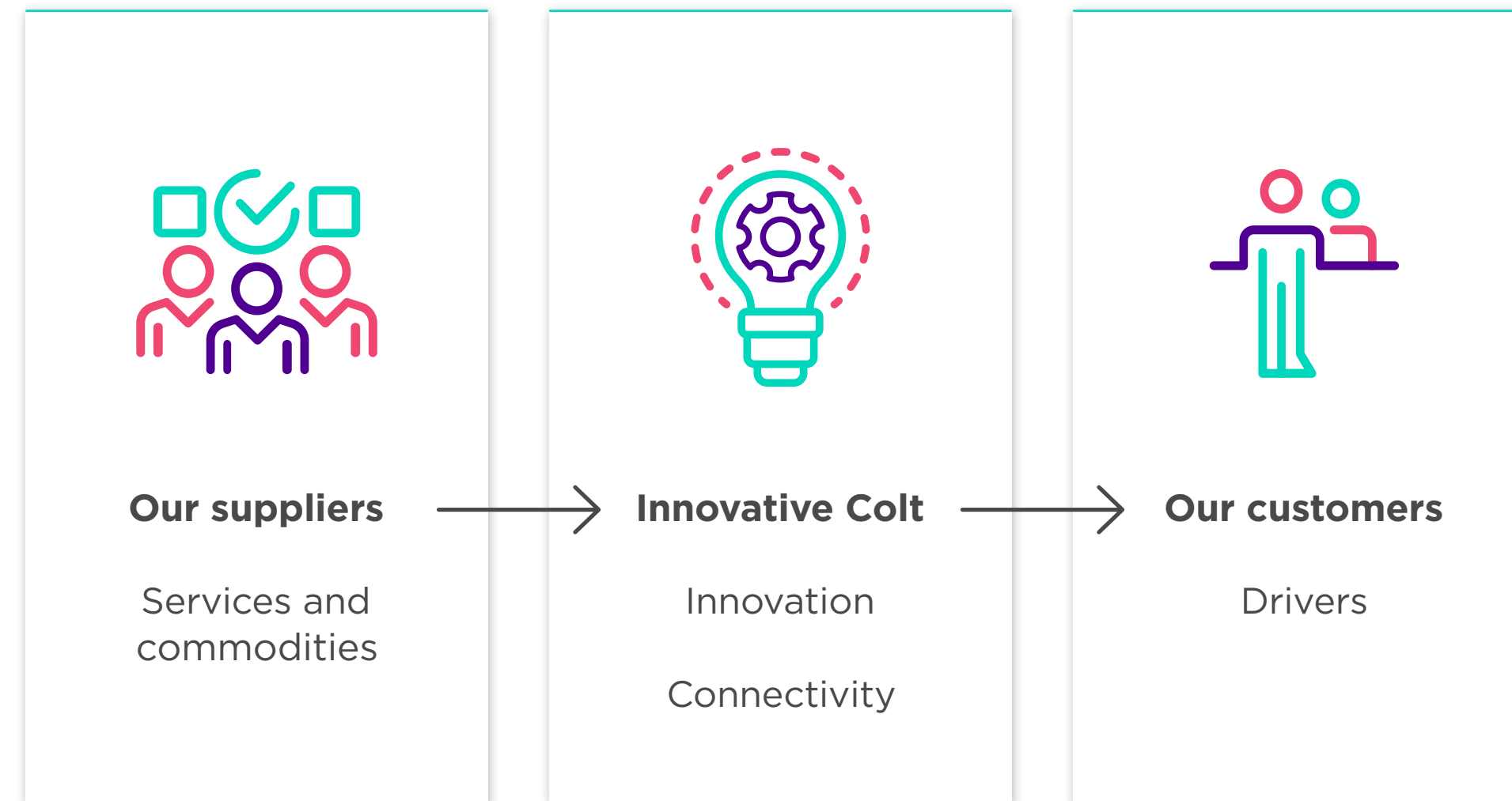
DCS's awards

Colt Group certifications

		Management Systems
ISO14001	Environmental	
ISO9001	Quality	
ISO20000-1	Service Management	
ISO27001	Information Security	
ISO22301	Business Continuity Cyber Essentials	
ISAE3402	Les Ulis & WGC	

To find out more about our certifications: www.colt.net/why-colt/certifications/
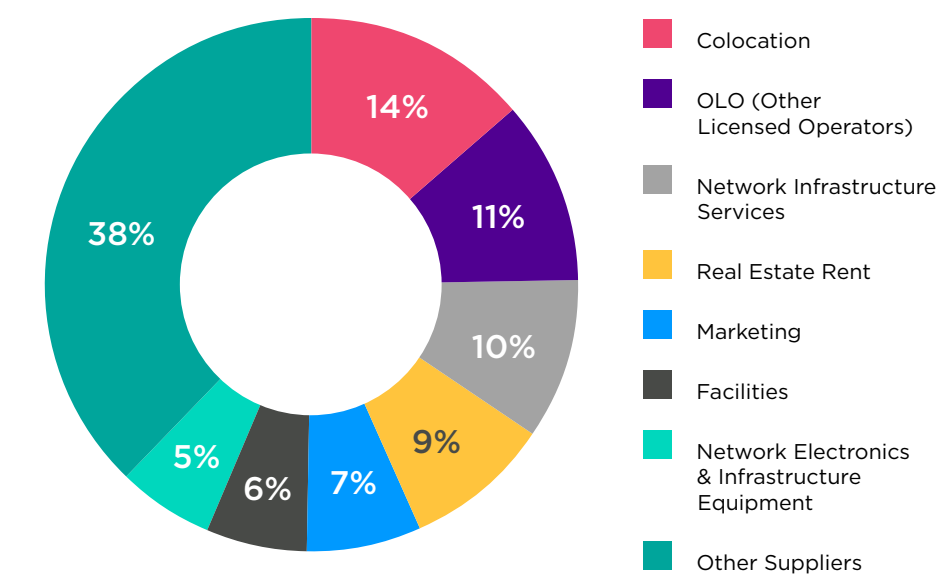
3.2. Our value chain

SDGs: 8.2, 9.c

The Sustainability Report showcases the Sustainable Development Goals (SDGs), and their targets, that Colt Group has contributed to the most.

Our suppliers

Services and commodities

→

Innovative Colt

Innovation

Connectivity

→

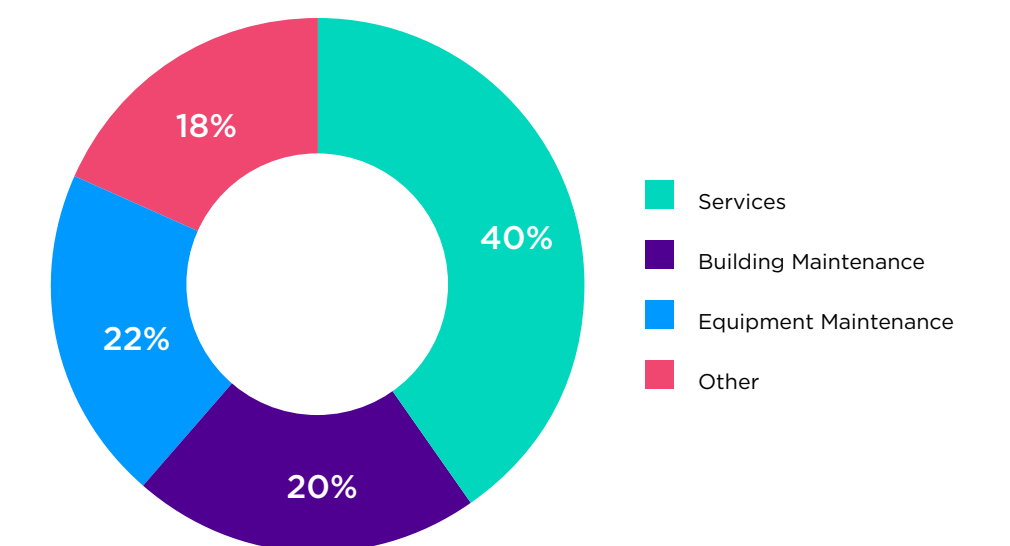**Our customers**

Drivers

Our suppliers

Colt Group's suppliers are an integral part of our business. They provide us with the commodities, services and support needed to deliver our services and products. At Colt Group, we work with almost 4,000 suppliers spread over 50 countries, mostly based in Europe.

Colt and DCS supplier types

Colt supplier types*

- 14%
- 11%
- 10%
- 9%
- 7%
- 6%
- 5%
- 38%

- Colocation
- OLO (Other Licensed Operators)
- Network Infrastructure Services
- Real Estate Rent
- Marketing
- Facilities
- Network Electronics & Infrastructure Equipment
- Other Suppliers

DCS supplier types*

- 18%
- 40%
- 22%
- 20%

- Services
- Building Maintenance
- Equipment Maintenance
- Other

*Colt Group supplier types based on number of suppliers

Innovation at Colt

At Colt, we strive to transform the way the world works through the power of connectivity. Innovation has always been a key part of our DNA to enable customers to thrive.

We understand today's shifting connectivity requirements and provide innovative solutions to support our customers' needs. We are a recognised innovator and pioneer in Software Defined Networks (SDN) and Network Function Virtualisation (NFV). We have launched a number of innovative proof of concept projects (smart building and smart office as depicted below) to co-innovate with partners and customers. Together we develop technical, operational and business synergies, identify use cases and prove the value of the proposition.
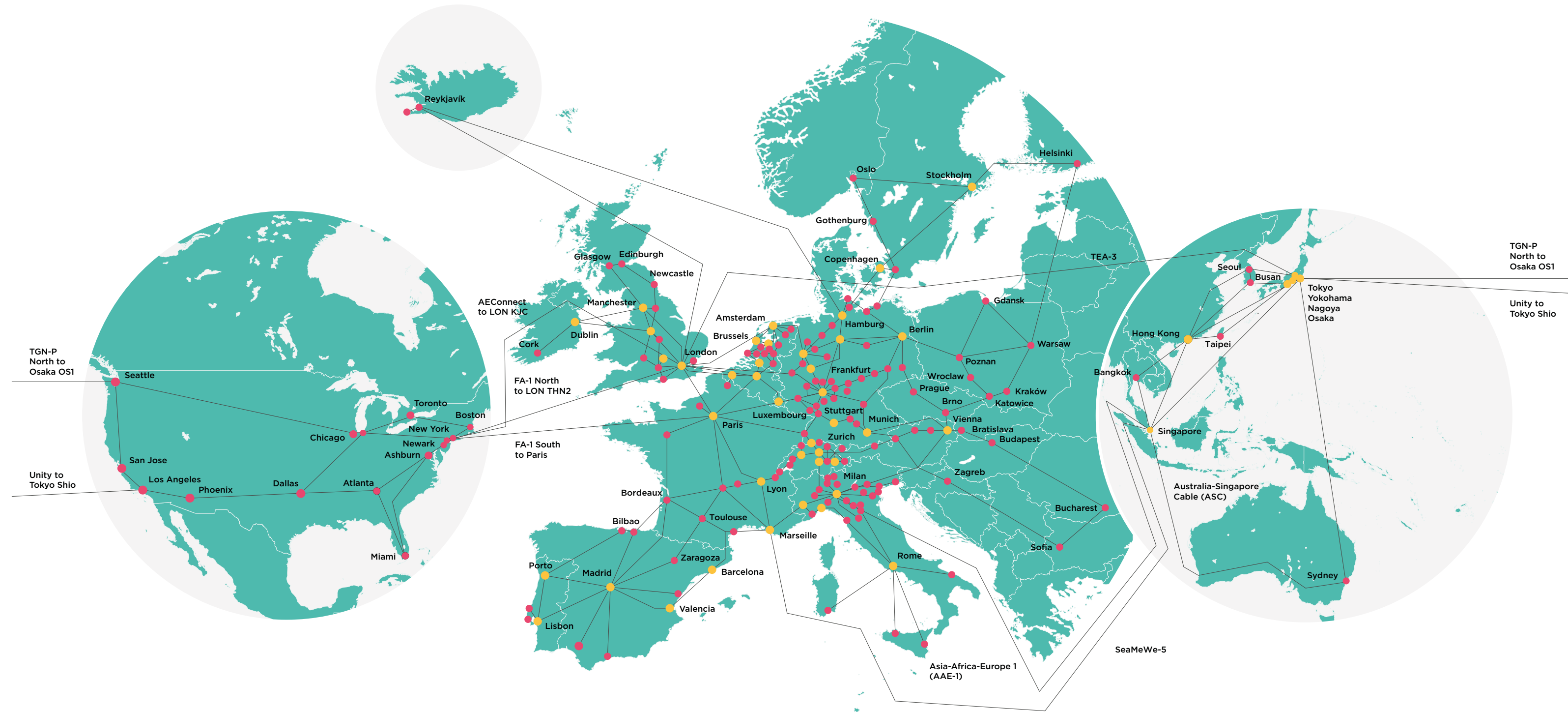
The wheel of customer needs and Colt products
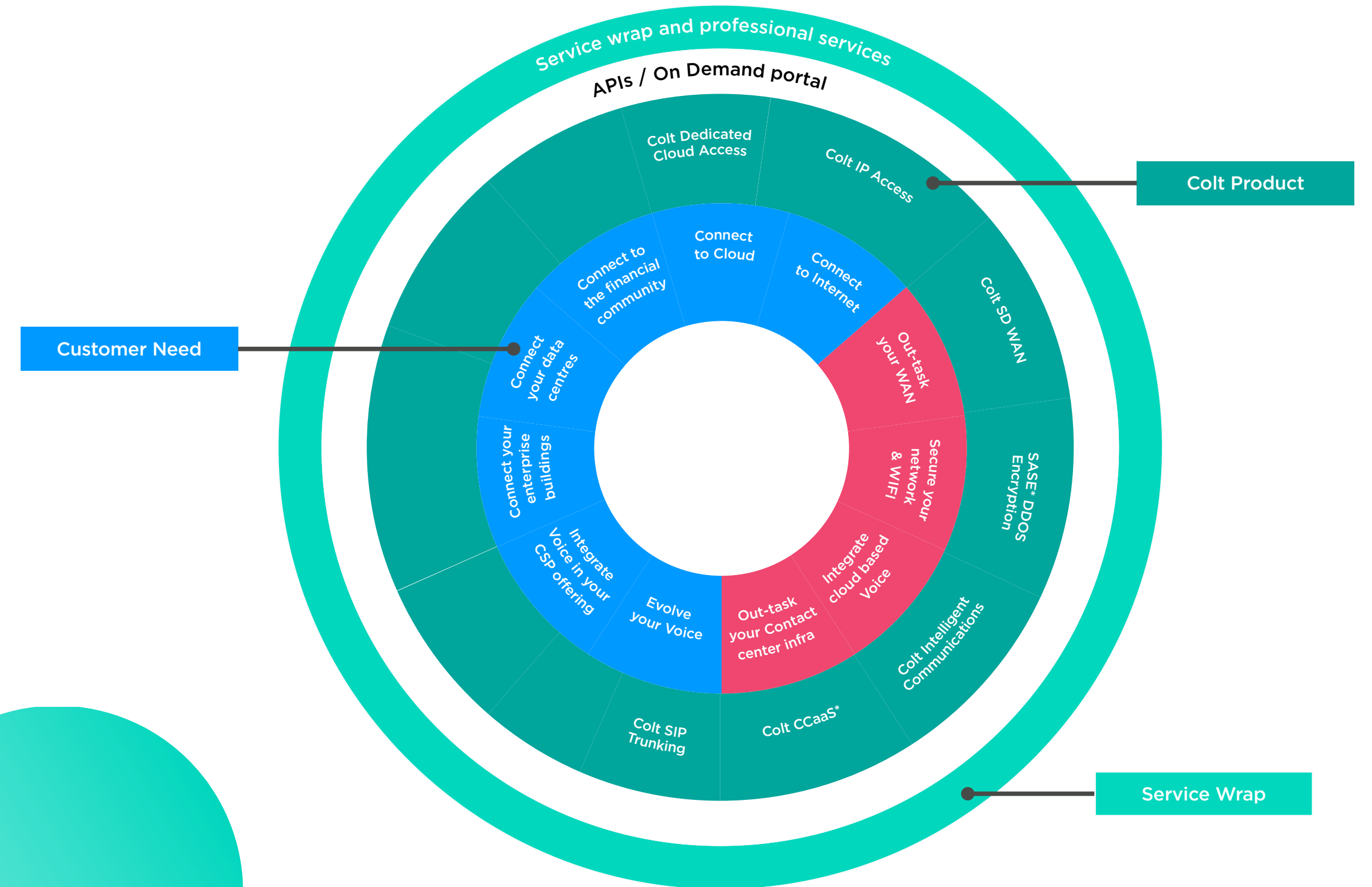
Our network: Colt connected cities

The Colt IQ Network connects to more than 900+ data centres and over 29,000 on net buildings across Europe, Asia and North America's largest business hubs

Number of MANS	51
Number of connected data centers	900+

Key

🟡 Metropolitan Area Network

🔴 Colt connected city

— Operational network managed end-to-end

Please note: Network connections between cities are logical paths and may not reflect actual routes

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At DCS, we believe in building a sustainable hyperscale data centre future. We provide data centre solutions to some of the largest Cloud Service Providers and Enterprise businesses across 14 state-of-the-art carrier-neutral data centres spanning eight cities across Europe and APAC.
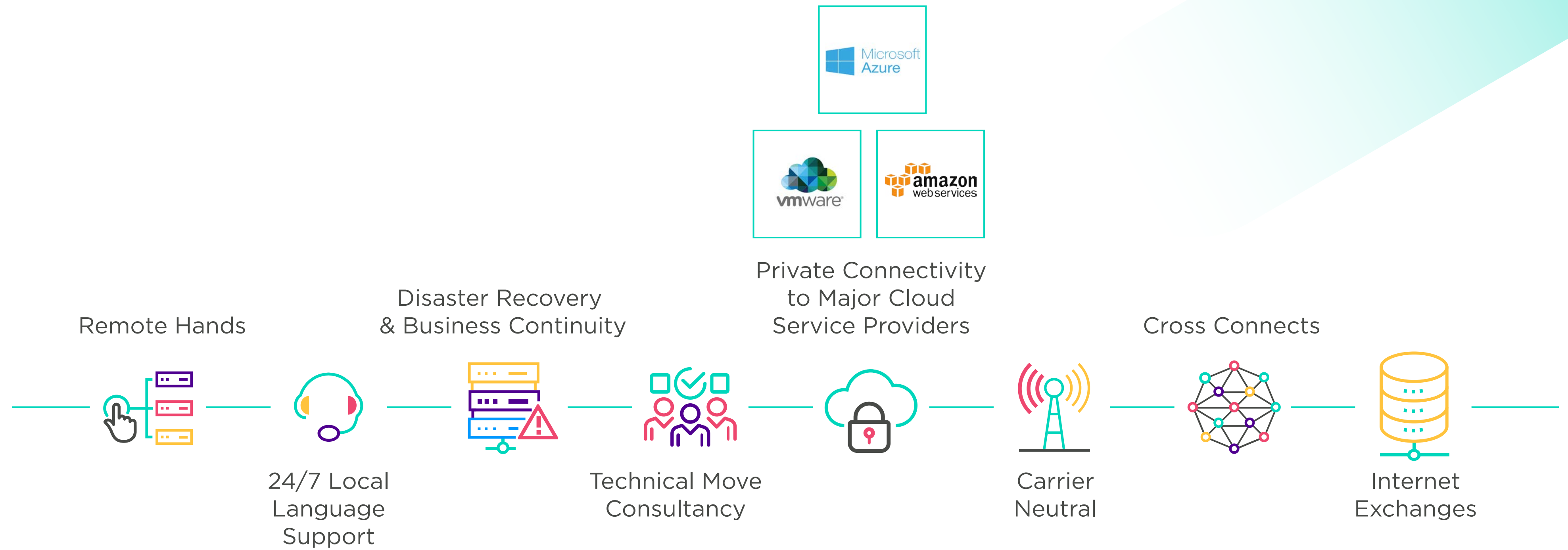
DCS's services in the design, build, delivery and operational management of hyperscale data centres allow our customers the freedom to plan effectively for the growth of their business, knowing that their data centre strategy is ready for the demands of tomorrow.

DCS was established as an operationally independent business in 2015 to accelerate the business's ambitious growth plans. The following year, Colt Group's shareholders secured a number of global expansions to add to DCS's data centre footprint within key markets across Europe and Asia. Following the acceleration of DCS's hyperscale strategy, we announced the inception of a new 120 MW data centre in Mumbai, which will be the largest data centre in DCS's current portfolio and marks its entry into the India data centre market. Over the last two years, DCS has worked closely with the shareholders on their acquisition and development of multiple parcels of land in London, Frankfurt, Paris and Japan, which will see DCS's current capacity grow from 93MW to over 850MW globally. For the purposes of this report, DCS includes all hyperscale sites either owned or operated by DCS and references to reporting by Colt Group should be interpreted accordingly.
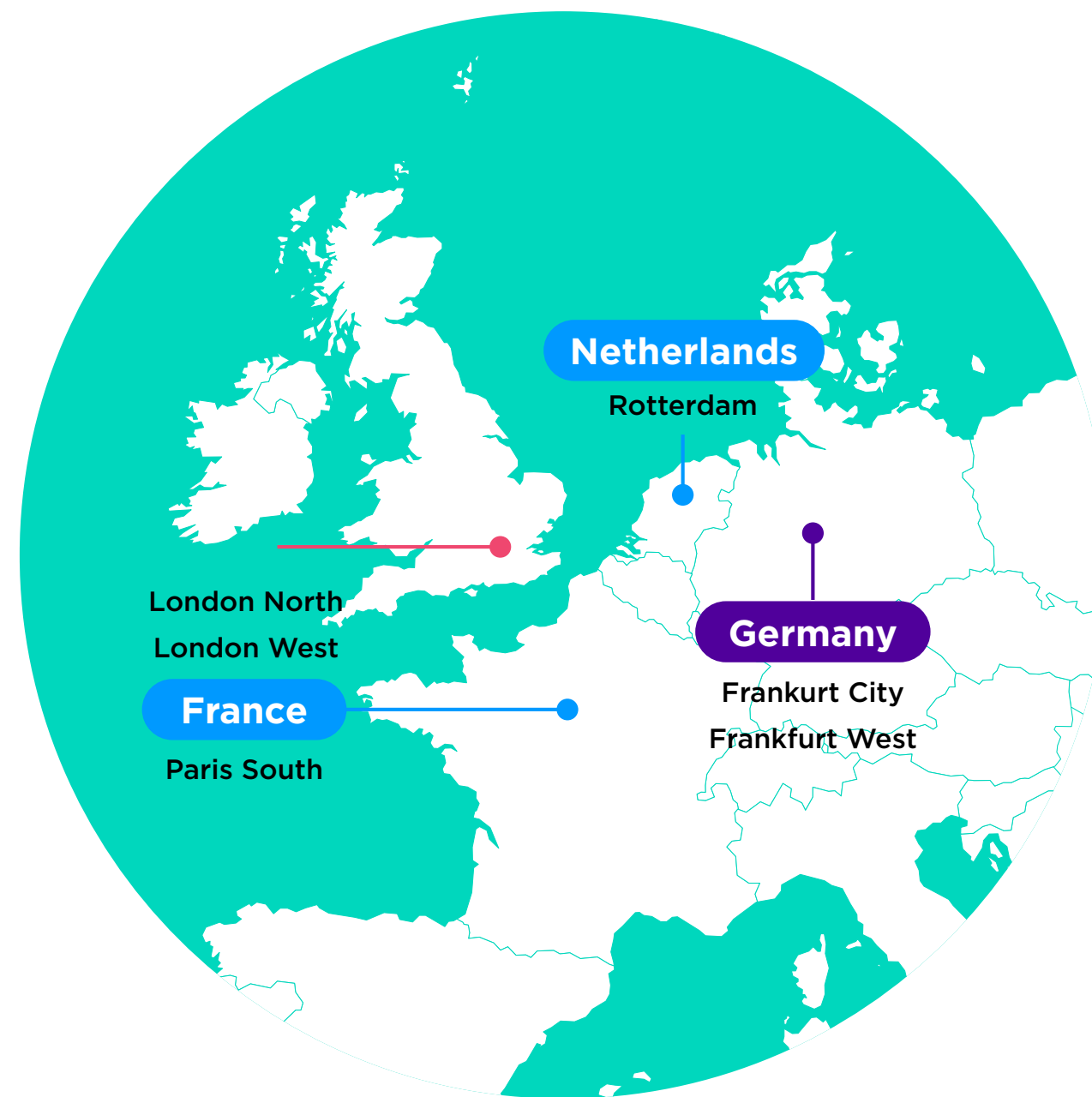
DCS's products and services

Direct connectivity
into major cloud platforms

14
Carrier neutral
data centres

Connectivity
into major internet
exchanges and
data centres

Connected to
180
carriers globally

2
Continents

Supported by 24/7
local-language
customer service desk

DCS's products and services

Microsoft Azure

vmware   amazon web services

Private Connectivity to Major Cloud Service Providers

Remote Hands

Disaster Recovery & Business Continuity

Cross Connects

24/7 Local Language Support

Technical Move Consultancy

Carrier Neutral

Internet Exchanges

Colt Data Centre Services footprint

Netherlands
Rotterdam

France
Paris South

London North
London West

Germany
Frankurt City
Frankfurt West

India
Mumbai

Japan

Tokyo Shiohama
Tokyo Otemashi

Tokyo

Chiba
Inzai One
Inzai Two
Inzai Three

Osaka
Osaka
Osaka Keihanna

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Our customers

Our customers include data-intensive organisations spanning over 210 cities in more than 30 countries

At Colt Group, our customers are at the heart of what we do. Through our committed people and inclusive approach, we aim to give them the best experience in the industry. One of the ways we measure how we are performing for our customers is through our Net Promoter Score (NPS). NPS is a key measure in monitoring and tracking our customer experience performance and demonstrates how our efforts, initiatives and programmes work for our customers.

Colt Group NPS scores*

Colt and DCS registered industry leading NPS score*

Colt and DCS NPS 2021

Colt EU	66
Colt Asia	34
DCS EU	72
DCS Asia	54
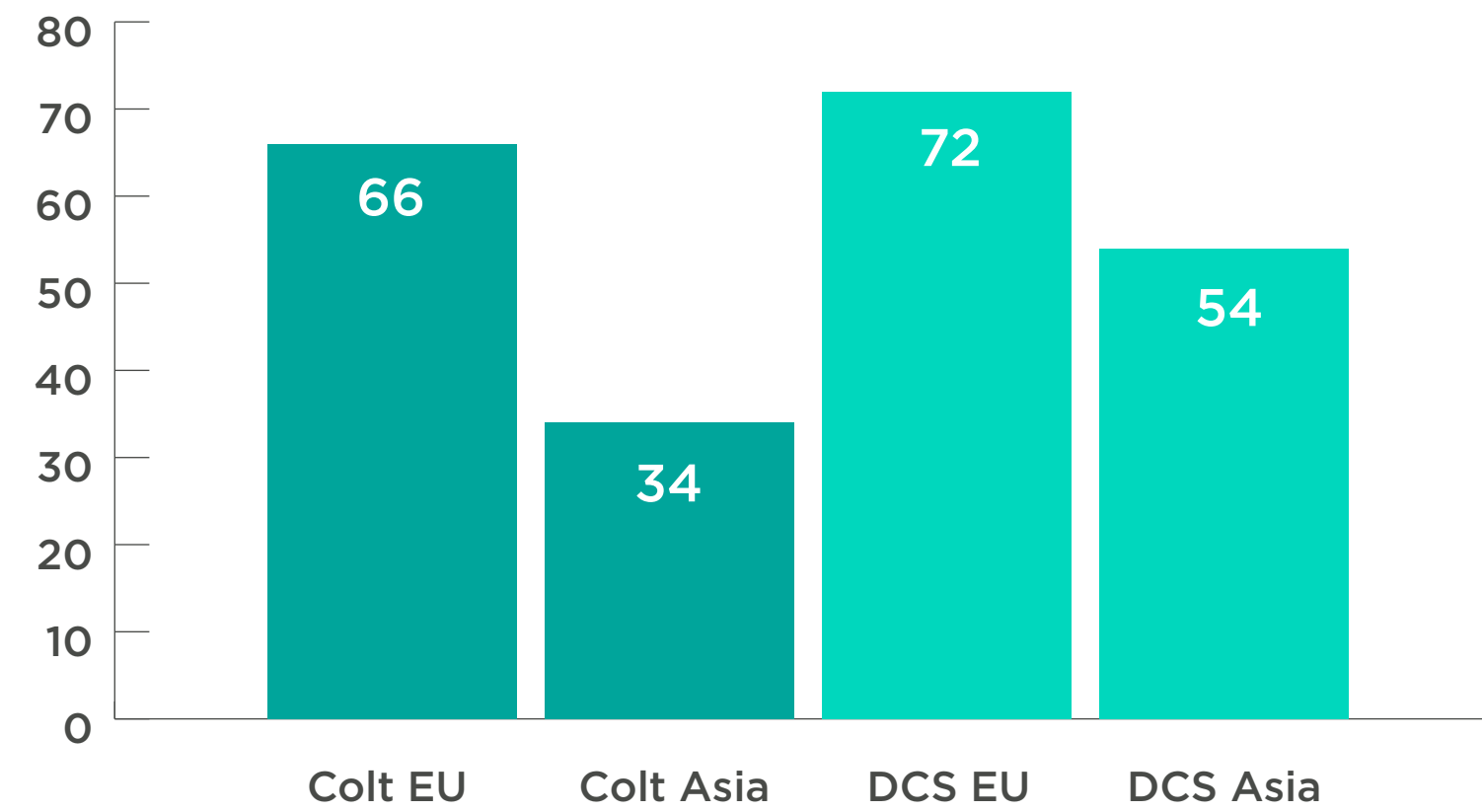
*Colt compare favourably with the NPS Telecom Industry Benchmark which was 31 in 2021.

Source: B2B benchmarks report copyright customergauge © 2021

3.3. Colt's vision and values

Colt employees were involved in developing our values

Colt's purpose is to transform the way the world works through the power of connectivity. We have a vision to become the most customer oriented business in our industry. Our purpose and vision have influenced our history and will shape our future.

Connectivity is at the heart of everything we do - the way we work with each other, build our strategic alliances, and enable our customers with our leading products and services. We own every part of our network from end to end, giving us a significant advantage over our competitors.

We know that connectivity matters, and we encourage our customers to be more demanding, building our reputation on an industry-leading customer experience.

Our values identify what we do and how we do it. They are the essence of our identity and tell a story of who we are and how we deliver our purpose and vision.

We know people matter: Whether it is a customer, a partner, or an employee, we build relationships based on trust, honesty, respect, and integrity. We value diversity and we strive to be more inclusive as everyone has the freedom to speak, be heard, and strive.

We always find a better way: By staying one step ahead, we empower our customers to success through the power of connectivity. We are swift to adapt and take responsibility for the promises we make.
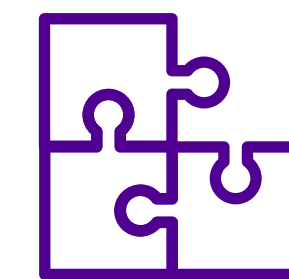
We win together: We believe in the power of many and stand shoulder to shoulder with customers, partners and colleagues collaborating on ideas, sharing risks and recognition among all. When we make a decision, we understand its impact and rally behind the decision to make it a success.

We can change the world: We want to make the world a better place. Better connected, more sustainable, fairer for all. We will use what we have – passion, technology, connectivity – to create good.

3.4. DCS's vision and values

At DCS, we believe in building a sustainable hyperscale future for our customers, people and the planet. As an organisation, the values we promote encourage an innovative culture in which our employees can exchange ideas, opinions and experiences that enable us to deliver on our vision of being the most trusted and customer centric data centre operator.

Our vision is to be the most trusted and customer centric data centre operator in the industry.

colt
Data Centre Services

Our values
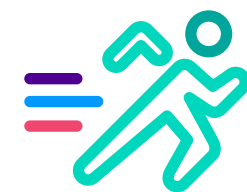
Agility of a start up

The ability to move fast and adapt quickly to changing circumstances. Curiosity, courage and flexibility to challenge, adapt and improve. Continually making things simpler, quicker, better, leaner.

Collaborate to perform

Collaborating across many different teams and geographies to create value for DCS and its customers. Constructive, not conflicting. Clear respect for colleagues. Sharing wider knowledge and expertise.
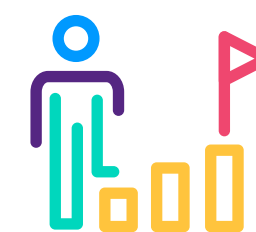
Step up to challenges

A relentless focus on execution, excellence and constantly raising the bar. Challenging complacency and being best in class. Stepping up to take real ownership for delivery and identifying ways to 'move the needle' on a bigger scale.

Value creation

Creating value for customers and shareholders through deep engagement and real understanding of their strategies and needs. Take a broad view of business, customer and market dynamics. Constantly think 'shareholder value' to drive DCS's commercial performance.

3.5. Sustainability strategy

SDGs: 12.6, 13.1, 13.2, 16.6, 16.7

Corporate sustainability strategy

Colt Group's focus is on contributing to a more sustainable and equitable society through innovation and the promotion of technological solutions

In line with our values, Colt Group takes ownership of our impact on our environment, our employees, our customers, our suppliers, and our communities. We want to make the world a better place, and our role as a provider of innovative technology and data centre services provides both an opportunity and a responsibility to take the lead in contributing solutions for a sustainable future.

We support a circular, carbon-neutral and zero waste future with the help of information technology. We create a healthy, safe and inclusive workplace where everybody has an equal opportunity to thrive. We actively seek to promote diversity in our staffing along with greater empowerment and wellness for all our employees.

We are committed to ensuring Colt Group's commitments on Environmental, Social and Governance (ESG) are converted into positive impact, which is why we have set ourselves ambitious targets to drive forward our actions

Good governance is ingrained in the way we conduct our business operations. Colt Group's Code of Business Conduct sets out the principles for working together and working with outside partners and stakeholders. It provides guidelines for our business practices which all our employees must follow.

We report our sustainability activities to several standards organisations, such as the Carbon Disclosure Project (CDP) and EcoVadis. We have committed to report our activities against the Taskforce for Climate-Related Financial Disclosures (TCFD) requirements.
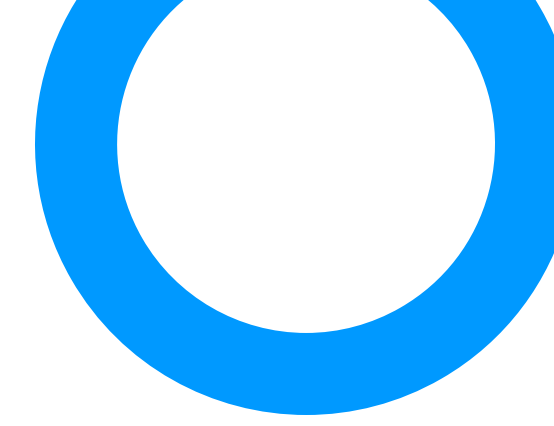
EcoVadis Gold Medal
Top 3% for the sector

B Management Level

Shortlisted for employee engagement & behavior change **Initiative of the Year**

Sustainability is a core ingredient of our DNA and our future business strategy, and it matters at all levels of the organisation. We are committed to contributing towards the UN Sustainable Development Goals (SDGs). Please see below the SDGs and their targets Colt Group has contributed to the most*.

3 GOOD HEALTH AND WELL-BEING *3.5, 3.8*	**8 DECENT WORK AND ECONOMIC GROWTH** *8.4, 8.5, 8.7, 8.8*	**12 RESPONSIBLE CONSUMPTION AND PRODUCTION** *12.2, 12.4, 12.5, 12.6, 12.8*
4 QUALITY EDUCATION *4.4, 4.a*	**9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** *9.4, 9.c*	**13 CLIMATE ACTION** *13.1, 13.2, 13.3*
5 GENDER EQUALITY *5.1, 5.5*	**10 REDUCED INEQUALITIES** *10.2, 10.3, 10.4*	**16 PEACE, JUSTICE AND STRONG INSTITUTIONS** *16.5, 16.6, 16.7*
7 AFFORDABLE AND CLEAN ENERGY *7.2, 7.3*	**11 SUSTAINABLE CITIES AND COMMUNITIES** *11.6*	**17 PARTNERSHIPS FOR THE GOALS** *17.3*

* Please, see more details in the appendix under 'Colt Group's Contributions to the SDGs'

Governance of the sustainability programme

The sustainability programme is overseen by the Environmental Sustainability Steering Committee (the SteerCo), an executive-level committee co-chaired by the CEOs of Colt and DCS. The SteerCo meets quarterly and is responsible for agreeing to and approving Colt Group's global sustainability strategy and policies.
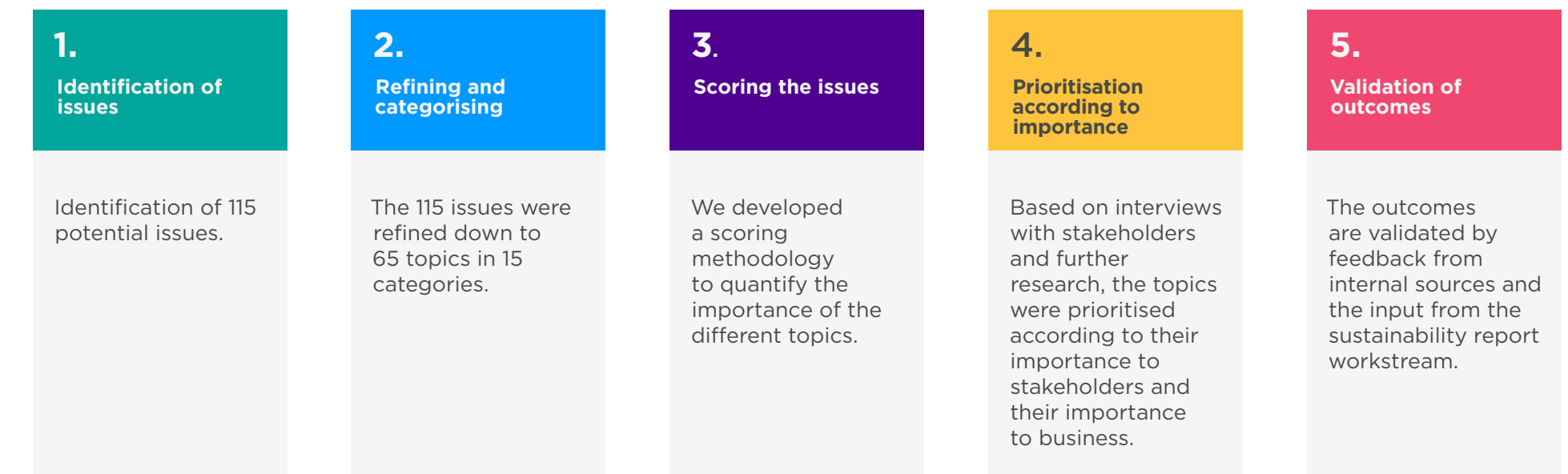
The SteerCo is responsible for delivery against annual targets and ensuring that Colt Group employees deliver against sustainability goals in their objectives. Our General Counsel, Caroline Griffin Pain, is the executive sponsor of Colt Group's sustainability programme. Operational responsibility is held by management: the heads of the relevant business units and advisory functions.

A global I&D Council has been established to ensure alignment between the Inclusion and Diversity strategy and the overall business strategy. The membership comprises representatives from each of our employee networks and each part of Colt's business. The council helps create the I&D strategy and key measures and enables us to consider I&D when making strategic business decisions.

Our Chief Financial Officer, Gary Carr, is the executive sponsor of our charitable giving and volunteering activities.

Materiality analysis

For Colt Group's first Sustainability Report, we conducted an in-depth materiality analysis to understand the most relevant issues to our business operations and its stakeholders.

1. Identification of issues	2. Refining and categorising	3. Scoring the issues	4. Prioritisation according to importance	5. Validation of outcomes
Identification of 115 potential issues.	The 115 issues were refined down to 65 topics in 15 categories.	We developed a scoring methodology to quantify the importance of the different topics.	Based on interviews with stakeholders and further research, the topics were prioritised according to their importance to stakeholders and their importance to business.	The outcomes are validated by feedback from internal sources and the input from the sustainability report workstream.

The materiality topics prioritised through the process are grouped under four different headings: Environment, Social, Governance and Business Innovation and Digital.

Colt materiality topics and matrix
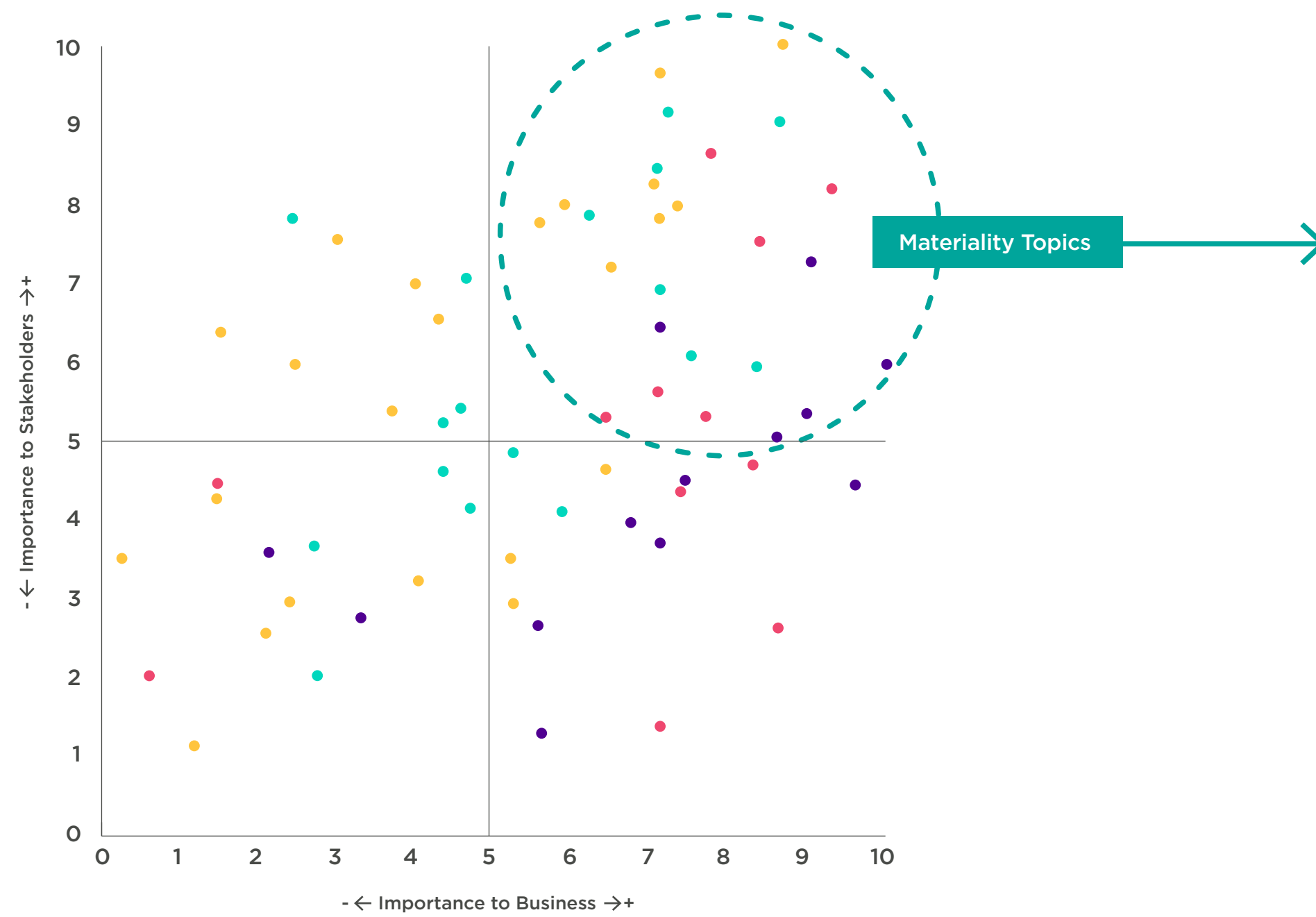
Environment

1. Carbon and GHG emissions strategy
2. Climate change strategy
3. Energy efficiency and intensity
4. Energy management consumption
5. Environmental impact and management
6. Promoting sustainable lifestyles
7. Waste and materials management Circular Economy*

Social

8. Diversity and inclusion
9. Employee engagement
10. Employee growth development training
11. Employee well-being and Health & Safety
12. Foster dialogue with stakeholders and suppliers
13. Providing technology solutions for societal challenges
14. Respect of Human Rights
15. Responsible management in the supply chain

Governance

16. Ethical business practices
17. Risk and opportunity management
18. Transparent lobbying activities
19. Transparency and reporting.
    Anti-Corruption processes and training*

Business Innovation and Digital

20. Business resilience and adaptation
21. Cybersecurity
22. Digitalisation and the world of work
23. Innovation
24. Key agent in digital transition
25. Privacy and personal data protection.
    Customer experience/satisfaction

Materiality Topics
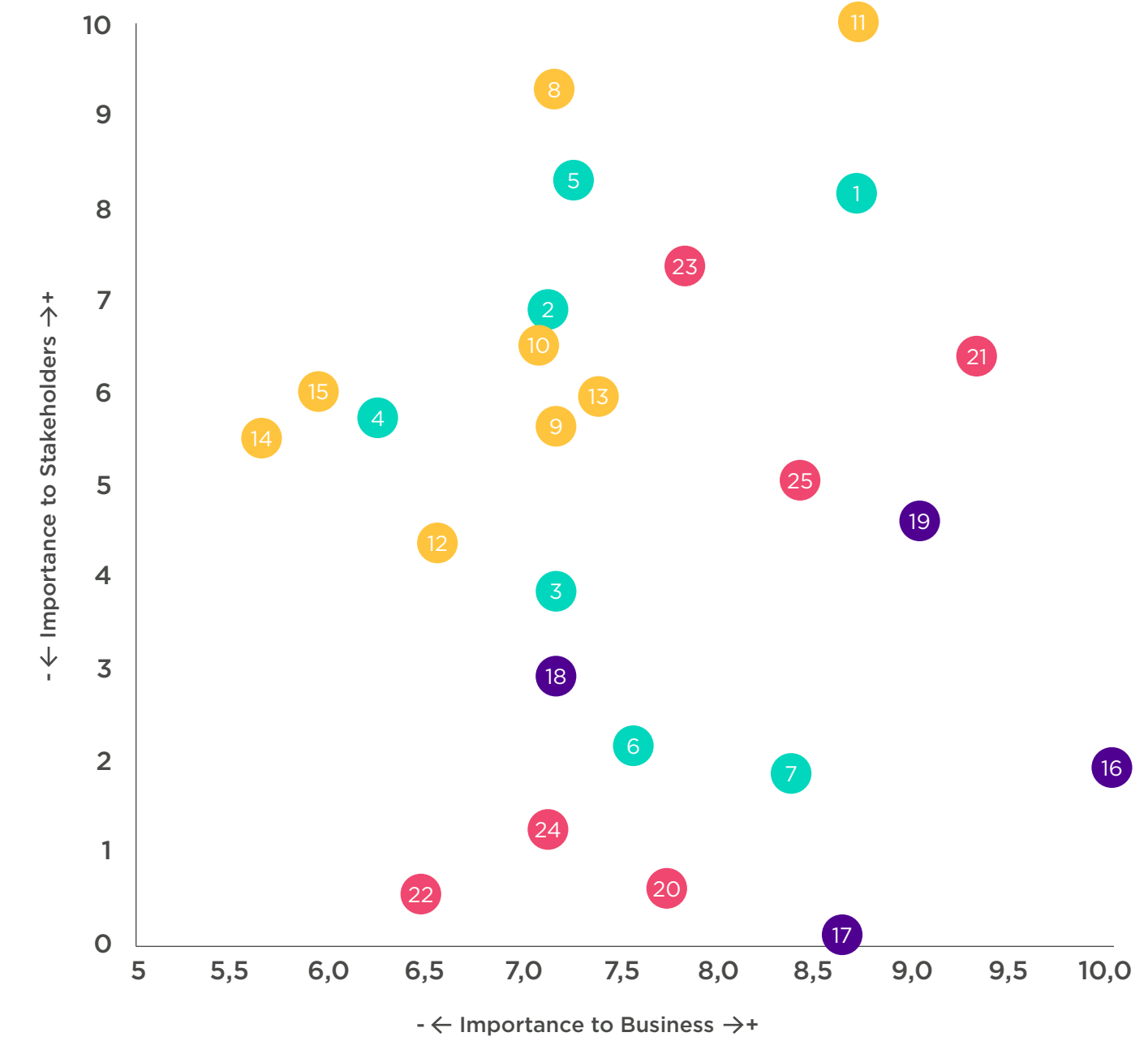
These topics were considered as material through the final 'Validating the outcomes' step

Governance

colt

4. Governance

"Colt is committed to the highest possible legal and ethical standards. It is the policy of Colt to instil and to maintain a true culture of compliance with all laws, rules and regulations wherever we do business. We hold our people to the highest standards when it comes to governance, ethics and regulations. We do this by consistently providing them with the tools and training they need."

Caroline Griffin Pain
General Counsel and Company Secretary

4.1. Governance and our Board

SDG: 5.5, 16.6, 16.7

43% of Colt Board members are women

Our actions impact our stakeholders and our communities. We have a responsibility to our owners, customers, suppliers and employees to act as a reputable global company. Colt Group's Code of Business Conduct and policies set out how we operate in an honest, transparent and accountable way, with consistency across all markets.

With seven Directors on the board of Colt Group Holdings Limited (Colt Board), the company can accommodate its need to operate as a large private limited company. Colt and DCS have separate board meetings and each of Colt and DCS has a separate Remuneration Committee and there is a joint Audit Committee.

The Colt Board makes decisions affecting Colt and the Colt Group. The DCS Board has a full mandate to make decisions regarding DCS. The Colt Board and DCS Board are each comprised of non-executive directors and senior management. The Audit Committee and the Remuneration Committee do not include executive directors.

Our approach to diversity is reflected in the Colt Board's composition, where there is a range of backgrounds and experiences, bringing about a balanced and effective board for Colt Group's purpose.

Colt board composition

7 Board members

43% female

57% male

1 Executive members
100% female

6 Non-executive members
67% 33%
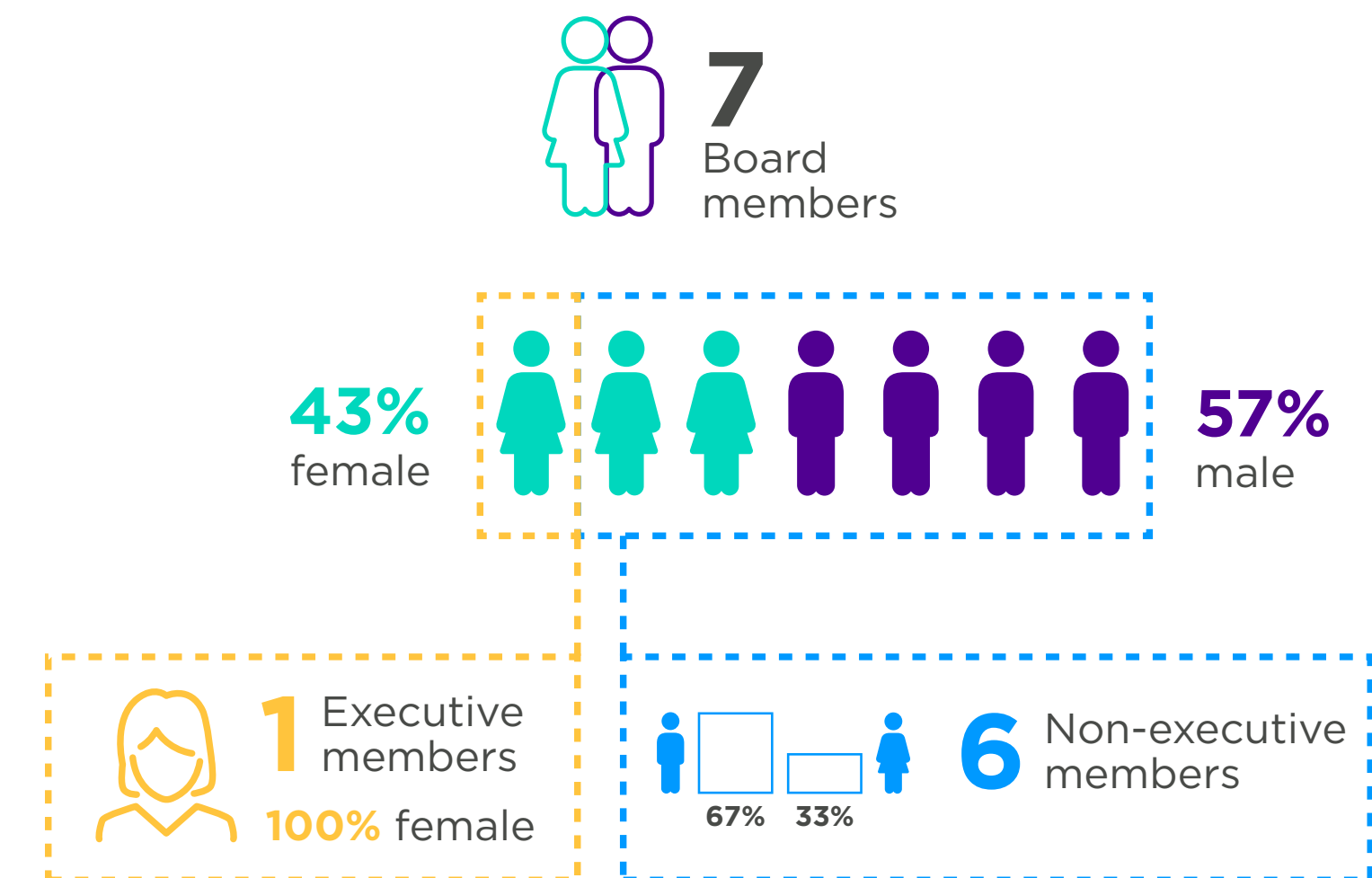
4.2. Business ethics, anti-corruption and whistle-blower mechanism

SDGs: 16.5, 16.6

In 2021, 98.6% of Colt Group Employees have completed training on anti-corruption*

* Data includes only active employees and excludes Contractors Ongoing. The completion rate for new joiners was 94.5%

We are committed to running our business responsibly and to the highest ethical principles. Colt Group's Code of Business Conduct sets out the overall standards and commitments towards ethical conduct, anti-corruption, whistle-blowing and legal compliance. These standards extend to Colt and DCS's suppliers, partners, agents, employees and subcontractors.

In conducting business, each employee and person acting for Colt Group is responsible for observing and complying with all applicable laws, rules, regulations, and commonly accepted business standards of conduct and courtesy. All Colt Group employees must comply with anti-bribery legislation and avoid all forms of corruption.

All Colt Group employees must complete mandatory training about the Code of Business Conduct annually.

Colt Group has established a whistle-blowing system, and our employees are encouraged to raise breaches of the Code of Business Conduct. Reports can be made via the independent Business Ethics Line or by reporting to the Corporate Compliance Committee. Anonymous reporting is possible wherever permitted by local law.

The Corporate Compliance Committee reports quarterly to the Audit Committee about breaches or suspected breaches of the Code of Business Conduct. The members of the Colt Board and its subcommittees receive training around their duties when appointed.

The Colt Board and its subcommittees are aware of the UK Companies Act 2006 duty to declare a conflict of interest in any matters presented to them. Related Parties' transactions are independently assessed as part of the statutory audit.

2021   **98.6%**

Anti-corruption training

Governance
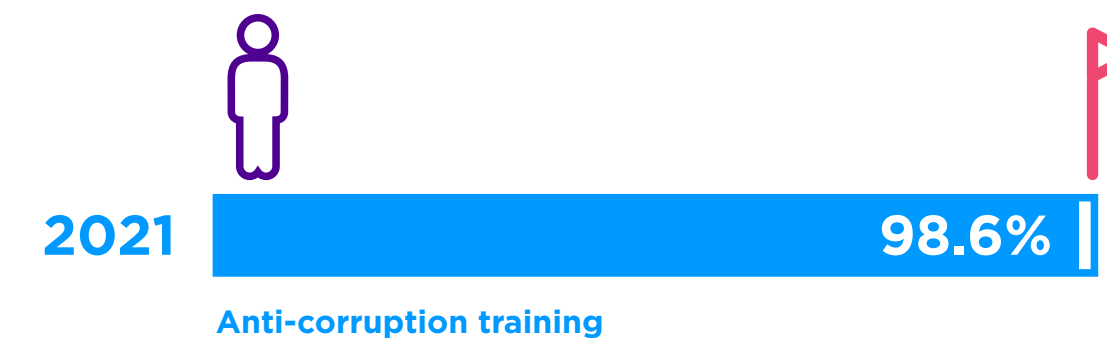
4.3. Human rights

SDGs: 5.1, 8.7, 8.8, 10.3, 10.4, 12.6, 12.7

In 2021, 14%* of our suppliers were screened for social criteria

*In early 2022 we improved the way we engage with our suppliers to enhance our screening process. This percentage has been calculated based on the number of active suppliers in 2021 and the updated information available for those suppliers as of end of March 2022.

Colt Group is committed to upholding the fundamental human rights set out by the International Labour Organisation (ILO) and requires all employees to comply with all of the ILO's Fundamental Principles through their conduct and responsibilities.

We have zero tolerance for slavery and human trafficking. We will not tolerate any such activities within our operations or supply chain. The Colt Board annually approves a Modern Slavery Act statement which is published on our website and demonstrates our commitment to running our business responsibly and sets out our overall approach. We maintain the highest ethical principles in respect to human rights.

We are committed to taking appropriate steps to ensure that everyone who works for Colt Group – in any capacity, anywhere in the world – benefits from a working environment in which their fundamental rights and freedoms are respected.

Colt Group is committed to establish structures through the organisation to proactively engage trade unions, works councils and employees with a view to create and strengthen constructive relationships to harness and optimise the human capital within the organisation.

In Europe, Colt Group's employees are represented through a **European Works Council (EWC)**, whose membership comprises employee representatives from all European Union offices.

In addition, there are seven **National Works Councils (NWCs)** in six European countries.

Colt Group consults with both the **EWC** and the **NWCs** regularly.

In countries where there is no National Works Council or union representation, we have other forms of information and consultation forums such as the UK Communication Committee, elected employee representatives in each office (e.g Japan) and Colt Ambassadors in each of our Colt countries.

Colt Group respects employee's rights to freedom of association and collective bargaining.

63% 37%

In Europe, **62.7%** of our employees* are covered by collective bargaining agreements, which cover working conditions and terms of employment between one or more employers or employers' organisations and one or more employees' organisations.
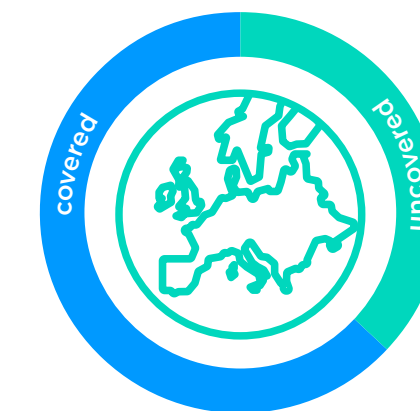
covered / uncovered

For employees not covered by collective bargaining agreements, working conditions and employment terms are confirmed in the employment contracts, global and local HR policies, country-specific employee handbooks or collective agreements at company level.

*This percentage includes: Employee, Fixed Term Employee and Grads or all employees with active and inactive payroll at Colt Group.

4.4. Risk management

The effective understanding and management of our risks is a key factor in the continued business success at Colt Group. We strongly believe that good risk management drives better commercial decisions and creates a more resilient and sustainable business.

Colt Group operates an Enterprise Risk Management Framework covering all types of risks, including sustainability risks. The Group Risk Management Team is responsible for the overall risk framework, including its consistent and continuous application across the business. The Group Risk Management Team regularly reports to the Audit Committee.

2021 key activities

In 2021, Colt produced a climate-related risk assessment that looked at our impact on the climate and the impact of climate change on our operations. All risks were identified as either transitional or physical risks, with each physical risk classified as either chronic or acute. In 2021, DCS also produced a climate-related risk assessment to identify any risks from climate change on the normal operation of our data centres.

Risk impacts are analysed and evaluated under our enterprise risk management process in terms of profit 'at-risk'. In line with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD), we performed detailed impact quantification for a selection of key risks. The Finance team then reviewed the output and considered its inclusion as part of our financial modelling and disclosures.

Identified risks and opportunities were reviewed against Colt's risk appetite. For risks sitting outside of appetite, the relevant risk owners are responsible for implementing additional risk mitigating actions.

4.5. Data privacy and cybersecurity

In 2021, 98.4% of Colt Group's employees have completed training on data protection*

* Data includes only active employees and excludes Contractors Ongoing The completion rate for new joiners was 91.8%

We must do this with integrity and transparency as we drive digital transformation to unlock commercial value across the entire value chain. We continue to strengthen our capabilities to protect personal data belonging to individuals, such as our employees, partners and customers, and commercially sensitive data.

Colt Group's Privacy Goals and Global Privacy Policy enable us to effectively protect personal data and manage privacy risks to our business services, functions, information systems, assets, and people. We have articulated clear requirements for cybersecurity through incident response procedures to help prevent interruptions and cyberattacks.

Colt Group has implemented data breach procedures and a complaints procedure for employees, customers and third parties. Annual and recurrent mandatory training in Data Breach and Data Privacy compliance is provided to all Colt Group employees.

Data protection training in 2021

2021 98.4%

Data Protection training in 2021

Governance

In 2021, we became one of only ten companies to get the approval of the Binding Corporate Rules of both controller and processor with the European Data Protection Board and the only voice and data communications provider in the world to have achieved this standard since the new GDPR came into force

Colt Group has implemented procedures, tools and KPIs to apply the principles of Privacy by Design and Privacy by Default at the first stage of every product, application, policy, or system launch and along the lifecycle of the relevant data processes. This means that all policies, procedures and systems will need to comply with the General Data Protection Requirements (GDPR) and any other applicable Data Protection legislation from the inception of the products and processes development.

In 2021, we provided a Mandatory Privacy E-Learning Training for all Colt Group employees, which includes the following modules: Data Breaches, Basics of Personal Data, Colt Group Obligations and Privacy Regulations, Colt Group Employee Obligations, Implementing Data Privacy compliant projects and Binding Corporate Rules (BCRs) and International Data Transfer.

In 2021, we organised a worldwide Data Privacy Week that addressed issues such as Data Breaches, BCRs, project implementation according to privacy compliance, working in a data breach scenario and Data Privacy by Design and Default.

In addition, we organised Data Privacy Awareness Week Training in Ireland and India, considering local privacy topics and regulations.

BCRs are the privacy certification that provides us with the highest recognition in privacy that a group of companies can have and proof of privacy compliance. This allows us to transfer personal data easily between all our entities, keeping the same levels and standards of privacy compliance across all Colt Group companies.

4.6. Regulation and policy engagement

We engage routinely with regulators as part of conducting our business. We are committed to conducting all engagement activities with regulators, policymakers and civil servants with transparency, openness and integrity.

Our Code of Business Conduct sets out the overall standards and commitments toward our policy engagements.

Engagement with Climate Neutral Data Centre Pact

We are actively engaged in developing self-regulatory frameworks for mandatory carbon reporting by Data Centre service operators. In 2021, DCS's Director of Energy and Sustainability served as a board member of the European Data Centre Association (EUDCA).

A clear governance framework has been established to ensure consistent engagement with policymakers. Our engagement via the EUDCA is monitored and overseen by the DCS Energy and Sustainability board. All key commitments required from our EUDCA involvement are assessed at this board meeting, which every member of the DCS SMT attends. The DCS Senior Management Team's position on different measures in the EUDCA reflects our collective agreement at the DCS Energy and Sustainability Board.

Governance

Carbon and Environment

5. Carbon and Environment

"We take full accountability for our emissions. Our goal line is clear: we aim to become a market leader in sustainability and drive positive change in the technology industry by reducing our emissions and assisting our customers in their sustainability journey."

Keri Gilder
CEO, Colt Technology Services

"Climate action is about creating long-term value while reducing emissions accurately and credibly. Only then can we help deliver the global carbon reductions needed to avoid catastrophic effects of climate change."

Niclas Sanfridsson
CEO, Colt Data Centre Services

"Sustainability is embedded into everything we do and it's critically important for Colt and its customers. That's why it's so important that we have ambitious, science-based targets for our business."

Kelsey Hopkinson
ESG Director

"Colt DCS is full of people who are passionate about responsible business growth and doing the greater good for our planet. We have made sure our carbon reduction targets are science based, credible and customer focused."

Scott Balloch
DCS Energy and Sustainability Director

5.1. Our journey to Net Zero

SDGs: 7.2, 12.2 ,12.4, 13.1, 13.2

Our carbon reduction strategy seeks to address greenhouse gas emissions across our operations and the whole value chain

In 2021, Colt Group announced our near-term emissions reduction targets approved by the Science-Based Targets Initiative (SBTi)

To combat the worst effects of climate change, we as a society need to move to a net zero carbon emissions economy by 2050. And we need to start now. In order to reach net zero carbon, the world must decide to make significant emissions reductions, cutting carbon emissions by half over the next decade.

As a major player in the technology and data centre industry, we recognise our role in helping to enable the net zero carbon economy through developing and deploying new and existing technologies.

We are currently evaluating our net zero roadmap and defining our long-term targets.

The SBTi

Established in 2015 to **help organisations** set emission reduction targets in line with science and the goals agreed under the Paris Climate Accords. More than 2,000 businesses worldwide are already working with the Science Based Targets initiative. The SBTi defines and promotes best practices in science-based target setting and independently assesses and approves companies' targets in line with its strict criteria.

Carbon and Environment

colt

Our carbon reduction strategy is a joint strategy across Colt and DCS, focusing on internal carbon reductions across all operations and services. This will mean measuring and disclosing our climate impact and reducing it in line with what science says is required to achieve the Paris agreement targets.

Our 2030 near-terms targets

Scope 1 and 2: Colt Group is aligning with the Paris Agreement 1.5 degree trajectory. We will cut emissions by -47% (compared to our 2019 baseline).

Scope 3: Colt Group is aligning with the Paris Agreement well-below 2 degrees trajectory. We will cut emissions by -28% (compared to our 2019 baseline).

How we will achieve our targets

We will **procure renewable energy power** and achieve 75% renewable electricity for all sites globally by 2023. Future savings will be achieved through a number of different, credible market solutions.

We will **reduce indirect emissions** by finding alternatives to travel and encourage colleagues to choose better travel options for the environment.
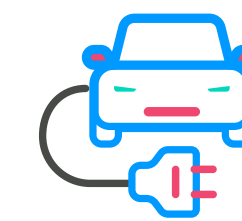
We will **decarbonise our in-house fleet** through electrification, and we have committed to a 75% pure electric fleet by 2030, with an interim target of 38% by 2025.

We will **address 93% of supply chain emissions** by ensuring that our top suppliers in terms of GHG emissions have aligned to a 1.5-degree science-based target by 2025.

Beyond our carbon reduction strategy, Colt Group's environmental sustainability policies focus on reducing waste and embedding circular economy practices into our business operations. This requires an active approach to managing our products and services to minimise negative impact at any stage. We are at the forefront of industry initiatives to enable digital transformation and support reduced environmental impacts.

Colt Group is committed to complying with the ISO 14001:2015 environmental management requirements and applicable environmental laws and regulations. The scope of this certification is the global provision of voice and integrated communication solutions, network connectivity including the managed customer services for networks, data centre services including management of shared infrastructure and associated systems across the entire building portfolio covering the following countries: Austria, Belgium, Denmark, France, Germany, India, Ireland, Italy, Netherlands, Portugal, Romania, Spain, Sweden, Switzerland and the United Kingdom.

Carbon and Environment

5.2. Renewables and energy efficiency

SDGs: 7.2, 7.3, 12.2

Between 2020 and 2021 we reduced our total Scope 2 electricity consumption by 12% and increased our renewable energy consumption by 22%

We continue to adopt energy efficient technologies to transform our network and data centres and improve our energy efficiency.

DCS' focus on customer experience ensures that their in house team of design and operational experts guarantee new facilities are designed with energy efficiency at the forefront. Ongoing operational expertise then seeks to continue to manage the site efficiently.

At Colt, we implement multi-year transformation programmes to leverage technological advances such as Software Defined Networking, Network Function Virtualisation, Edge Computing and Artificial Intelligence.

This will result in a more intelligent network operation with IT workloads closer to the user, higher resilience and availability and reduced carbon emissions through an automated and more energy efficient system.

We continue to increase the use of renewables across our operations. In 2021, Scope 2 power (energy purchased for own consumption) for Colt and DCS operations across the UK and mainland Europe were operated by procuring 100% renewable power using Guarantees of Origin certificates. DCS has also committed to providing green power to Colt and its customers using data centres to help them reduce their carbon emissions.

We are committed to procuring renewable energy power to our facilities. In 2021 we achieved 84% Scope 2 renewable electricity for all Colt Group sites globally
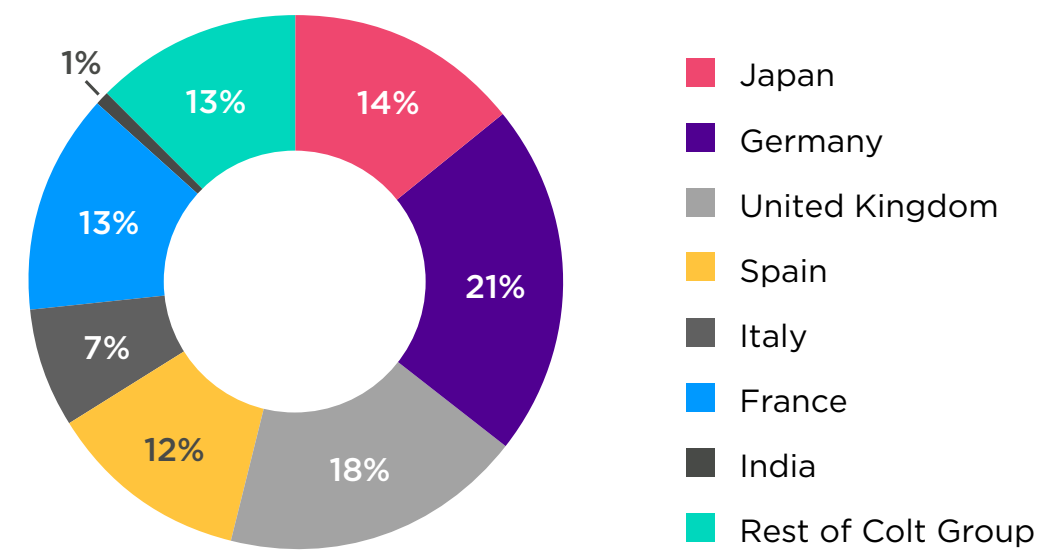
Carbon and Environment

Scope 2 Electricity consumption (MWh)

	Renewable	Non-renewable	Total
2020	61%	39%	269,234.0 MWh
2021	84%	16%	236,461.0 MWh

Legend: ■ Renewable ■ Non-renewable

Where is our electricity consumption?*

- ■ Japan — 14%
- ■ Germany — 21%
- ■ United Kingdom — 18%
- ■ Spain — 12%
- ■ Italy — 7%
- ■ France — 13%
- ■ India — 1%
- ■ Rest of Colt Group — 13%

Electricity consumption by country in 2021

In 2021, we increased Scope 2 renewable electricity consumption in four European countries

UK
2020 - 37%
2021 - 100%

France
2020 - 17%
2021 - 100%

Romania
2020 - 43%
2021 - 100%

Portugal
2020 - 77%
2021 - 100%

Carbon and Environment

Network optimisation

The long-term strategy of Colt is to create a lean, green and modular network whereby network optimisation is instilled as a continuous discipline.

In 2021 multiple initiatives were prioritised, which included reducing legacy networks (leaner networks), upgrading software and hardware (simpler networks), designing networks in sync with customers (demand driven architecture) and recovering and deploying equipment (greener networks). All these will lead to better asset utilisation, cost saving, higher speed to market and greater sustainability through more efficient use.

Introducing greener network technologies is done through smarter electronics and more intelligent architecture. An example of smarter electronics is using a newer generation of long distance optical electronic boxes, which are smaller in size but have greater capacity.

One of Colt's large-scale transformations is to decommission older technology platforms by introducing next generation voice switches and migrating customers from legacy systems.

Greening Our Vehicles

We are committed to greening our vehicles and see this as a key driver to reducing our carbon footprint. We are decarbonising our in-house fleet through electrification, and we have committed to a 75% pure electric fleet by 2030.

We have delivered 41 fully electric and 12 plug-in hybrid vehicles across seven countries.

In 2021 we reduced Colt Group's fleet emissions by 43%, compared to our baseline. This reduction was mainly due to the pandemic that reduced the trips of our in-house fleet.

We installed cabling at six sites, and we ordered 37 dual charging points and 1 single charging point to ensure that we can increase our fleet of electric vehicles from 2022 onwards.

Carbon and Environment

Energy savings In Data Centres

DCS has invested in a new Uninterruptible Power Supply (UPS) at one of our legacy sites. A major driver of the replacement program was to focus on energy savings, carbon reduction and system enhancement.

By investing in the latest UPS technology, the new solution ensures that both inductive and capacitive loads are balanced, ensuring a near unity power factor. This means that the input power (kVA) can be drawn through the UPS to the output (kW) with little to no losses in this part of the circuit.

The old system of UPS had a power factor of around 0.8 and required a power factor correction unit to capture the losses. This means for every 100 kVA of input power, the output (useful) power would be 80 kW. The new UPS system can produce 100 kVA into 100 kW. Given the scale, this equates to a significant energy saving across the system designed for 1.8 MW of IT power. UPS rooms, like data halls, require temperatures of operation to be within guidelines. Due to the reduction in power losses, the newly installed UPS also creates less heat as a by-product. This has enabled further savings through a reduction in cooling requirements and has delivered a 0.35 reduction in PUE*.

It is also worth noting that a large portion of the old UPS system could be recycled or reused, including 95% of the originally deployed lead acid batteries.

Renewable power purchasing

Colt's commitment to carbon reduction has meant driving a significant transition to renewable power for all operations. DCS manages power acquisition and supply strategies for the whole of Colt Group. As of 2021, Colt purchases over 200,000 MwH of renewable power across 14 different countries. That is an increase of around 30,000 MwH in the last two years. This includes 100% of its Scope 2 electricity in the UK and mainland Europe and is 84% of its Scope 2 electricity globally. Renewable power purchasing will continue to be a key strategic initiative, with Colt already committed to purchasing more.

Making our network greener

Through Software-Defined Networking (SDN), Colt has launched an On Demand service that allows customers to increase and decrease the bandwidth of their services. This means that network services should not be over-provisioned, reducing energy consumption.

Through SDN-enabled self-provisioning, customers can order and activate our services through an online portal or via Application Programming Interfaces (API), reducing the need to physically install the service each time, thereby reducing truck rolls and CO_2e emissions.

* PUE = Power usage effectiveness is a figure used to denote the energy used for the output required. PUE = Total system power (including mechanical cooling) (÷) IT load

Carbon and Environment

5.3. Our carbon footprint

SDGs: 9.4, 12.6 13.1, 13.2

In 2021 we reduced Colt Group global GHG by 11% from our 2019 baseline

Following modelling of the Scope 1, 2 and 3 emissions, it was calculated that in our 2019 base year, Colt Group's greenhouse gas (GHG) emissions totalled 624,519.1 tons of Carbon Dioxide equivalent (tCO$_2$e). The majority were in our supply chain.

Colt Group GHG emissions for 2019-2021* in detail

Colt Group Global GHG emissions*	2019	2020	2021	Variation against 2019 baseline
Gross direct (Scope 1) GHG emissions in metric tons of CO$_2$e	4,831.9	4,266.1	3,259.0	-32.6%
Gross market-based indirect (Scope 2) GHG emissions in metric tons of CO$_2$e	23,821.8	26,552.4	18,196.7	-23.6%
Gross Indirect (Scope 3) emissions in metric tons of CO$_2$e	595,865.4	575,846.3	536,077.0	-10.0%
Total emissions in metric tons of CO$_2$e (market-based)	624,519.1	606,664.8	557,532.7	-10.7%
Gross direct and indirect (Scope 1+2) GHG emissions in metric tons of CO$_2$e (market-based)	28,653.7	30,818.5	21,455.8	-25.1%

*We aim to have the most accurate understanding of our impact on the environment. We are continually improving the management and measurement of Colt Group environmental data. As a result of this, we have recalculated our 2019 GHG emissions baseline and our 2020 GHG emissions. Please, see more details in the appendix under 'Greenhouse gasses calculation methodology'.

GHG emissions have been calculated using best practice, in accordance with the GHG Protocol. We have used the operational control method.

GHG emissions for 2019, 2020 and 2021 cover the following categories:
• Scope 1: Natural Gas, fuel from Own Fleet, Refrigerants and Other Fuel (in generators) consumption.
• Scope 2: Electricity consumption at Colt & DCS owned sites, or those for which we have the operational control.
• Scope 3: Purchased Goods & Services; Capital Goods; Fuel- and Energy-Related Activities (FERA); Upstream Transportation & Distribution; Waste Generated in Operations; Business Travel, Employee Commuting, Upstream Leased Assets, and Downstream Leased Assets.
Scope coverage:
• GHG emissions include all Colt Group countries except:
• Emissions for 2019 & 2020: US not included.
• Emissions for 2019, 2020 & 2021: South Korea & Poland not included.
Those three countries represent less than 5% of Colt Group emissions so can be considered immaterial for the purposes of Colt Group GHG emissions calculations.

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Colt Group GHG emissions for 2019-2021*

tCO$_2$e

-10.7%

- 2019: 624,519.1
- 2020: 606,664.8
- 2021: 557,532.7

Y-axis values: 520,000 / 540,000 / 560,000 / 580,000 / 600,000 / 620,000 / 640,000
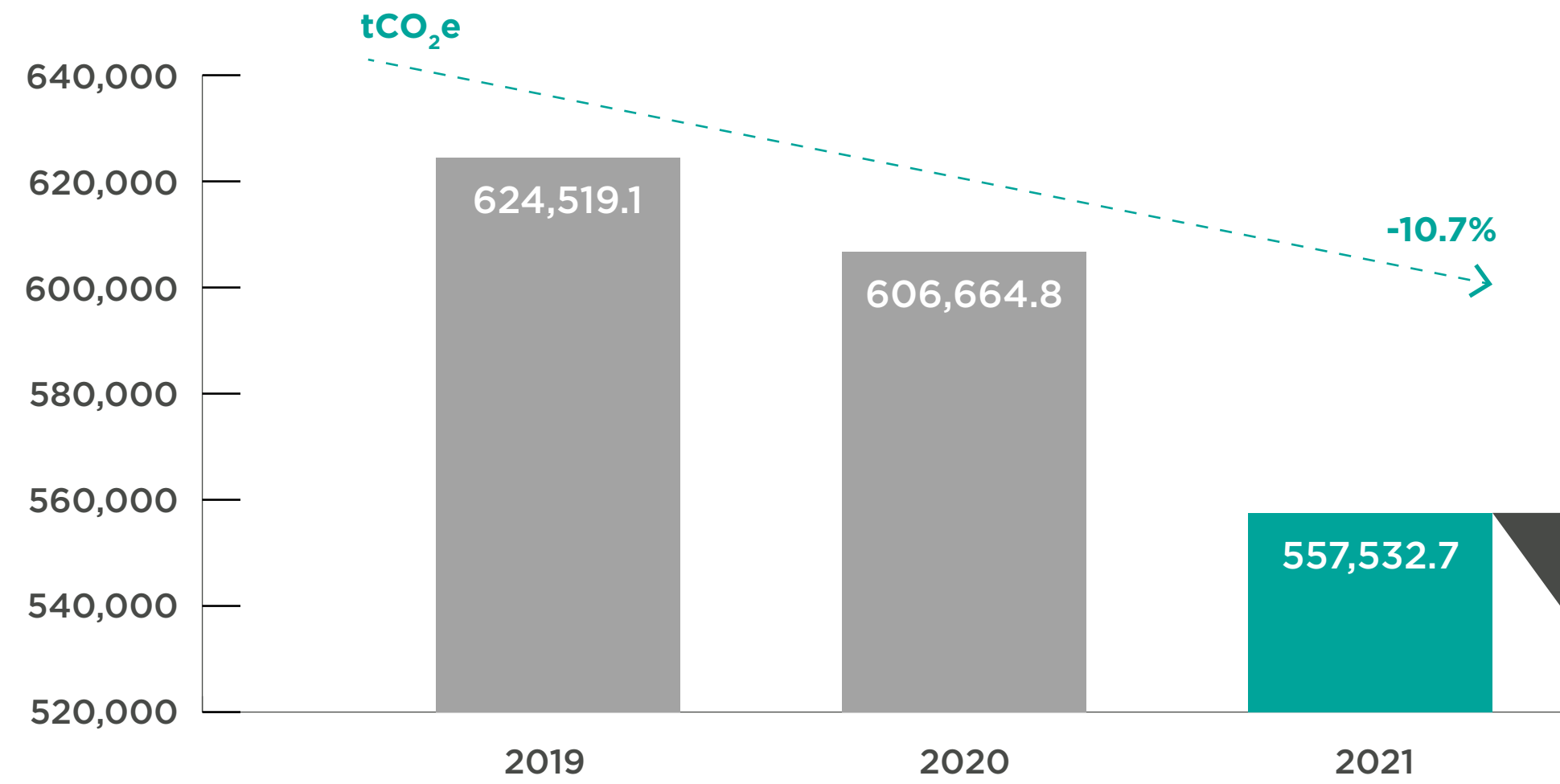
Colt Group global GHG emissions include market-based methodology for Scope 2

Pie chart:
- 3,259.0 — 1%
- 18,196.7 — 3%
- 536,077.0 — 96%
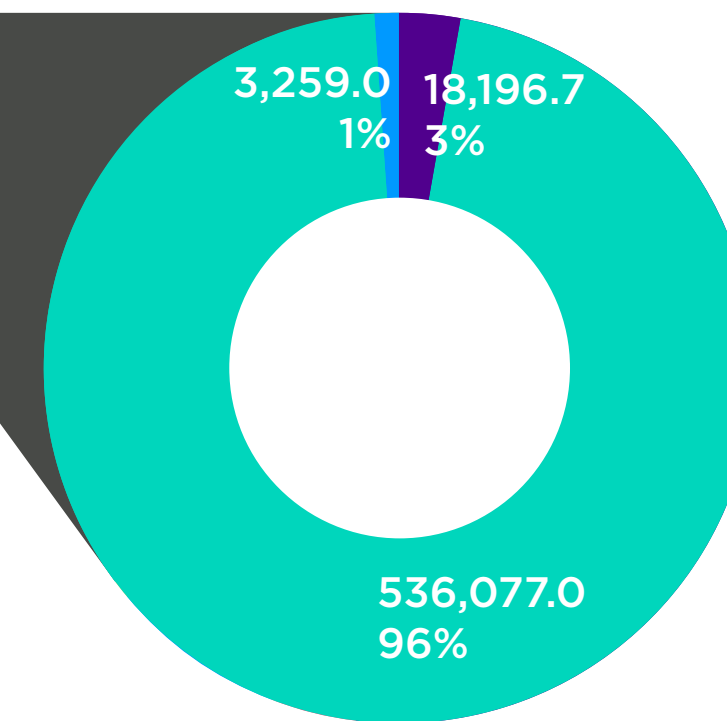
Colt Group GHG emissions (tCO$_2$e)

- Scope 1. Direct Emissions from own combustion activities (on site) eg. gas consumption, diesel & transport
- Scope 2. Indirect Emissions from purchased electricity for own use (market-based methodology)
- Scope 3. Value Chain Emissions from production of purchased materials & services in supply chain. Upstream and dowstream leased assets. Business Travel.

Carbon and Environment

Scope 1 and 2 emissions

Our Scope 1 and 2 emissions during 2021 were 21,455.8 tCO$_2$e. This was reduction of 25% against our 2019 baseline.

Our biggest source of Scope 1 emissions originates from the refrigerants used in our offices and data centres. In 2021, refrigerants were responsible for 37% of our Scope 1 emissions.

Colt Group Scope 1 GHG emissions for 2019-2021
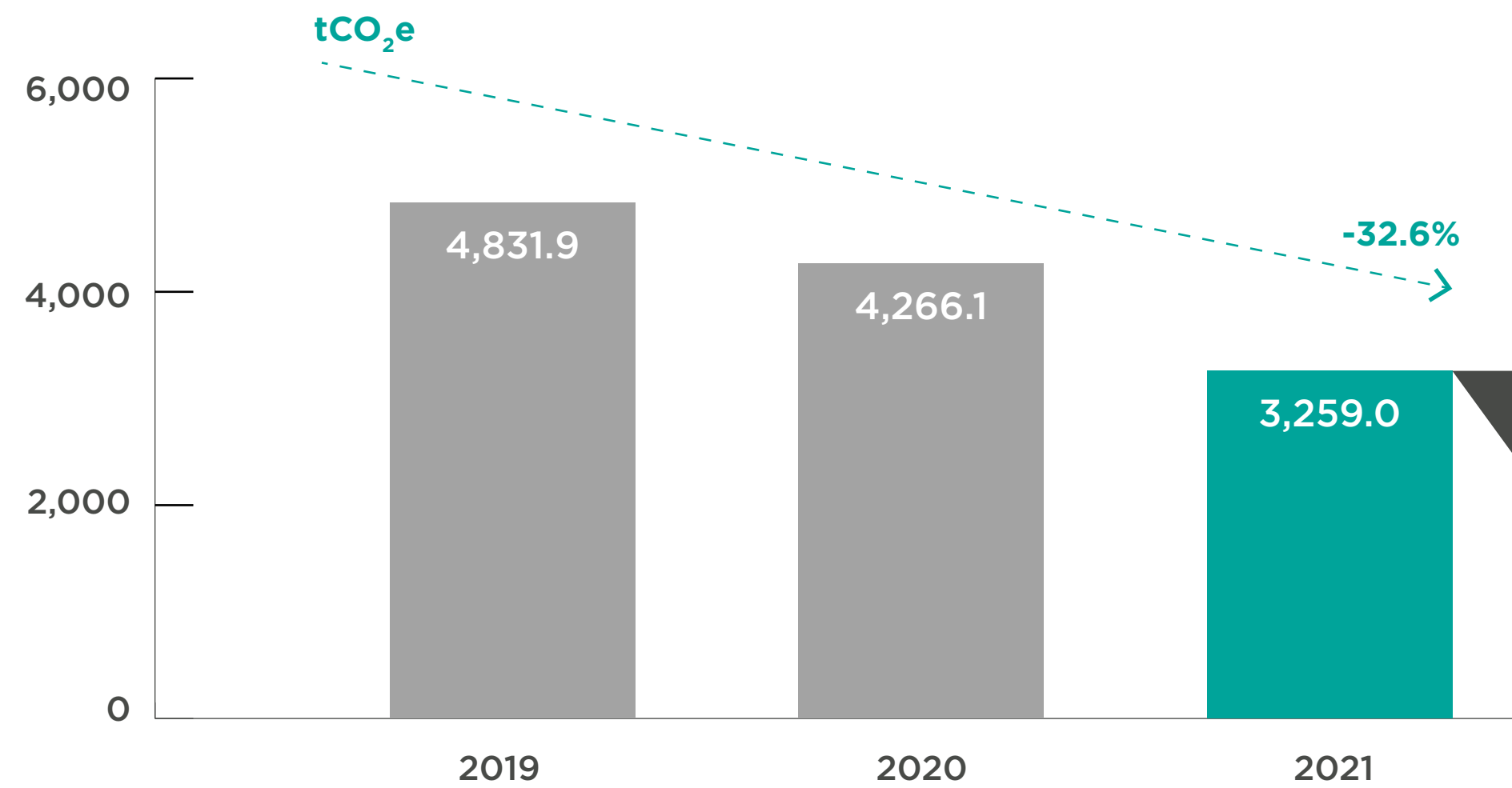
Colt Group Scope 1 GHG emissions for 2021 by fuel type

tCO$_2$e

- 6,000
- 4,000 — 4,831.9 (2019)
- 4,266.1 (2020)
- 2,000
- 3,259.0 (2021)
- 0

-32.6%

Legend:
- Refrigerants — 37%
- Stationary combustion — 44%
- Fleet combustion — 19%

Carbon and Environment
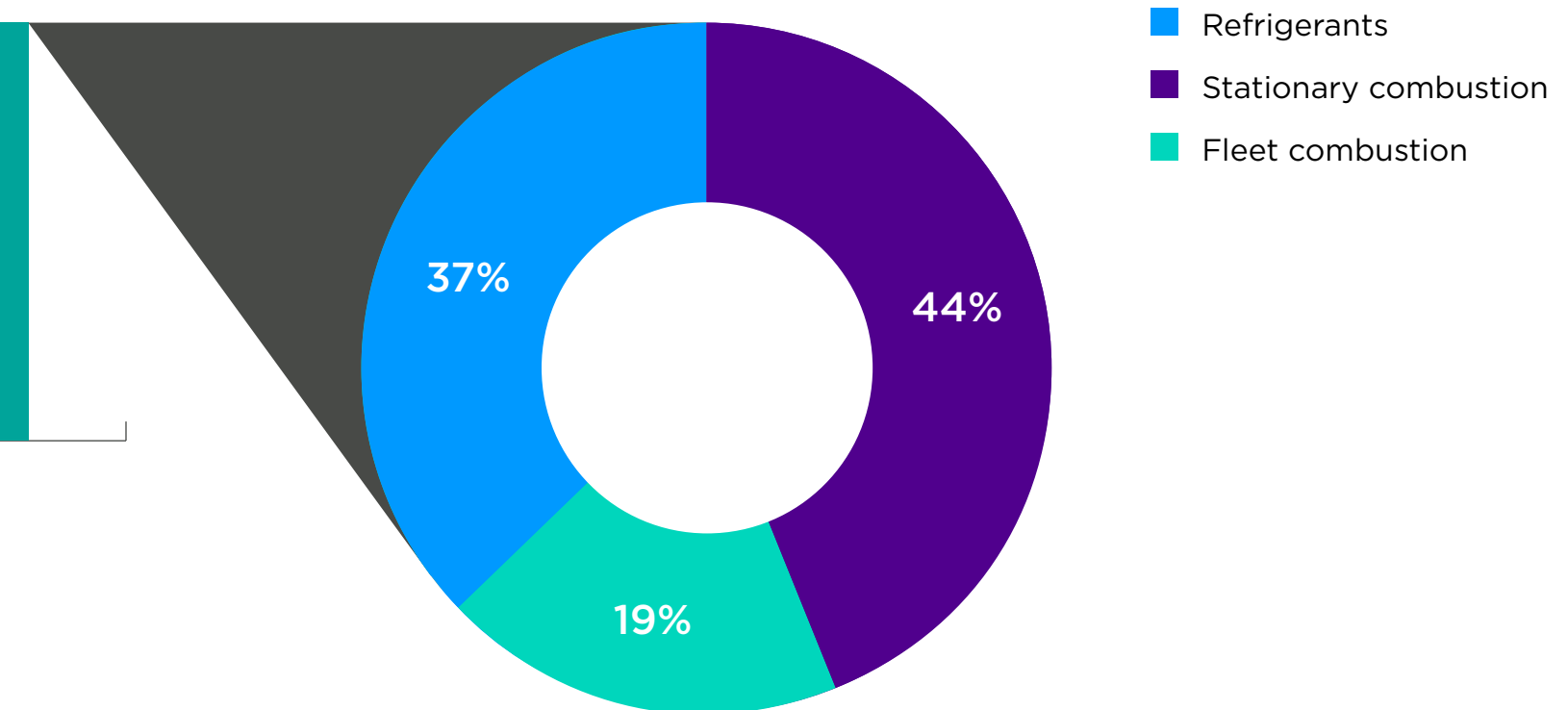
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Colt Group Scope 1 owned fleet GHG emissions for 2019-2021

In 2021, 19% of our Scope 1 emissions originated from our company vehicles. This was a reduction of 43% against 2019 when fleet accounted for almost 23% of Scope 1 emissions. Colt Group is committed to further reductions in emissions from our company vehicles by an ambitious electrification programme.
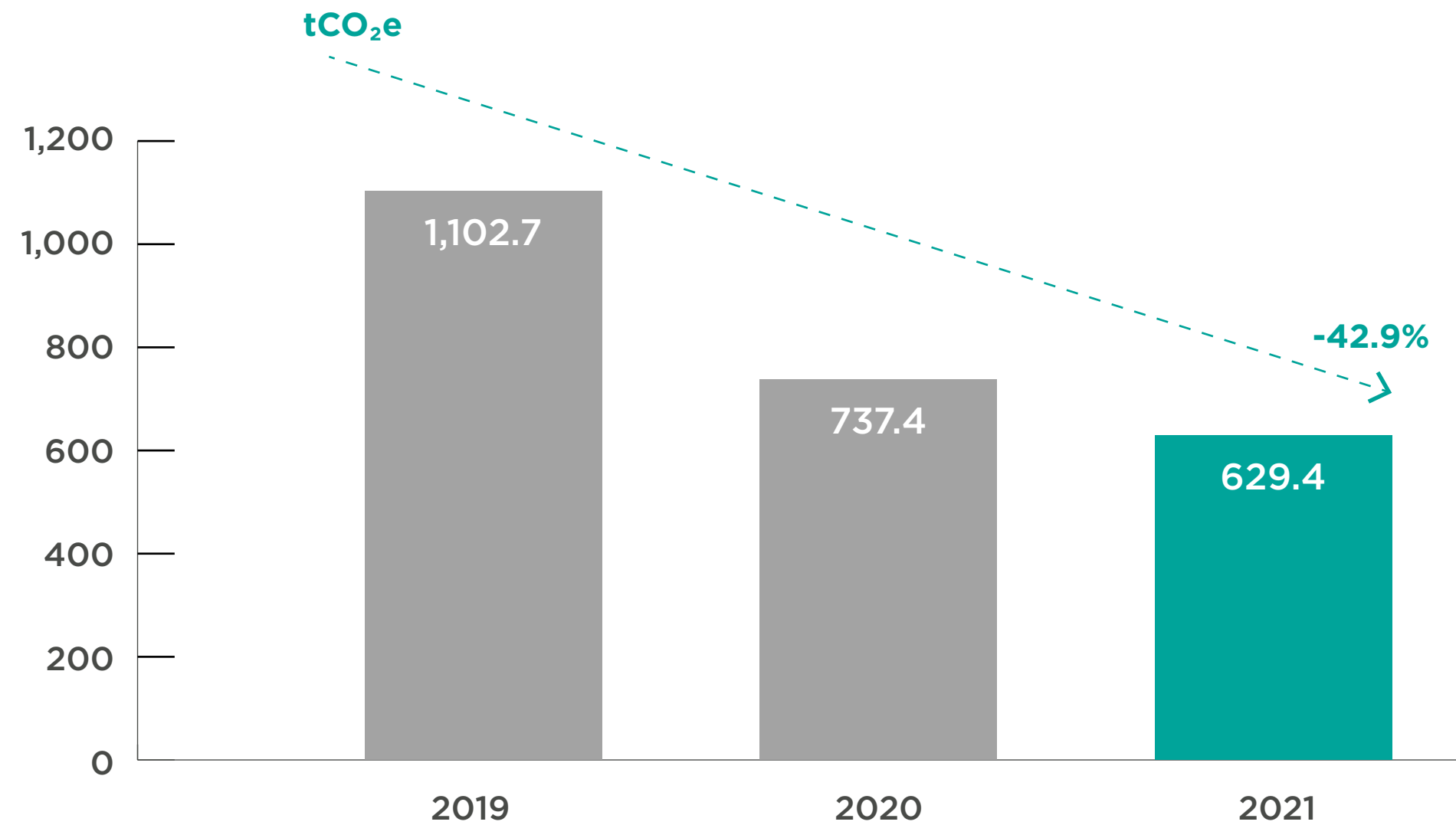
tCO_2e

Colt Group Scope 2 emissions for 2019-2021* (tCO_2e)

Our market-based Scope 2 emissions during 2021 were 18,196.7tCO_2e. This was a reduction of 24% against our 2019 baseline. We use market-based emissions calculations for our carbon reduction targets as this takes into account our renewable energy procurement practices.

■ Gross location-based indirect (Scope 2) GHG emissions
■ Market-based indirect (Scope 2) GHG emissions
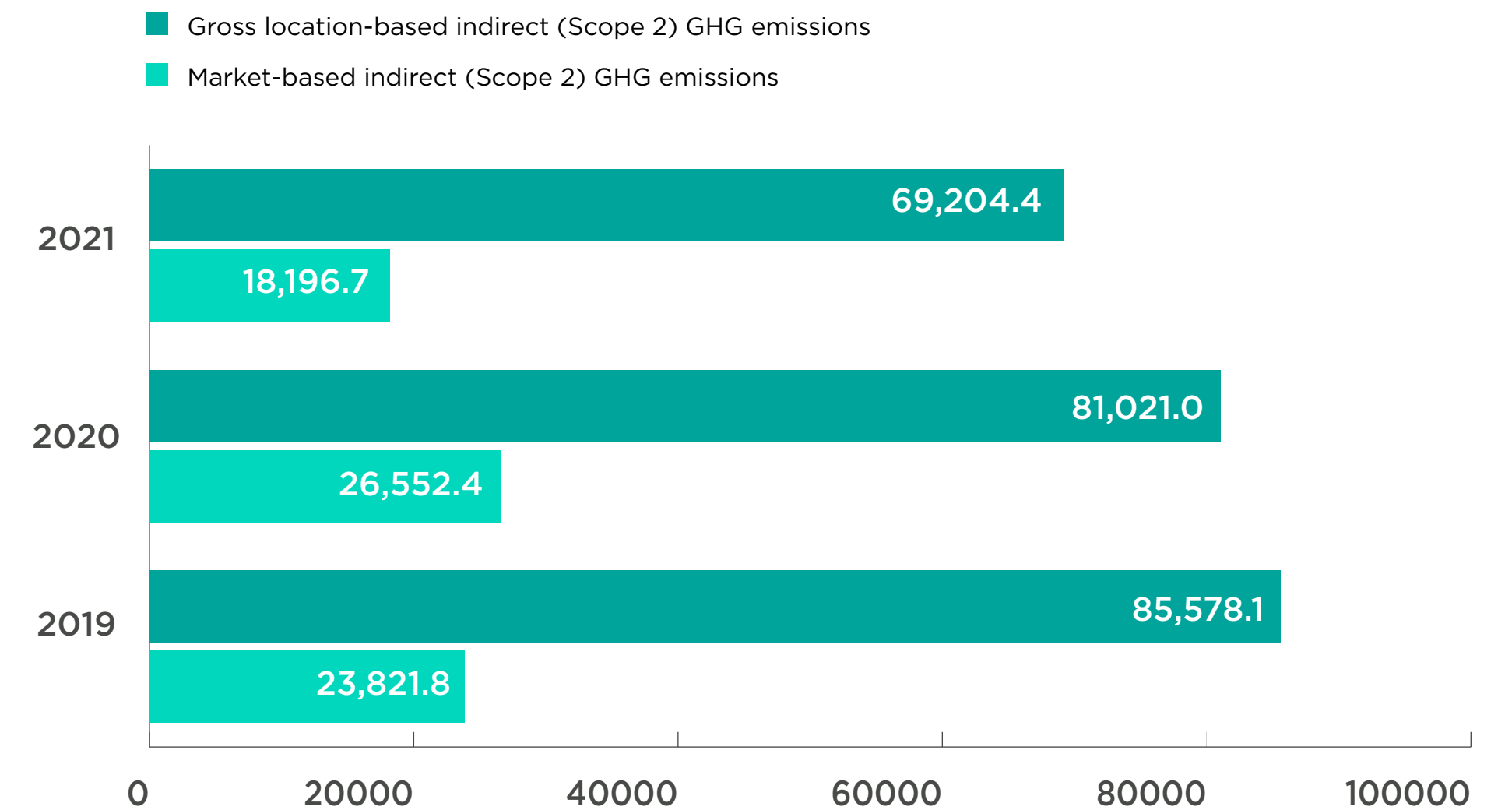
Location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). Market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).

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New Global Travel Policy

In 2021, we launched a new global travel policy for all Colt Group employees. We have worked with our external travel advisors to develop a more sustainable approach to our global business travel needs. This involved development work on the travel booking platform to enable our employees to see the carbon emissions associated with their journey.

We are committed to reducing travel by promoting video conferencing and remote meetings wherever possible.

To help us achieve our Scope 3 near-term target, we aim for a 40% reduction in business travel from 2022 onwards.

Scope 3 emissions

Our Scope 3 emissions in 2021 made up 96% of our overall emissions. Since 2019, we have reduced our Scope 3 emissions by 10%.

The majority of our CO_2e emissions are in our supply chain, and we are working closely with our suppliers to reduce our value chain emissions.

In 2021, analysis showed that Colt Group's top 335 suppliers are responsible for 90% of our Scope 3 carbon emissions, and we are currently working with these suppliers to reduce our carbon footprint further.

Colt Group Scope 3 GHG emissions for 2019-2021

	2019	2020	2021	Variation against 2019 baseline
Colt Group Scope 3 GHG emissions (tCO$_2$e)	595,865.4	575,846.3	536,077.0	-10.0%
Purchased goods and services	207,979.0	208,279.0	208,622.0	0.3%
Capital goods	225,640.2	206,185.0	193,314.5	-14.3%

Driving change through our supply chain

Colt Group is committed to a procurement policy that ensures our suppliers align to a 1.5-degree science-based target by 2025. We are undertaking a full evaluation of our supply chain, and we have started using EcoVadis scores and science-based targets to assess and onboard our suppliers.

90% of Colt Group's suppliers have agreed to the supplier code of conduct*

Colt and DCS's procurement teams work with suppliers to ensure a comprehensive uptake of sustainable procurement policies. The procurement teams have been trained in ISO 20400, which provides guidance on integrating sustainability within the procurement activities.

In 2021, just over 12% of Colt Group's suppliers were screened for environmental criteria**

*The remaining 10% of suppliers include those with more restrictive codes of conduct and one time low spend suppliers.

**In early 2022 we improved the way we engage with our suppliers to enhance our screening process. This percentage has been calculated based on the number of active suppliers in 2021 and the updated information available for those suppliers as of end of March 2022.

Carbon and Environment

5.4. Digital transformation

SDG: 7.3, 9.4, 12.2

Colt is a member of the Global Enabling Sustainability Initiative (GeSI), a globally recognised thought leader, partner of choice and proactive driver of the ICT sustainability agenda as measured by the development and use of its tools and broad member base and contributions to relevant policies.

Smart connected technologies are a key enabler for a low carbon economy, developing and promoting digital solutions that enable environmental gains across industries.

Colt has launched several incubation activities, co-innovating with partners and customers by bundling Colt connectivity and Colt edge proposition with partners' capabilities to deliver end to end digital services to reduce energy use and waste.

Smart building pilot

Colt is working with Cognizant on a smart building pilot at Colt House in London. Its aim is to prove the sustainability value of bundling the Colt edge and connectivity portfolio with the IoT platform and enable distributed architecture of the IoT services.

The project's initial focus is on smart energy and smart leakage detection use cases that will respectively deliver sustainability benefits in terms of optimising energy consumption and reducing the number of servicing needed. Further environmental benefits will come from hardware consolidation as we only need a single server on premise that can host both connect and IoT workload, Remote Operations Enablement and Proactive and Remote Field Servicing.

Smart connected technologies support the journey to a low carbon economy. We hope that this smart building pilot becomes a use case for the power of technology, further supporting Colt's sustainability actions.

Carbon and Environment
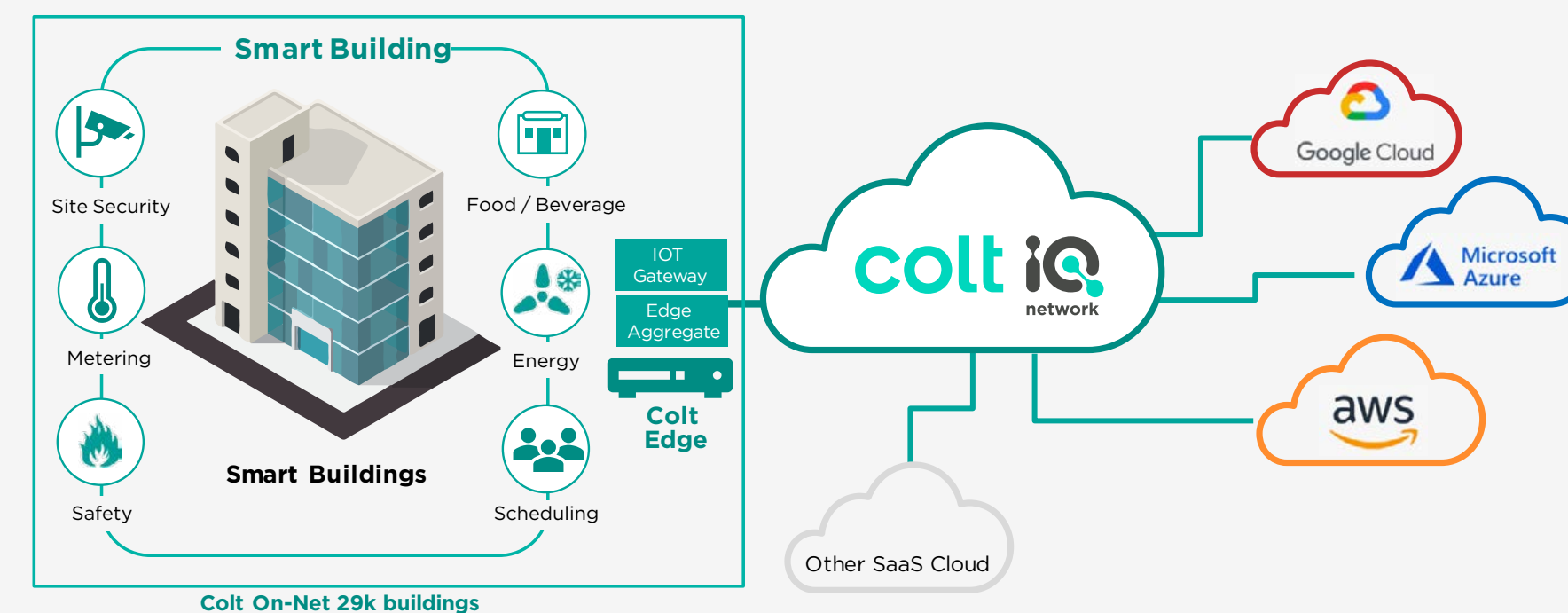
Smart Offices

In this innovative project, Colt is working with a broad partner ecosystem to prove the value of private 5G, bundled with Colt's connectivity and edge portfolio, by making real estate assets more efficient and more attractive for their tenants

The project's initial focus has been to showcase the value of the 'energy saving' functionality of 5G technology by creating a more sustainable office environment. The concept aims to prepare the future of the workplace with access control robotics, premium wireless connectivity and AR/VR based collaboration. The initiative will also include a building asset manager who will test use cases of cafeterias with connected fridges and fitness rooms that are remotely controlled using AR headsets and connected furniture.

As we advance, we will look at TCO benchmarking (e.g. proving the economic value of 5G as a LAN replacement option), assisted construction (smart maintenance, smart construction and AR/VR assisted sales) and user experience (smart building use cases, smart surveillance and immersive meeting rooms).
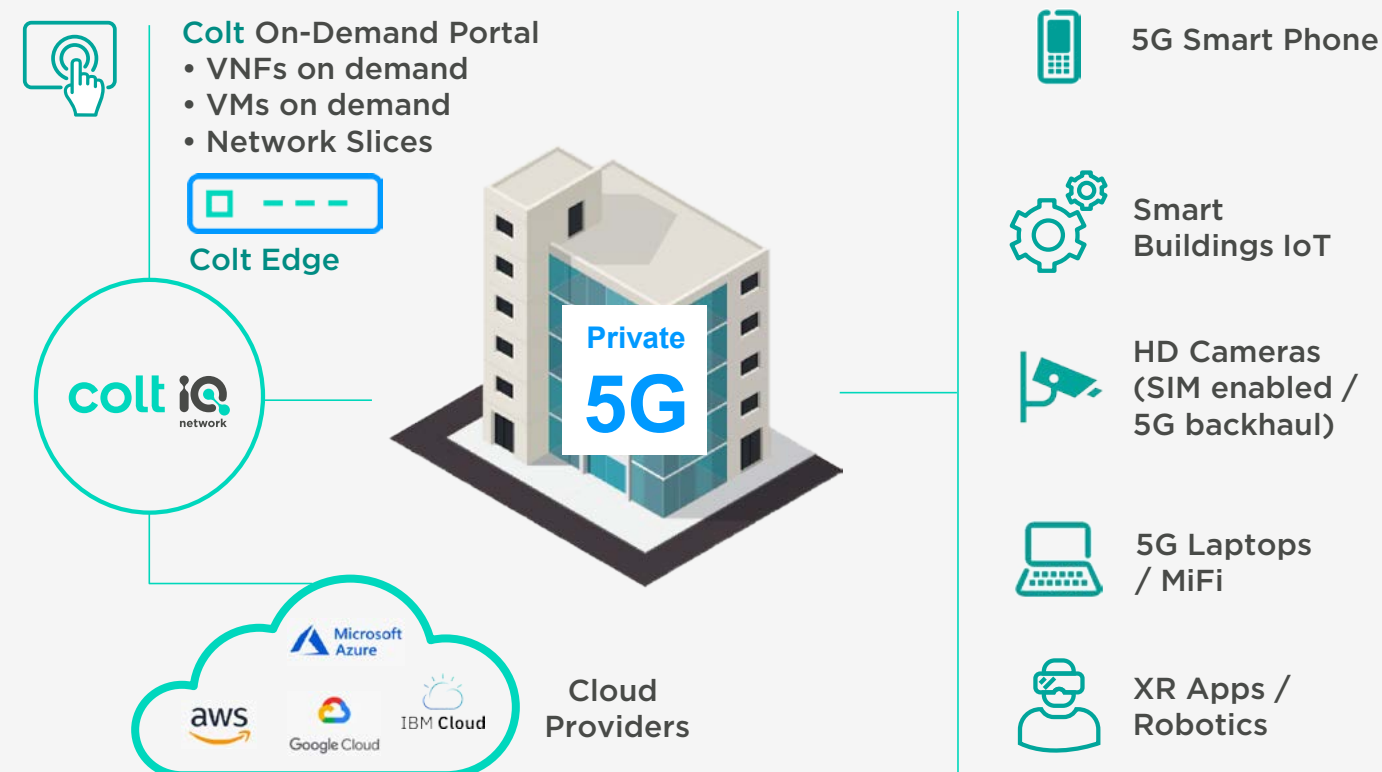
Smart Manufacturing

Manufacturing processes are becoming increasingly complex. Smart collaboration between IT and Operations can enable a more efficient production line, reduce downtime and create a network built for the future.

IBM and Colt have come together to combine their expertise from the manufacturing and network worlds to offer customers a solution that delivers on multiple objectives. IBM's Maximo Suite delivers a proven, scalable, and industry-aligned platform for manufacturing optimisation and data intelligence, while the power of the Colt IQ Network and Colt's distributed edge provides a flexible and secure IT platform.

The solution is tailored to diverse needs of individual customers and can be deployed in increments, removing any need for a risky 'rip and replace' approach. The result is increased efficiency and control across the manufacturing process delivered in a way that minimises risk and does not force customers into a new proprietary standard or a closed system that needs specialist skills to manage.

The cooperation between Colt and IBM showcases the potential for smart manufacturing in a way that caters to all businesses, based on open standards and trust, and responds to each customer's transformational requirements.

All the above use cases will deliver environmental benefits through space optimisation, energy saving, reduced truck rolls through automation and predictive maintenance, through enabled remote working and better collaboration.

Carbon and Environment

5.5. Circular economy and waste reduction

SDGs: 8.4, 9.4, 11.6, 12.2, 12.4, 12.5, 12.8

From how we design and deliver our services, to how we run our supply chain, we are promoting a circular economy approach across our business, and formulating a long term strategy to support our objectives.
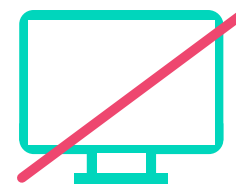
Zero waste to landfill initiatives

We have three DCS sites and three Colt offices currently on the road to zero waste to landfill certification*, with a view to having collected 12 full months of zero waste data and achieving certification by 2024

*True Certification definition – 90% diversion rate from landfill/ waste to energy

Reducing waste in the office

We are piloting a '0 single use plastics' target in our London office, with a view of extending this to other offices

Keeping our used equipment in the loop

We have a comprehensive investment recovery (IR) programme. We are expanding this in 2022, introducing more IR partners and renegotiating current contracts to ensure sustainability data requirements are met

Raising employee awareness

We have comprehensive waste management policies. We also promote the 3Rs widely amongst colleagues, such as running a global 'recycling heroes' campaign, celebrating the creative ways employees are contributing to the circular economy
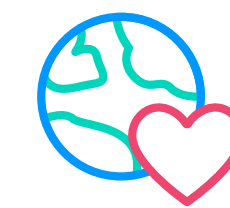
Innovating around the circular economy and e-waste

Colt is part of GeSI's Circular Electronics Partnership, driving circular solutions for telecommunications equipment. We supported UK research through an innovative bioleaching trial for our end of life hardware

Carbon and Environment

colt

Key metrics

We are working towards **zero waste to landfill certification** in 3 DCS sites (UK, France, Japan). We have also been planning to begin transitioning to zero waste in 3 Core offices

Worked with social enterprise Waste to Wonder to **donate 943kg** of office furniture at Colt House, London, to the Mokwe Development Association (a community development association) in Cameroon, saving **4.2 tonnes** of carbon through reuse

Across Colt's network operations in 2021, we're closing the loop by...

Buying **6,707 pieces** of high quality second hand equipment*

Extending the life of **37,413 pieces of equipment** through reuse
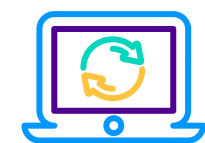
Reselling **870 pieces** and recycling a further **24.9 tonnes** of decomissioned equipment, via our investment recovery partners

Supporting a pioneering bioleaching pilot on 30 of our PCBs (Printed Circuit Boards), resulting in **3.4 tonnes** of CO_2e saved per PCB bioleached (vs widely used thermal processing recycling)

... saving manufacturing emissions and precious raw materials

*4.6% of total equipment bought in 2021

Carbon and Environment

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Colt Group waste generated in 2020-2021 (tonnes)

	Waste to energy	Waste to landfill	Waste recycled
2020	166.9	68.0	182.7
2021	211.7	9.1	226.3
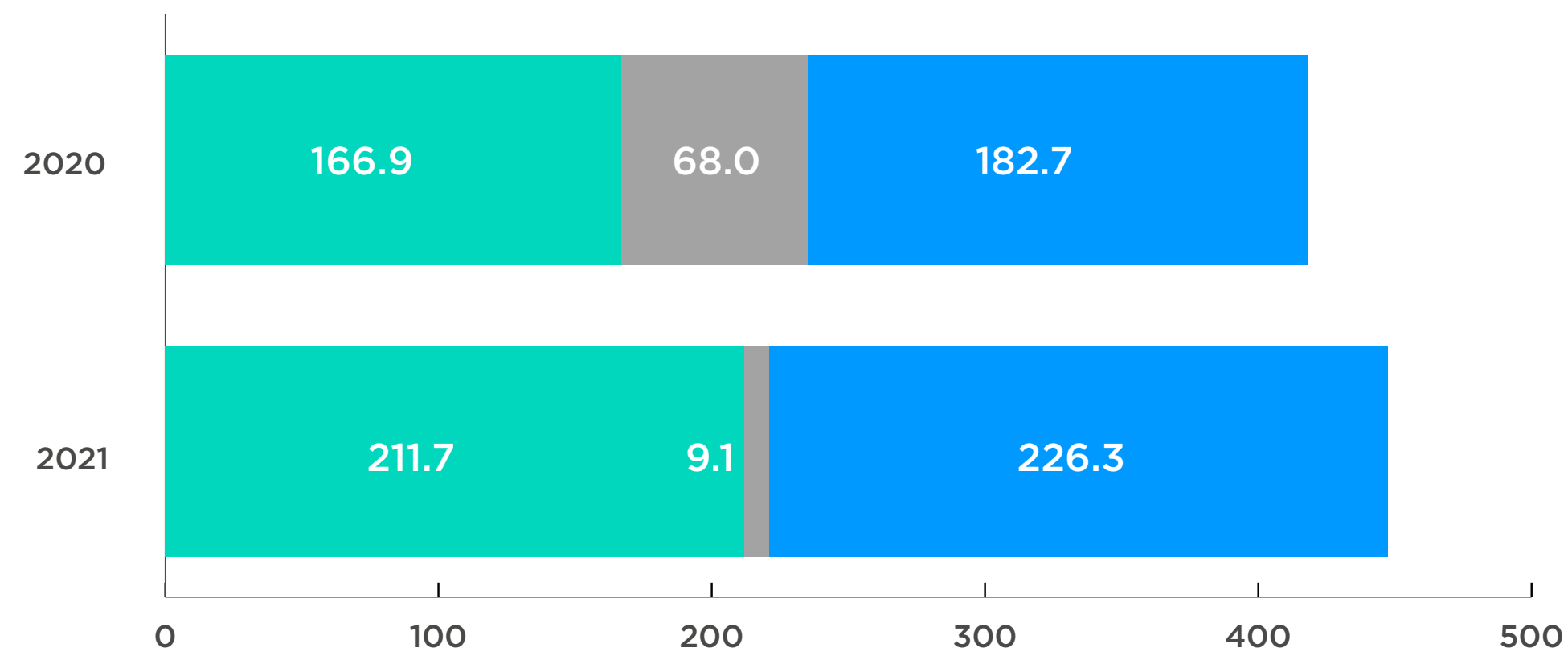
- **Waste to energy**
- **Waste to landfill**
- **Waste recycled**

	2020	2021
Total waste generated (tonnes)	417.5	447.1

The total amount of waste generated includes all waste categories in Colt Group's UK & European offices and sites (except in Romania, Ireland and Poland because data was not available) and data centres. We are also including end of life equipment recycled by our investment recovery partners. Due to different waste categorisation methods, Asian waste data is currently not included, however the total amount of waste in those countries was around 20 tonnes in 2021. US data is also not included because data was not available. We will keep working on the standardisation and collection of all waste data across Colt Group.

We are pleased to have achieved a **86.7% reduction** in the waste that is being sent to landfill. We did see a **7% increase** in tonnes of waste generated between 2020 and 2021. This increase was due mainly to the generation of a slightly higher amount of WEEE (Waste Electrical and Electronic Equipment recycling) and wood waste on various sites. This waste was properly recycled. In addition, waste data for two sites in Spain has been included in 2021 figures and waste data for those sites was not available in 2020.

Colt Group hazardous and non-hazardous waste generated in 2020-2021

The following tables include all waste categories in Colt Group's UK & European offices and sites (except in Romania, Ireland and Poland because data was not available) and data centres. We are also including end of life equipment recycled by our investment recovery partners. Due to different waste categorisation methods, Asian waste data is currently not included, however the total amount of waste in those countries was around 20 tonnes in 2021. US data is also not included because data was not available. We will keep working on the standardisation and collection of all waste data across Colt Group.

	Total hazardous waste (tonnes)*	Total non-hazardous waste (tonnes)*
2020	41.3	376.2
2021	49.2	397.9

* Hazardous waste includes: Batteries, Fluorescents and WEEE, Metal, Cables

**100% of Colt Group's hazardous waste is being sent to a recycling plant to be recycled. There is a low percentage of the materials which cannot be recycled but are safely managed by the facility

	Total hazardous waste recycled (tonnes)	% of total hazardous waste recycled**
2020	41.3	100%
2021	49.2	100%

	Total non-hazardous waste recycled (tonnes)	% of total non-hazardous waste recycled
2020	141.4	37.6%
2021	177.1	44.5%

Bioleaching pilot

Colt has been exploring technologically innovative ways to make positive, sustainable changes to our business operations, including what we do with our redundant network equipment.

We have partnered with an IT life-cycle services specialist and university researchers to support a pioneering new method called bioleaching, which helps recover precious earth metals from our old printed circuit boards using microbiological techniques and living organisms. These materials can then be reused to make more electrical components.

Compared to traditional thermal processing recycling techniques, this pioneering technique saves **3.4 tonnes** of CO_2e per PCB.

Why is this important? Through supporting nascent technologies like bioleaching, we hope to find long term, viable, sustainable recycling solutions and help solve the global natural resources crisis, embedding circularity in our business as usual activity.

Carbon and Environment

Progress towards zero waste to landfill in key DCS sites

Welwyn Garden City Diversion Rate

Les Ulis Diversion Rate**
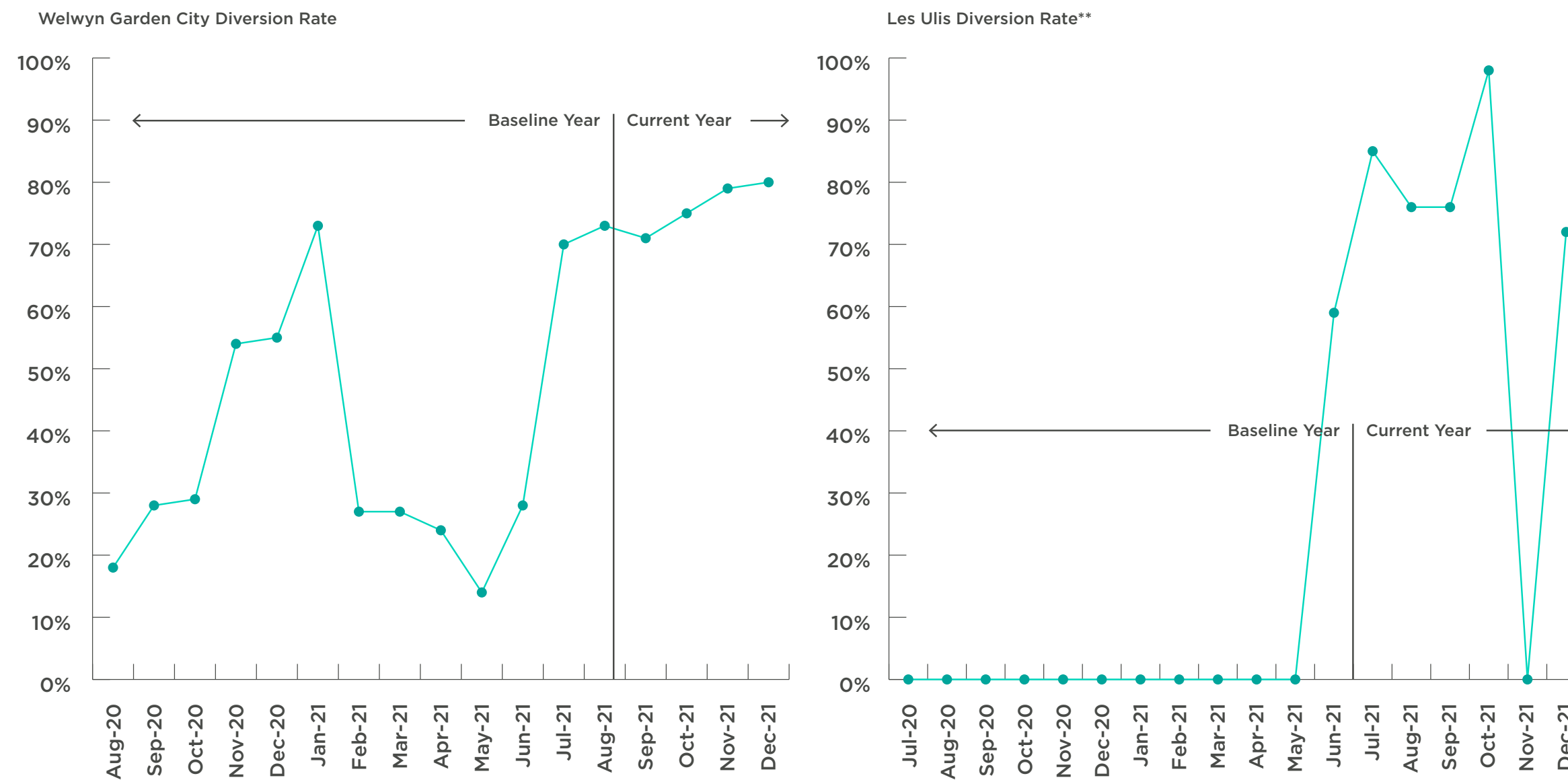
*Note: 2021 data in Inzai (DCS site, Japan) has not been included. This is because waste contractors were changed towards the end of 2021, to reduce reliance on waste to energy and increase recycling rates significantly . As a result, existing 2021 data does not reflect current progress towards zero waste at Inzai: we hope to see a significant change to this in 2022.

** In November of 2021 only one bin was collected. The waste in that bin was contaminated and therefore sent to Waste to Energy rather than being recycled.

Taking a zero-waste approach in our data centres

We are moving towards zero waste to landfill certification in three of our key DCS sites: Inzai (Japan), Les Ulis (France) and Welwyn Garden City (UK). We are making progress in increasing diversion rates and reducing waste through:
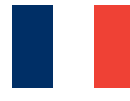
New and renegotiated contracts with waste suppliers: to increase the share of waste being recycled

Clear waste segregation stations: to encourage correct waste management

On site education: signage, mailshots, a Zero Waste policy and employee training

Customer engagement: educative material and conversations with major customers to share best practice

Supplier engagement: ensuring our suppliers' deliveries have minimal packaging

Carbon and Environment

The Global Green Teams initiative

SDGS: 12.8, 13.3

2021 marked the first year of Colt Group's environmental change network. The Green Teams were created to give passionate employees a local forum to make environmentally impactful changes on- site, in communities, and engage colleagues with environmental issues through events/volunteering.

Many of our country operations have set up local teams that run volunteering initiatives. Over 500 employees attended events, and over 400 engaged in volunteering initiatives. A few examples from 2021 include:

France – mask and cigarette recycling stations implemented in our Paris office

Spain – workshops on how to make your own zero waste ecological soap and cleaning products

Singapore – increasing employee engagement through a 'green pledges' tree in the office

UK – biodiverse roof garden created in the London office, with a bug hotel

India – long running partnership with local NGOs on tree planting projects: colleagues have planted over 12,000 trees in the past three years around Gurugram and Bangalore

Italy – working alongside an award-winning NGO, Banco Alimentare, to re-distribute surplus food to communities in need

Ireland - installing new energy saving LEDS and motion sensors

Hong Kong – helping to reuse eco-friendly donation bags for a flag day CSR activity to support SEN Children and their families with special needs

Romania – participating in a waste collection campaign in a tourist mountain area near Sibiu

Denmark - providing cool tap water options to eliminate plastic waste

Austria – arranging three cleaning days for the surrounding areas of Colt office in Vienna

Carbon and Environment

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Social

6. Social

"We build networks that connect people around the globe. Just like our high-performance network is built to enable our customers' success, we believe we will perform better if our employees come from different backgrounds and if we create an environment of inclusion where everyone can thrive."

Rachel Collins,
Head of Inclusion & Diversity

"As an organisation, we believe that bringing people together and creating an environment that is richly diverse with people from different backgrounds, opinions, abilities, and experiences enables us to become a dynamic and future-ready business. We see this as the core foundation of building a truly innovation-led culture."

Joe Palmer,
Vice President HR, DCS

Colt's value **"We know people matter"** is at the heart of how we interact with others, whether our employees, partners, customers, suppliers all the wider community.

We aim to nurture mutually beneficial relationships where our people develop fulfilling careers and feel a sense of inclusion and belonging. A key tenet of our culture is that we want our people to thrive and achieve their full potential whilst being empowered to prioritise their own well-being and that of those around them.

We seek out partners who share our values and customer relationships where we can add value to each other's businesses beyond products and services. We want to be a customer of choice for our suppliers. Fundamentally, we believe this is the right way to do business.

6.1. Our employees

SDGs: 5.1, 5.5, 8.5, 10.2, 10.3

Colt Group has more than 5,000 employees across 22 countries. We aim to operate an inclusive workplace across all operations so that we can benefit from different perspectives and draw from the widest possible pool of talent.

Colt Group's employees by region

	Total	F	%F	Total	F	%F	Total	F%
Total Colt Group employees*	5,302	1,581	29.8%	5,324	1,607	30.2%	0.4%	1.6%
Japan	339	79	23%	333	75	23%	-2%	-5%
Germany	428	100	23%	440	110	25%	3%	10%
UK	842	244	29%	841	238	28%	-0.1%	-2%
France	280	83	30%	271	80	30%	-3%	-4%
Spain	573	214	37%	583	225	39%	2%	5%
Italy	129	32	25%	125	31	25%	-3%	-3%
India	1,863	465	25%	1,859	470	25%	-0.2%	1%
Rest of Colt Group	848	364	43%	872	378	43%	3%	4%

Headcounts as of 31/12/2020 and 31/12/2021

Where are Colt Group's employees?*

Legend:
- Japan — 6%
- Germany — 8%
- United Kingdom — 16%
- France — 5%
- Spain — 11%
- Italy — 2%
- India — 35%
- Rest of Colt Group — 17%
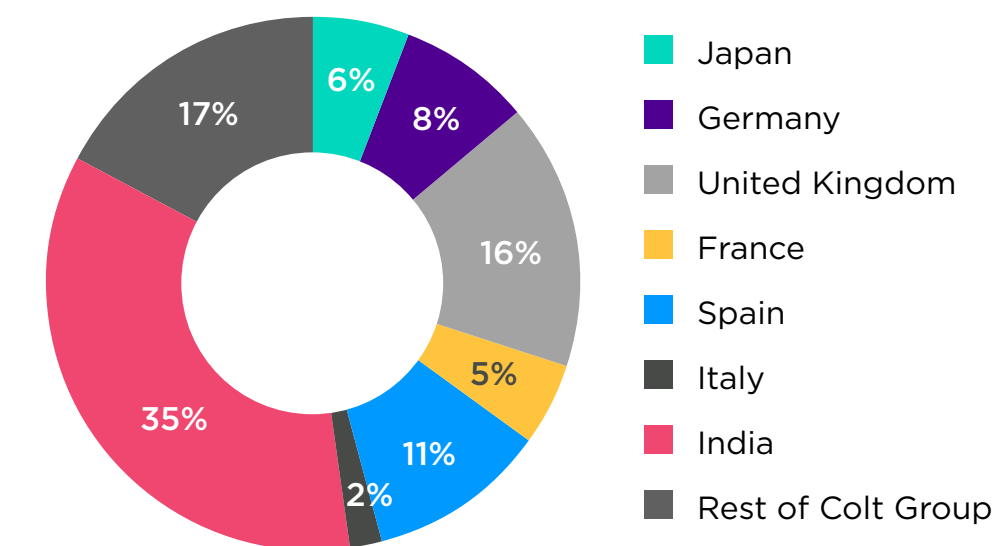
Percentage based on headcounts as of 31/12/2021

Employee data in this section refers to the following definition: number of people employed by Colt Group, regardless of employment type (Employee, Apprentice, Graduate Rotational, Intern, Contractor Ongoing, Contract Trainee, Fixed Term Employee); excluding temporary Professional Service Providers. Active and inactive employees are included

Gender diversity across Colt and DCS in detail*

	2020			2021			Change	
	Total	F	%F	Total	F	%F	Total	F%
Total Colt employees*	4,951	1,511	30.5%	4,967	1,531	30.8%	0.3%	1.3%
Total DCS employees*	351	70	19.9%	357	76	21.3%	1.7%	8.6%

* Headcounts as of 31/12/2020 and 31/12/2021

**Across our global operations, 30% of Colt Group employees are female.**

Employee turnover (voluntary attrition) stood at 13% in 2021. This is higher than the previous year and aligned with external trends observed as a result of the Covid-19 pandemic, with a higher number of people globally leaving their jobs during the last two years (known as the Great Resignation). In light of the uncertainty caused by the pandemic, turnover as a whole in 2020 was very low. The industry average for Telecommunications and Technology in 2019 was in the region of 21-24%, which is more indicative of the industry norm (Gartner Global Industry Benchmarks, 2019). Employee turnover in 2019 at Colt (both voluntary and involuntary) was 14%, which is considerably lower than the industry norm.

Employee turnover-industry comparative
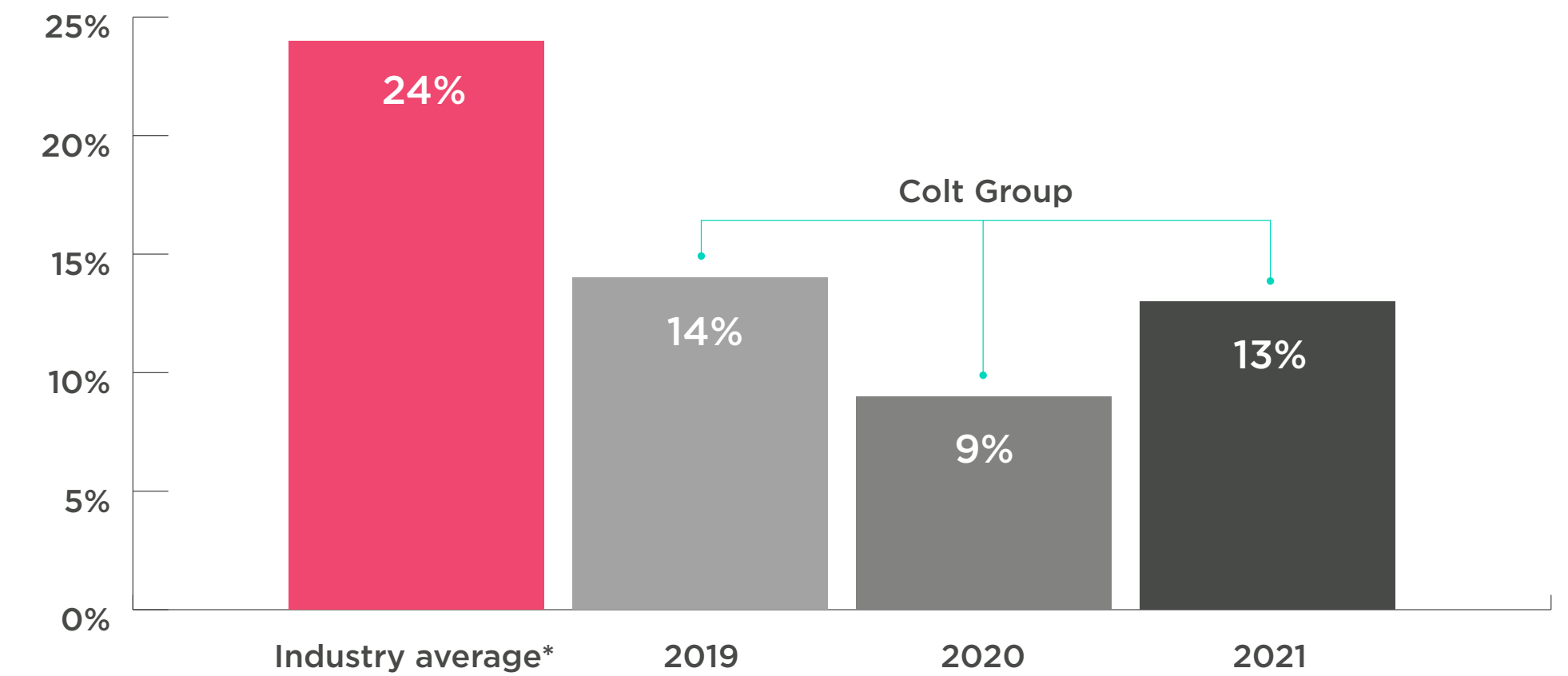
* Telecommunications and Technology industry. Source of the data: Gartner Global Industry Benchmarks, 2019

Colt Group new hires 2021*
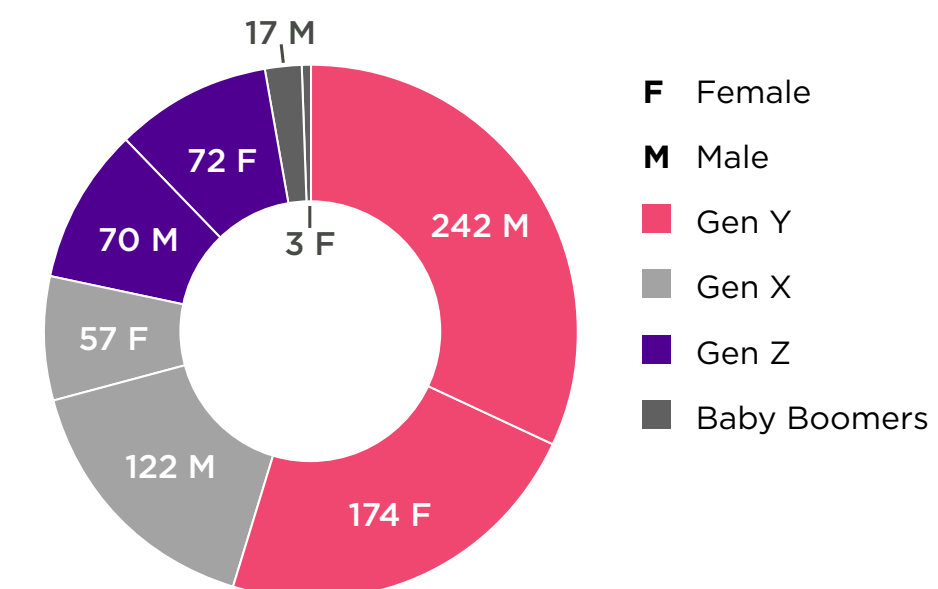
F Female
M Male
Gen Y
Gen X
Gen Z
Baby Boomers

*Gen Z (born after 1994),
Gen Y (born between 1980-1994),
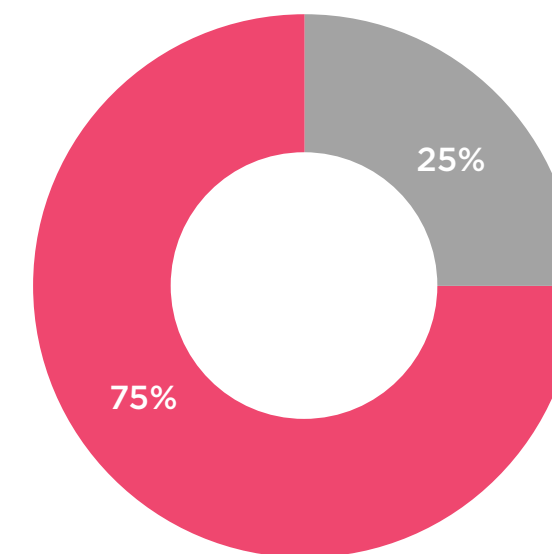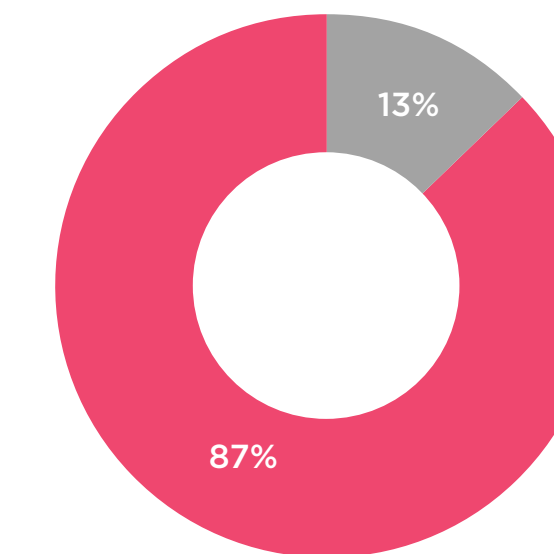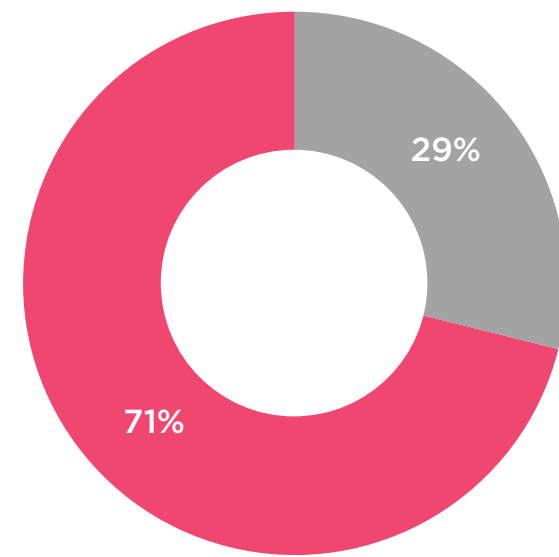*Gen X (Born between 1965 - 1979),*
Baby Boomers (Born before 1965)
According to Data Protection Regulation,
the above figures are the only ones that
can be disclosed

Turnover rate*

Turnover rate chart showing "All Colt Group" (pink) and "Female" (grey) percentages for 2020 and 2021 across generational groups.

All Colt Group
- 2020: 9% / 10%
- 2021: 13% / 16%

Gen Z
- 2020: 22% / 25%
- 2021: 37% / 35%

Gen Y
- 2020: 9% / 9%
- 2021: 15% / 16%

Gen X
- 2020: 6% / 7%
- 2021: 8% / 9%

Baby Boomers
- 2020: 11% / 18%
- 2021: 12% / 23%

Legend: ■ All Colt Group   ■ Female
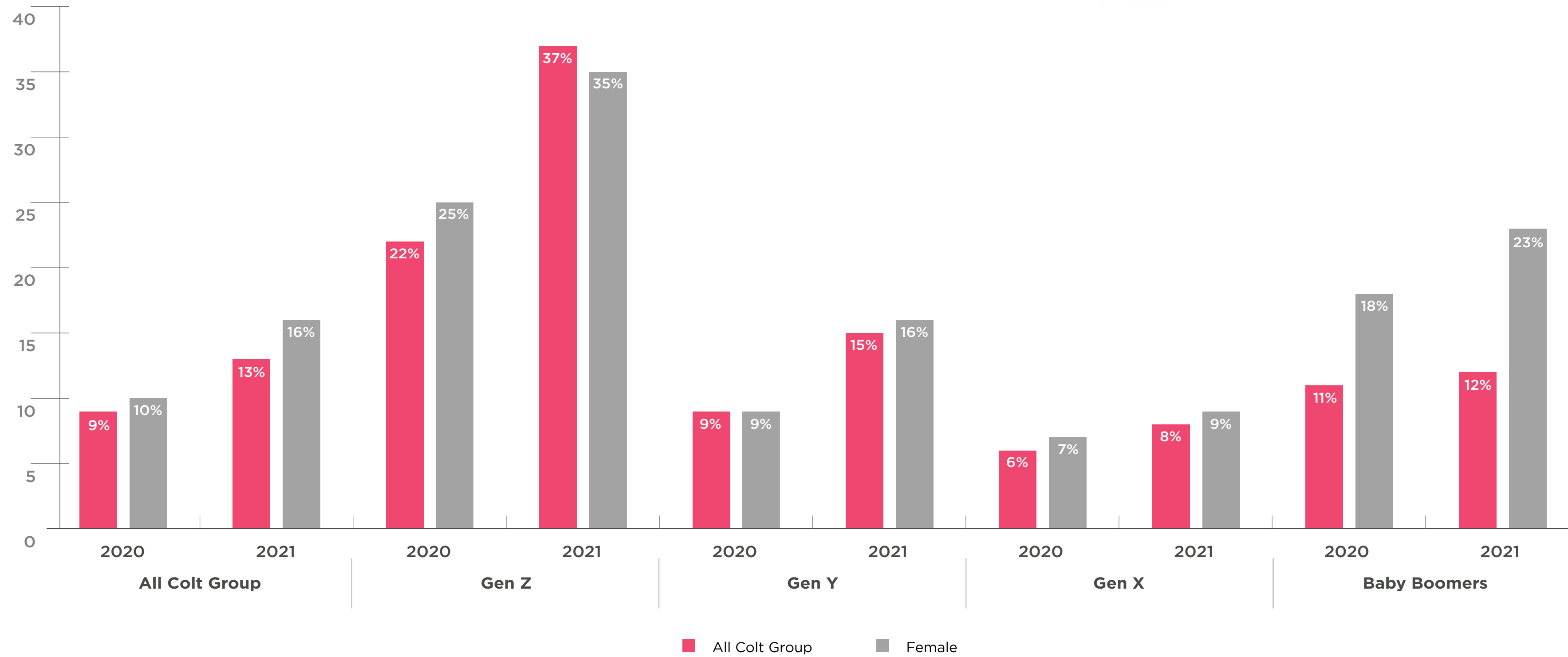
Turnover rate is calculated as follows: total number of leavers during the reporting period (i.e. 12 months of 2020 and 2021) divided by the average headcount over the same 12 months.

According to Data Protection Regulation, the above figures by generation are the only ones that can be disclosed. Gen Z (born after 1994), Gen Y (born between 1980-1994), Gen X (Born between 1965 - 1979), Baby Boomers (Born before 1965).

Social

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Gender diversity across Colt Group 2020

68% of part-time Colt Group employees are in Gen X

In 2020, 51% of Colt Group employees were in Gen Y

4,968 Permanent employees

28%
72%
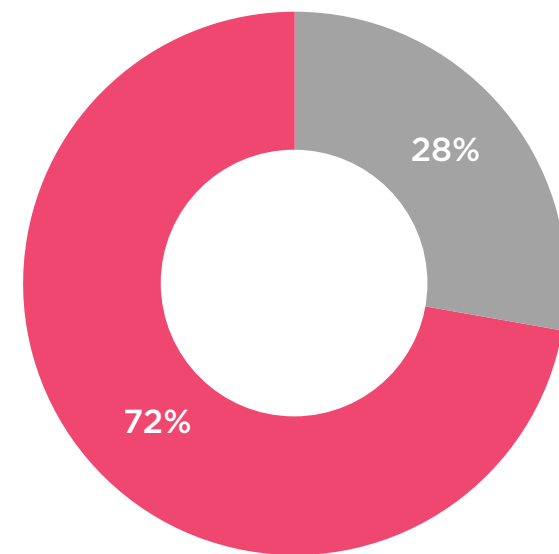
334 Temporary employees

37%
63%
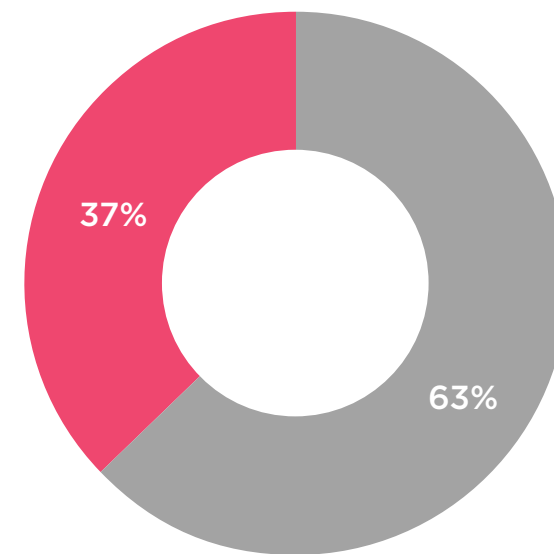
5,137 Full-time employees

28%
72%

165 Part-time employees

19%
81%
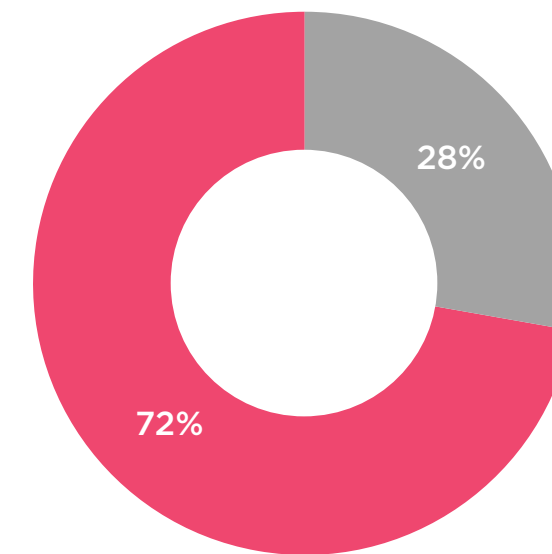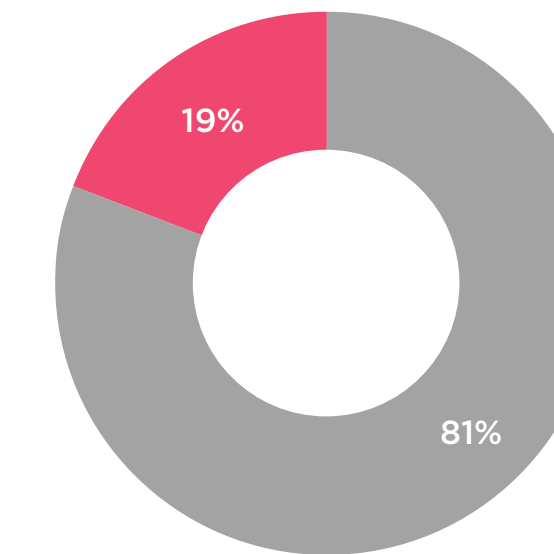
Female
Male

196 Gen Z*

43%
57%

2,683 Gen Y*

34%
66%

2,057 Gen X*

25%
75%

322 Baby Boomers*

13%
87%

*Gen Z (born after 1994),
Gen Y (born between 1980-1994),
Gen X (Born between 1965 - 1979),
Baby Boomers (Born before 1965)
According to Data Protection Regulation,
the above figures are the only ones that
can be disclosed*

colt

Gender diversity across Colt Group 2021

95% of Colt Group employees have permanent contracts

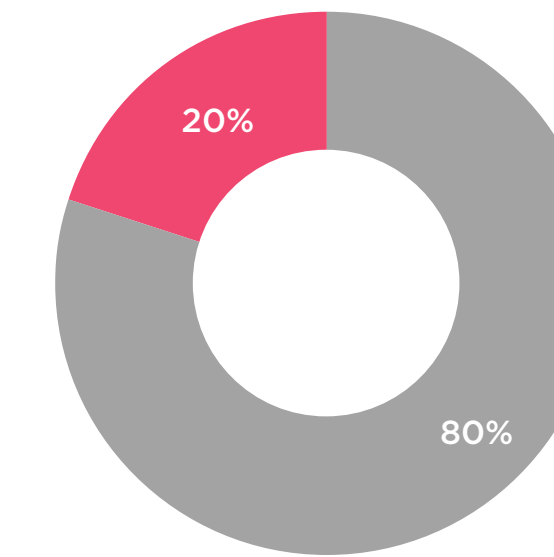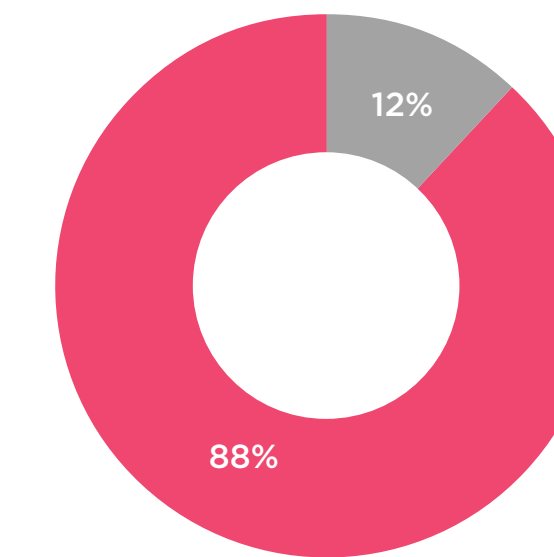**97% of Colt Group employees are full-time employees**

Legend:
- Female (grey)
- Male (pink)

5,039 Permanent employees
- 29% Female
- 71% Male

285 Temporary employees
- 58% Female
- 42% Male
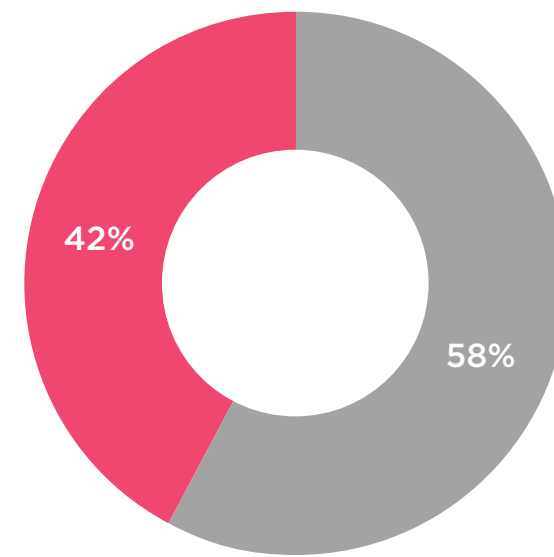
5,158 Full-time employees
- 29% Female
- 71% Male
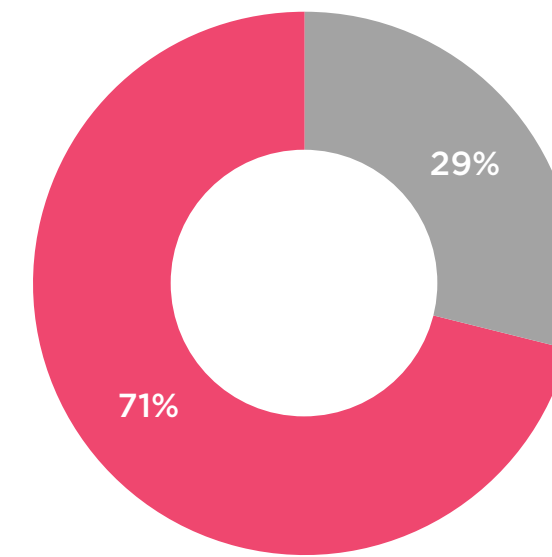
166 Part-time employees
- 80% Female
- 20% Male
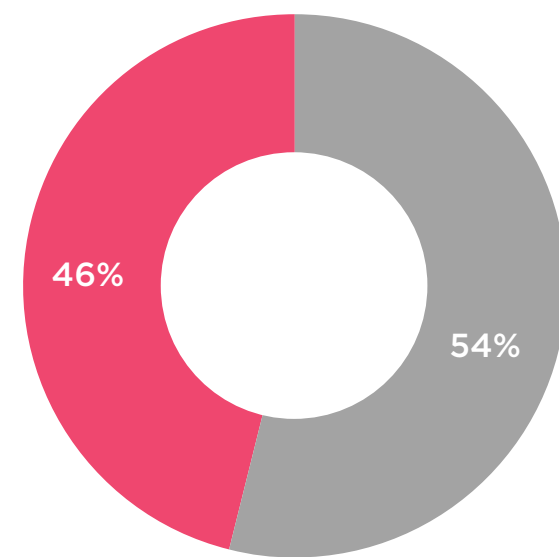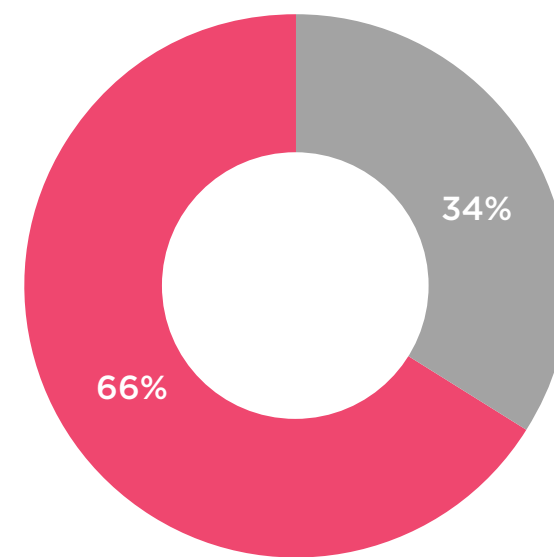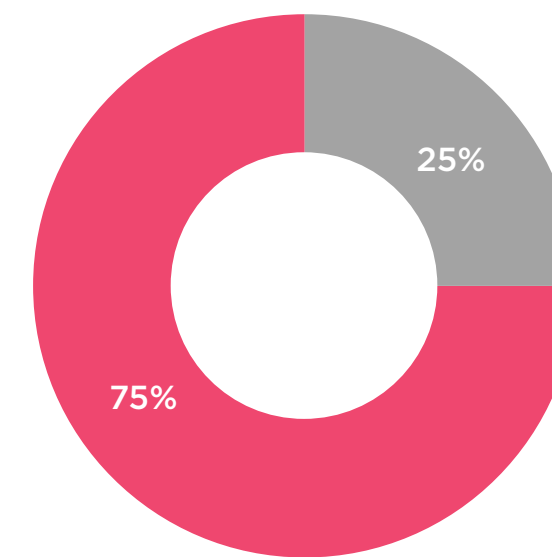
229 Gen Z*
- 54% Female
- 46% Male

2,687 Gen Y*
- 34% Female
- 66% Male

2,069 Gen X*
- 25% Female
- 75% Male

302 Baby Boomers*
- 12% Female
- 88% Male

*Gen Z (born after 1994),
Gen Y (born between 1980-1994),
Gen X (Born between 1965 - 1979),
Baby Boomers (Born before 1965)
According to Data Protection Regulation,
the above figures are the only ones that
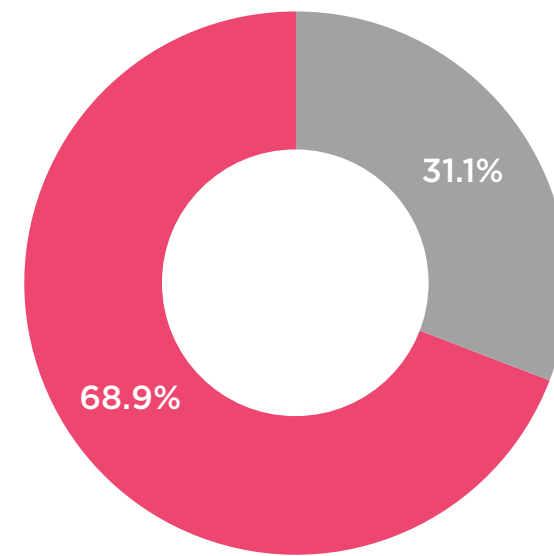can be disclosed

Social

Gender diversity Colt and DCS in detail
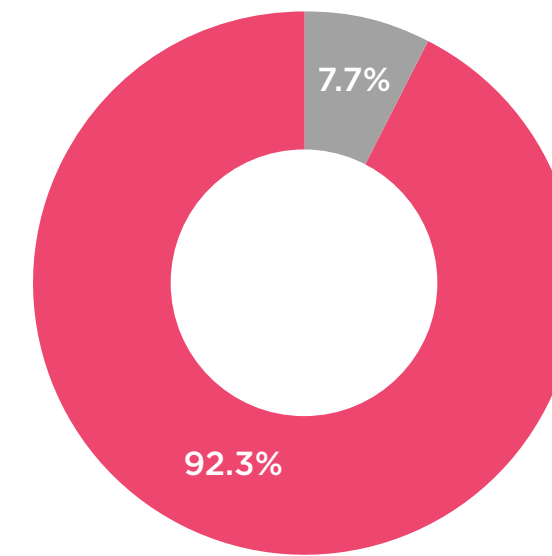
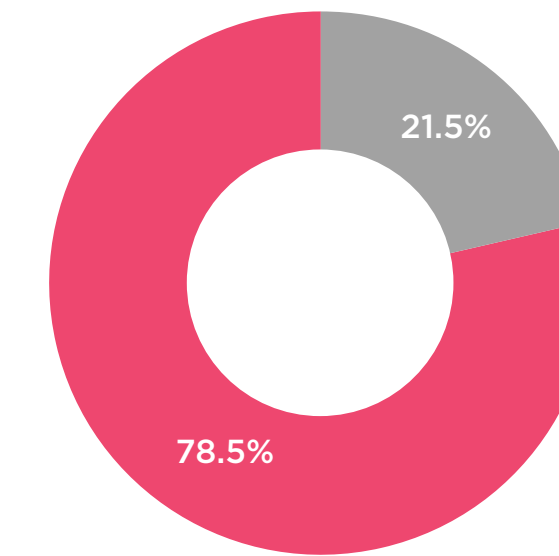**Colt female leadership grew by 11% in 2021**

2020

237 Colt Leadership

19.0%
81.0%

4,714 Colt rest of employees

31.1%
68.9%

39 DCS Leadership

7.7%
92.3%
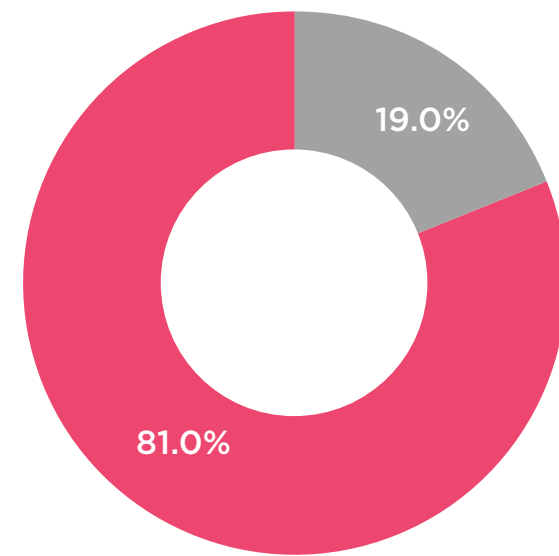
312 DCS rest of employees

21.5%
78.5%

■ Female
■ Male

2021

253 Colt Leadership

19.8%
80.2%

4,714 Colt rest of employees

31.4%
68.6%

40 DCS Leadership

10.0%
90.0%
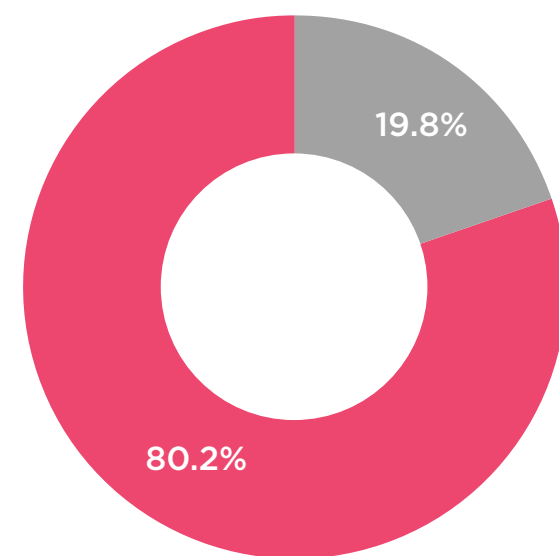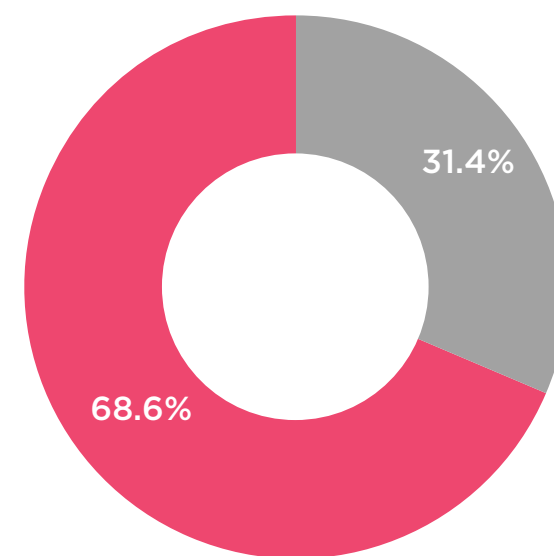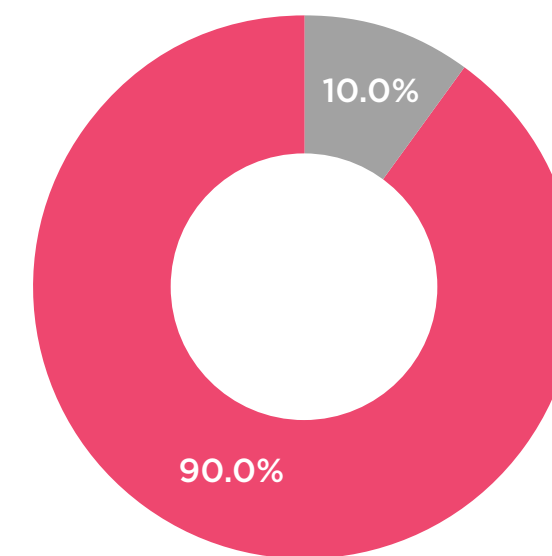
317 DCS rest of employees

22.7%
77.3%

Social
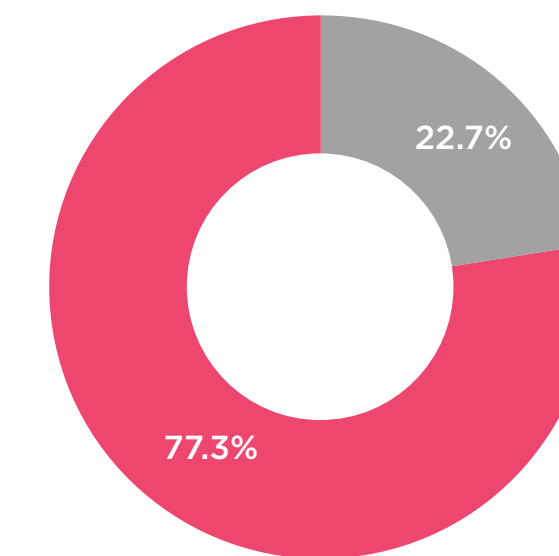
6.2. Inclusion & Diversity

SDGs: 5.1, 5.5, 10.2, 10.3, 10.4

Our vision is to build an inclusive culture thriving on diversity

Our goals

- Build an inclusive culture where everyone can thrive

- Improve the diversity of our workforce – ensuring that we attract and develop the best and brightest from all walks of life

- Individuals to experience a fair chance to join, develop and progress

- Build a reputation as an inclusive employer and a great place to work

**Colt Group has five principles that underpin our work in this area:**

- **Educate** - raise awareness and understanding of inclusion as a whole and across the specific focus areas

- **Attract** – ensure we attract and hire great diverse talent

- **Retain** – manage and develop talent supported by inclusive policies and processes

- **Partner** – team up with internal or external partners

- **Measure** – the right reporting and analytics in place to measure our impact

Our initiatives

We have five focus areas and have initiatives under each focus area. Many of our inclusion initiatives apply to more than one focus area, such as Unconscious Bias training for all Colt Group employees and Inspiring Inclusion, part of a training programme for managers. Our five focus areas are:

1. **Gender balance** – Attract and develop great talent to improve our gender balance

2. **Pride** – Create an environment where anyone can flourish regardless of gender expression or sexual orientation

3. **Race and cultural awareness** – Make Colt Group a great place to work for anyone regardless of race, ethnicity, religion, or cultural background

4. **Enablement** – Welcome and treat everyone fairly, irrespective of any disability or long-term health condition

5. **Multi-generations** – Make the most of each of our four generations' unique experiences

Social

Inclusion & Diversity focus areas
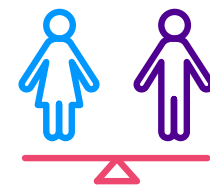
Gender balance

- Retuners@Colt: to attract professionals who have taken a career break into our business
- Best Brave Self - a development series by women for women designed to build confidence and support each other to go beyond our comfort zones. This ran for three years, and its follow up, Embrace Your Best, launched in 2021
- Group mentoring sessions are delivered via our women's network, Network 25
- Joint cross-company mentoring with technology partners
- Cambridge Judge Business School Rising leaders' programme

Pride

- Launched LGBTQ+ ally training and followed up with the launch of an e-learning called Becoming an LGBTQ+ Ally to extend reach
- Teamed up with the charity, Mermaids to hold transgender awareness sessions
- Celebrating Pride Month and LGBTQ+ history Month with blogs and videos from our colleagues on their pride of place and why pride matters to them
- Partnership with myGworks, offering focused recruitment of LGBTQ+ professionals
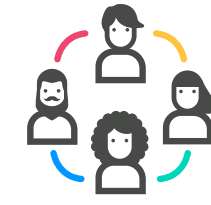
Race and cultural awareness

- Introduction of the GlobeSmart cultural EQ tool to provide practical tools to improve cultural sensitivity across our global workforce
- Celebrated International Cultural Diversity Day with activities, events and language sessions
- Race Inclusion training for our Colt extended leadership team delivered in May 2021
- YOUnited employee network launched race ally training workshop for employees
- Partnerships with the Diversifying job platform and the Black Young Professionals Network

Enablement (disability)

- Launched Colt Group's first Disability Accessibility Network (DAN) in 2020
- Members of The Valuable 500, encouraging joint innovation for disability inclusion across the business
- Added an accessibility toolbar (ReciteMe) to Colt's intranet and website
- Provided summer internships for six interns with disabilities through the Change 100 scheme in the UK in 2020 and 2021, working with the Leonard Cheshire partnership to provide disabled graduates with a positive experience of work
- Held an Accessibility Awareness Week in May 2021 to raise awareness of the importance of removing barriers so everyone can thrive

Multi-generation

- We encourage cross-pollination of ideas and experience through mentoring
- Launched menopause guidelines for employees and managers
- Multigenerational management e-learning launched for managers

Social

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Our policies

We aim to create an open and inclusive work environment and help employees feel safe and supported.

**To find out more about our initiatives:
www.colt.net/about/
inclusion-diversity/**

Global Annual Leave Policy

Updated in 2021. This policy raises awareness of the importance of taking annual leave and supports our employees in achieving a positive work-life balance. Employees are encouraged to disconnect during annual leave fully and empower team members to step up and take on their responsibilities while away. To enable this, a set of communication rules are in place.

Global Family Leave Policy

Implemented in 2020 and updated in 2021, this policy recognises the needs of all our employees, regardless of gender, sexual orientation, family set-up, or type of parenthood. We recognise how important the initial months are for our employees, so that primary caregivers may take up to 20 weeks and secondary caregivers up to 8 weeks of paid leave. We have also created supporting materials with practical guidance for employees and managers to support the transition to parenthood – the Parental Leave Manager Toolkit and the Parental Leave Employee Toolkit.

Global Transition at Work

We launched our Global Transition at Work policy in 2019 to support transgender employees and those with non-binary identities intending to transition at work. This was devised in conjunction with our Pride Matters employee network. The network incorporated transgender and non-binary awareness into its quarterly LGBTQ ally training.

Global Domestic Abuse Support Policy

This policy is committed to providing support, resources, and tools to anyone experiencing domestic abuse, stalking or coercive control. Training workshops accompanied the launch of the policy for HR, Health & Safety and our Mental Health First Aiders and awareness sessions for all employees to sign up to.

Global Workplace Adjustments Policy

The Global Workplace Adjustments Policy supports our employees with disabilities or long-term health conditions to ensure they experience a fair chance to join, develop and build their careers. It looks at how to remove or mitigate barriers to success and has been promoted extensively by our Disability Accessibility Network (DAN).

Social

colt

The Black British Business Awards BAME Talent Accelerator Programme

Over the past two years, we have placed 12 talented employees from Black and ethnic minority backgrounds on the Black British Business Awards BAME Talent Accelerator Programme. This cross-company initiative delivers evidence-based learning and support to individuals and their organisation's wider ecosystem.

"This was a masterclass in empowerment & certainly motivated me to take action to progress at Colt. Without a doubt, having a VP Sponsor genuinely interested and advocating for me was invaluable - and this was the general consensus from Colt colleagues on the programme. I feel privileged to have attended and use the learnings to make a difference both to myself and to support others on their professional journeys!"
Shyama Alfred, Programme Manager

"I find BBBA transformational on three accounts - it elevated my relationship with my immediate manager, gave me a once-in-a-lifetime opportunity to have an executive sponsor and aligned my employment at Colt with what I want to do with my life."
Shan Ali Khan, Sales Engineer

"The Talent Accelerator program was the missing piece of the puzzle that helped me in my career transition journey. A unique experience which provided me with tangible and actionable tools, outputs and connections that I've been leveraging and nurturing ever since. Being part of such diverse cohort with participants from different ethnics, industries and backgrounds where trust and mindfulness were the core values was also key element that made me realize things about my own journey."
Carolina Morales, Deputy Chief of Staff

Accreditations and memberships

Valuable 500

The Tech She Can® Charter

Stonewall
Acceptance without exception

</> TECHTALENT CHARTER:

The Girls' Network
Unlimited futures for all young women

BUSINESS IN THE COMMUNITY
The Prince's Responsible Business Network

disability confident
COMMITTED

Social

Employee networks

Colt Group's employee networks are grassroots groups run by passionate employee volunteers, focusing on key areas within I&D. They provide a safe and supportive space to discuss, promote and act on important issues internally and within the community.

network 25

Network 25 is our women's network to promote diversity and gender balance and engage with all employees to enable women to thrive.

PrideMatters

Pride Matters aims to create a safe space for all LGBTQ+ employees and allies, raise awareness of issues that impact LGBTQ+ employees, and encourage diversity and inclusion.

YOUnited

YOUnited exists to promote cross-cultural understanding and an environment where anyone can flourish regardless of their race, ethnicity, faith or cultural background.

DAN Disability Accessibility Network

DAN stands for Disability Accessibility Network and aims to raise awareness of visible and invisible disabilities and health conditions, embrace differences and champion inclusion.

6.3. Learning and development

SDGs: 4.4

We want to support employees to be their best

As we continue to transform our business to develop new technologies and serve our increasingly global customer base, we strive to attract and retain an increasingly diverse workforce.

A key part of this is investing in the training and development of our people. Our increasingly data-led and digitally-enabled approach focuses on bringing new skills and capabilities to our global teams.

Colt Group has developed several academies, bringing extensive online learning content into different learning paths geared towards our employees' latest learning needs and requirements.

The training programmes typically contain a mix of internal and external courses and other learning content. We benefit from licences from leading providers of online content – such as LinkedIn Learning – and we strongly encourage

all Colt Group employees to use these external resources to help them develop their skills and capabilities.

Colt has its own internal Technical Training team that produces highly customised in-house instructor-led technical training. Colt Group also supports employees in attending external instructor-led training courses.

Colt advocates continual development for employees to improve their knowledge and skills. Where an employee intends to work towards a professional qualification that is directly linked to their current or future role, Colt will consider sponsorship under our Further Education policy. In addition, Colt provides time off for study/examinations on a like for like basis between the employee and the business, up to a maximum of 10 days in total.

Social

Training and development in numbers

	Number of courses / Linkedin learning items completed	Number of people trained	Number of hours
Linkedin Learning	5,125	1,037	5,787
Mandatory training*	9	5,872	28,596
Managing@Colt	1	49	43
New possibilities (training to support Hybrid Working)	3	1,737	1,737

*Data Protection, Conscious Inclusion, Respect in the Workplace, Business Continuity, Code of Conduct, Security Awareness, prevention of Sexual Harassment in Workplace (PoSh)- In India-, Sustainability & Environmental Awareness, Health & Safety. Data includes total number of active employees in 2021 and excludes Contractors Ongoing.

Learning and Development Programme, Brandon Hall Management Excellence Awards

Colt's Management Fundamentals training programme is a bespoke global leadership development programme designed to train and inspire Colt Group's managers and equip them to understand and implement management practices that enable better employee engagement and people management. To date, 778 out of 800 leaders have participated, and we have seen consistent positive feedback from the participants through Colt's manager Feedback surveys. The Management Fundamentals training programme was recognised externally and achieved the Brandon Hall Management Excellence Awards in 2021.

Mandatory training – Completion rate (%)*		
	Colt Group employees	Colt Group employees - New joiners
Business Continuity	99.2%	94.9%
Respect in the Workplace	99.2%	95.6%
Prevention of Sexual Harassment in Workplace (PoSh)	99.8%	93.2%
Security Awareness at Colt	99.1%	96.4%
Code of Conduct	98.6%	94.5%
Environmental Awareness	98.1%	95.3%
Data Protection**	98.4%	91.8%
Health And Safety	*Not rolled out in 2021 for all employees. Only mandatory for new joiners*	92.4%
Understanding Unconscious Bias		93.2%

* Data includes only active employees and excludes Contractors Ongoing. The completion rate has been calculated based on headcounts as of 06/01/2022

** Data protection training was rolled out between 2020 and 2021. The completion rate has been calculated based on headcounts as of 19/05/2022

Social

6.4. Health and Safety

SDGs: 8.8

100% of Colt Group workers are covered by a Health and Safety Management system.

Colt Group provides a safe and healthy workplace, and we continuously strive to improve workplace safety and employee awareness and behaviour.

Colt Group's Health and Safety Policy Statement sets out our health and safety (H&S) commitments to effectively manage and safeguard the Health and Safety of our employees, contractors and any others who may be affected by our activities.

We are committed to designing and implementing a comprehensive health and safety management system which identifies legal compliance requirements and risks and delivers mitigations in a consistent, effective and transparent manner following the principles of ISO 45001:2018 standard. We define strategies that promote a culture of incident prevention and health promotion. We provide safe and healthy working conditions to prevent work-related accidents, injuries and ill-health.

Injuries In Colt Group

Colt Group Health & Safety Indicators		
	2020	2021
Number of recordable work-related injuries	2	1
Rate of recordable work-related injuries (x1 000 000)*	0.2319	0.1099

Note: In 2020 and 2021 there were no fatalities as a result of work-related injuries

*Work-related injuries refers to any work related (as a consequence or due to work) accident involving injuries that caused an employee's sick leave

Recordable work-related injuries rate is calculated as follows: total number of lost time injury events) x 1,000,000 / total hours worked company wide

The number of recordable work-injuries in 2021 was lower than in previous years. This has been influenced by the fact that during Covid-19 pandemic working patterns have changed which has reduced the risk of work-related injuries.

Social

6.5. Employee benefits

SDGs: 3.8

Colt Group provides benefits to support our employees and their families. These include pension, life insurance, disability insurance, medical insurance, Employee Assistance Programme and a company holiday entitlement. In some countries, employees are eligible for additional benefits such as dental insurance, health assessments, cancer screening and meal vouchers.

Pension

Life Assurance

Company Holiday Entitlement

Disability Insurance

Medical Insurance

Employee Assistance Program (EAP)

6.6. Employee wellbeing

SDGs: 3.4

Colt Group's proactive approach to Mental Health aims to tackle the stigma around mental health, building a more inclusive and supportive environment. We want people to be able to ask for support and for those around them to be about recognise early warning signs so that early intervention can take place.

Colt Group supported several employee wellbeing initiatives in 2021, including:

- Global Wellbeing Days, which involved three additional annual leave days given to all employees to encourage them to focus on their wellbeing

- Clear Your Plate Days, usually the third Wednesday of every month, where employees are encouraged not to schedule meetings and focus on training and development

- Safe Workspace Allowance, allowing employees to purchase resources required to work from home

- Wellbeing Inspire Award was given to all Colt employees to assist with additional expenses from the extended period of working from home in 2020 and 2021.

In 2021, having the right support for our employees was extremely important. Colt has partnered with providers to ensure all Colt Group employees have access to an Employee Assistance Programme (EAP).

The EAP provides employees and dependents with confidential support, resources and information. The service is a key part of our offering to support personal and work-life issues and is provided free of charge to all employees 24/7/365 via a dedicated phone line.

We have taken steps to support our employees and leadership teams in prioritising their mental health. We have 60 Mental Health First Aiders globally who have been trained to be the first response for colleagues who need a listening ear or signposting for further support.

We have a Global Mental Health and Wellbeing Policy that provides guidance and advice to all our employees on mental health and well-being issues.

Social
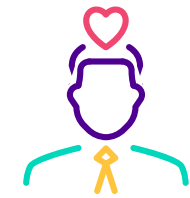
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Mental Health First Aiders

60 MHFAs trained to help Colt staff across all of our countries

Employee Assistance Programme

Provides confidential support, resources and information for personal and work-life issues

Balancing homeworking and childcare

Guidance and support for parents

Working from home guidance
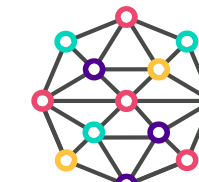
Help for staff unexpectedly working from home

Mental Health intranet area

Information and links when further support is needed

Employee mental health webinar

Recordings shared for employees to listen to when convenient for them

Resources for mangers on Colt Excel

- Manager webinar recordings
- Normalising conversations about Mental Health
- Overview of Wellness Action Plans

Colt Group's support to our people during the Covid-19 pandemic

We rolled out initiatives to support our employees during the challenging and unpredictable Covid-19 pandemic.

We extended sick pay for colleagues contracting Covid-19, and set up a special assistance fund of €250,000 to help employees who might experience financial hardship over this period.

To give all employees a comfortable home working environment, we provided a safe workplace allowance weighted according to location. Employees enjoyed three company-wide well-being days throughout June, August, and October. The well-being days allowed employees to take time to re-energise and refresh.

In India, Colt Group supported our employees through activities including additional insurance policies to cover medical expenses, a vaccination drive covering all employees and their families, and a 'Care Circle' programme providing online doctor consultations, lab tests, pharmacy services and hospital bed booking support. Colt Group also provided webinars with doctors and experts to raise awareness around Covid-19 and established employee volunteer support groups giving help to employees and their families.

6.7. Community engagement

SDGs: 4.4, 4.a, 17.3

We are committed to making a positive impact in our communities, and we encourage employee engagement with charities and local community initiatives. We are proud of the charity initiatives that our employees support. All colleagues globally are given two days of volunteering leave to encourage them to participate in Corporate Social Responsibility (CSR) activities.

Our charitable giving programme has been one of Colt Group's founding pillars of sustainability. We value the dual impact of supporting a good cause and enabling employees to connect outside the office environment.

Alongside engaging with the community through our I&D employee networks, each of our 22 countries has its local partner charity and employee-led CSR committee, with initiatives focussing on fundraising and giving time and skills for volunteering activities.

1,100 days volunteered
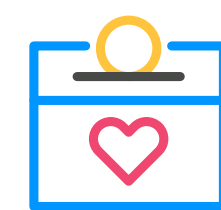
€250,000 donated and match funded by Colt

Colt Connected Classrooms

In partnership with London-based social enterprise Night Zookeeper, the initiative saw Colt Group donate over 850 used laptops across the world to children at risk of being left behind by a lack of technology.

Night Zookeeper's charitable programme aims to address the digital divide and provide children with online creative writing games to improve their writing skills. The learning platform emphasises creativity and self-expression while teaching children core English skills.

Every child receiving a Colt Group laptop will gain a licence to the Night Zookeeper platform and an invitation to join the Colt Connected Classroom. In this private and safe virtual space, they are encouraged by professional tutors and Colt Group mentors and their peers to take up creative writing tasks.

Colt Group charity bike ride

From 2012 to 2019, the Colt Group Charity Bike Ride has seen participants cycle large sections of the Colt Network to raise money for our charity partners. Typically, the Bike Ride is the company's single largest Corporate Social Responsibility event.

Although it was impossible to continue the ride traditionally during the pandemic, we still wanted to support our charity partners. In 2020, we launched the Colt Group Charity Challenge as a virtual event, allowing employees to get involved with their friends and family in a variety of different ways: over two weeks, participants could run, swim, cycle, jog, do yoga, walk, golf, Zumba and even shop, or use any other form of movement to help clock up the kilometres and raise funds globally.

Take time to give time

Each employee at Colt gets two days a year to volunteer in their local community. Colt worked with Good Connections, a charity focused on organising events to give back to local communities. During this event, employees were encouraged to use their volunteering days in September. For every volunteer day taken, a donation was given to the charity.

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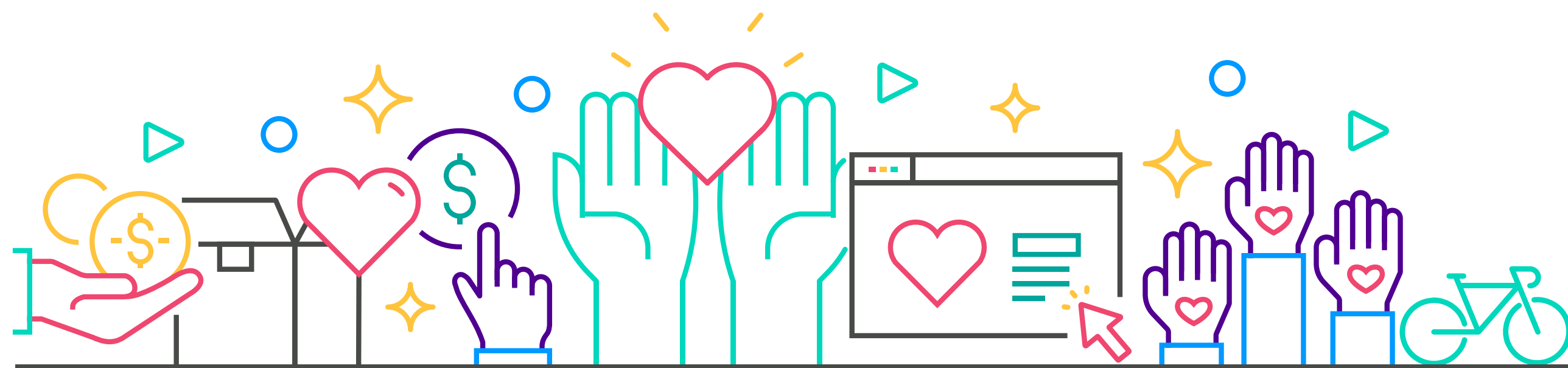
Appendices

7. Appendices
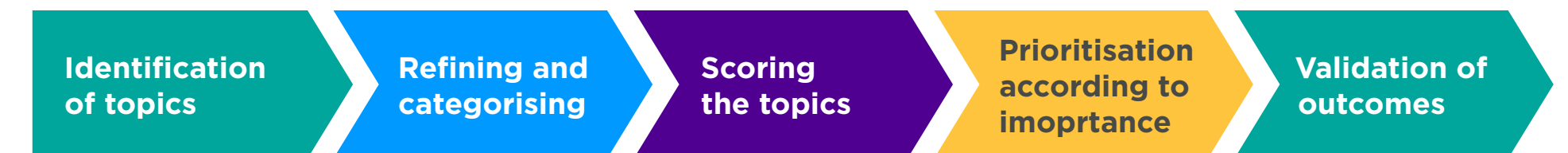
7.1. About this report

Our sustainability report outlines how we deliver against our purpose of making sustainability a core ingredient of our DNA and future business strategy. The report is divided into three chapters providing detailed information about our policies and our approach across four areas:

- Carbon and Environment

- Governance

- Social

- Business innovation and Digital transition

Within each chapter, we outline our management approach and our specific activities in relation to the most material issues.

Materiality Analysis

We conducted an in-depth materiality analysis to understand the most relevant issues to Colt Group's business operations and its stakeholders. We used a five-step process to identify the most material issues for Colt Group.

| Identification of topics | Refining and categorising | Scoring the topics | Prioritisation according to imoprtance | Validation of outcomes |

Appendices

The material topics prioritised through the process are grouped under four different headings: **Environment, Social, Governance, and Business Innovation and Digital**, as shown below.

	Category	Topic
Environment	Circular economy and sustainable products	Circular Economy
	Emissions and energy management	Carbon and GHG emissions strategy
		Energy management consumption
		Energy efficiency and intensity
	Environment and Climate Change	Environmental impact and management
		Climate Change strategy
	Water and waste management	Waste and materials management
Governance	Ethics and legal compliance	Ethical business practices
	Regulated governance and public engagements	Transparent lobbying activities
	Transparency and reporting	Transparency and reporting
		Risk and opportunity management
		Anti-Corruption processes training*
Social	Customer experience	Customer experience/satisfaction*
	Employee management and development	Employee well-being and Health & Safety
		Employee growth development and training
		Employee engagement
	Human rights and Inclusion & Diversity	Diveristy and inclusion
		Respect of Human Rights
	Solutions for society	Providing technology solutions for societal challenges
		Promoting sustainable lifestyles
	Supplier and stakeholder engagement	Responsible management in the supply chain
		Foster dialogue with stakeholders and suppliers
Business Innovation & Digital Transition	Business	Business resilience and adaptation
	Cybersecurity and Privacy	Cybersecurity
		Privacy and personal data protection
	Innovation and digital transition	Innovation
		Key agent in the digital transition
		Digitalisation and the world of work

Alignment with reporting standards

This is Colt Group's first annual sustainability report. We have prepared the report with reference to the Global Reporting Initiative (GRI) guidelines. The GRI Standards represent global best practices for companies that want to provide credible non-financial reporting on their operations.

The data we report covers the period 1 January to 31 December 2021 for Colt Group. For comparison, we provide data for 2020 and 2021. Since our baseline for the carbon reporting is 2019, for carbon, we report over the period 2019-2021. Subsequent reports will be published on an annual basis.

7.2 External Assurance statement by BSI

The sustainability activities reported by Colt Technology Services Group Limited have been independently verified by BSI over the course of a 7 day audit.

The scope of this audit has been:

(a) verification of environmental statements made in the 2021Annual Sustainability Report (in relation to Scope 1, 2 and 3 GHG emissions; waste quantities – total waste, waste to energy, waste to landfill, waste recycled, hazardous and non-hazardous). This verification has been carried out in line with the principals and guidance set out in ISO14016:2020, to a limited level of assurance and a materiality level of 5%.

(b) verification of corporate social responsibility claims made in the 2021 Annual Sustainability Report. Qualitative analysis was carried out and measured against GRI reporting guidelines with reference to the UN SDG's, and prevailing CSR best practice. For verification of quantitative elements, including worker statistics and claims, raw company data was requested and cross examined.

NOTE: BSI Assurance UK Ltd is independent to and has no financial interest in Colt Technology Services Group Limited. This verification opinion has been prepared for Colt Technology Services Group Limited only for the purposes of verifying its environmental and social data described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Assurance UK Ltd has assumed that all information provided to it by Colt Technology Services Group Limited is true, accurate and complete. BSI Assurance UK Ltd accepts no liability to any third party who places reliance on this Opinion Statement.

Appendices

7.3. Greenhouse gasses calculation methodology

Emissions have been calculated using activity and consumption data based on emission factors per the GHG Protocol.

The reduction of DCS's scope and improved visibility of Colt Group's environmental impact led to a recalculation of the 2019 baseline emissions and the 2020 emissions. Thanks to better data collection methods, we included OLO (Other Licensed Operators) & SWIN (Switched Interconnect) in our Scope 3 emissions which allowed Colt Group to calculate more accurate emissions numbers.

Our targets are the same as those set in September 2021, but success will be based on the updated data. As of 2021, we have reduced our Scope 1 and 2 Emissions by 25.1%. We aim to reduce them by 47% by 2030.

* GHG emissions have been calculated using best practice, in accordance with the GHG Protocol. We have used the operational control method.

GHG emissions for 2019, 2020 and 2021 cover the following categories:
- *Scope 1: Natural Gas, fuel from Own Fleet, Refrigerants and Other Fuel (in generators) consumption.*
- *Scope 2: Electricity consumption at Colt & DCS owned sites, or those for which we have the operational control.*
- *Scope 3: Purchased Goods & Services; Capital Goods; Fuel- and Energy-Related Activities (FERA); Upstream UpstreamzLeased Assets, and Downstream Leased Assets.*

Scope coverage:

GHG emissions include all Colt Group countries except:
- *Emissions for 2019 & 2020: US not included.*
- *Emissions for 2019, 2020 & 2021: South Korea & Poland not included.*
  Those three countries represent less than 5% of Colt Group emissions so can be considered immaterial for the purposes of Colt Group GHG emissions calculations.

Colt Group GHG emissions (restated data)*	2019	2020	2021	Variations against 2019 baseline
Gross direct (Scope 1) GHG emissions in metric tons of CO_2e	4,831.9	4,266.1	3,259.0	-32.6%
Gross market-based indirect (Scope 2) GHG emissions in metric tons of CO_2e	23,821.8	26,552.4	18,196.7	-23.6%
Gross indirect (Scope 3) emissions in metric tons of CO_2e	595,865.4	575,846.3	536,077.0	-10.0%
Total emissions in metric tons of CO_2e (market-based)	624,519.1	606,664.8	557,532.7	-10.7%
Gross direct and indirect (Scope 1+2) GHG emissions in metric tons of CO_2e (market-based)	28,653.7	30,818.5	21,455.8	-25.1%

Colt Group GHG emissions (original data)*	2019	2020	2021	Variations against 2019 baseline
Gross direct (Scope 1) GHG emissions in metric tons of CO_2e	4,831.9	4,266.1	3,259.0	-32.6%
Gross market-based indirect (Scope 2) GHG emissions in metric tons of CO_2e	36,088.0	39,280.0	18,196.7	-49.6%
Gross indirect (Scope 3) emissions in metric tons of CO_2e(market-based)	463,688.8	444,101.0	536,077.0	-15.6%
Total emissions in metric tons of CO_2e	504,609.5	487,647.0	557,532.7	-10.5%
Gross direct and indirect (Scope 1+2) GHG emissions in metric tons of CO_2e (market-based)	40,920.7	43,546.1	21,455.8	-47.6%

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7.4. Global Reporting Initiative (GRI) Content Index

We have prepared the report with reference to the Global Reporting Initiative (GRI) guidelines.

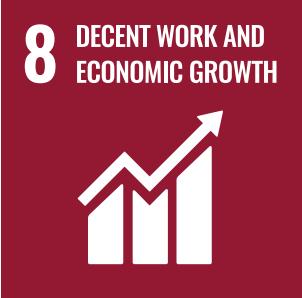| Disclosure	Location	SDG
2-1 Organisational details	Our story	
2-2 Entities included in the organisation's sustainability reporting	Our story	12.6
2-3 Reporting period, frequency and contact point	Alignment with reporting standards (For more information, please contact: ESGTeam@colt.net)	
2-5 External assurance	External Assurance statement by BSI	
2-6 Activities, value chain and other business relationships	Our value chain	8.2
2-7 Employees	Our employees	5.5, 8.5, 10.2, 10.3
2-9 Governance structure and composition	Governance and our Board | Governance of the sustainability programme	5.5, 16.6, 16.7
2-13 Delegation of responsibility for managing impacts	Governance of the sustainability programme	16.6
2-14 Role of the highest governance body in sustainability reporting	Governance of the sustainability programme	16.6
2-15 Conflicts of interest	Business ethics, anti-corruption, and whistle-blower mechanism	16.6
2-17 Collective knowledge of the highest governance body	Learning and development	16.6
2-22 Statement on sustainable development strategy	Keri Gilder – CEO, Colt Technology Services | Niclas Sanfridsson – CEO, Colt Data Centre Services	
2-23 Policy commitments	Our vision and values | Business ethics, anti-corruption, and whistle-blower mechanism | Human Rights	10.4, 13.1
2-26 Mechanisms for seeking advice and raising concerns	Business ethics, anti-corruption, and whistle-blower mechanism	16.6
2-28 Membership associations	Inclusion & Diversity	
2-29 Approach to stakeholder engagement	Our value chain | Sustainability stategy | Community engagement	16.7
2-30 Collective bargaining agreements	Human Rights	8.8
3-1 Process to determine material topics	Sustainability stategy | About this report	
3-2 List of material topics	Sustainability stategy | About this report	
201-2 Financial implications and other risks and opportunities due to climate change	Risk management	12.6, 13.1

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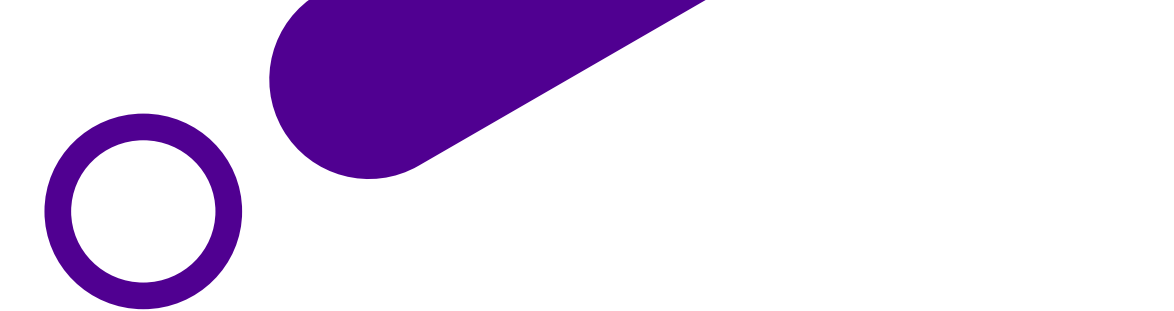
Disclosure	Location	SDG
205-2 Communication and training about anti-corruption policies and procedures	Business ethics, anti-corruption, and whistle-blower mechanism	16.5
301-3 Reclaimed products and their packaging materials	Circular Economy and waste reduction	8.4, 12.2
302-1 Energy consumption within the organisation	Renewables and energy efficiency	7.2, 12.2
302-4 Reduction of energy consumption	Renewables and energy efficiency	12.2
305-1 Direct (Scope 1) GHG emissions	Scope 1 and scope 2 emissions | Greenhouse gasses calculation methodology	12.2, 13.1
305-2 Energy indirect (Scope 2) GHG emissions	Scope 1 and scope 2 emissions | Greenhouse gasses calculation methodology	12.2, 13.1
305-3 Other indirect (Scope 3) GHG emissions	Scope 3 emissions | Greenhouse gasses calculation methodology	12.2, 13.1
305-5 Reduction of GHG emissions	Our carbon footprint | Greenhouse gasses calculation methodology	12.2, 13.1
306-3 Waste generated	Circular Economy and waste reduction	11.6, 12.2, 12.4, 13.1
306-4 Waste diverted from disposal	Circular Economy and waste reduction	11.6, 12.2, 12.4, 13.1
308-1 New suppliers that were screened using environmental criteria	Driving change through our supply chain	12.6, 13.1
401-1 New employee hires and employee turnover	Our employees | Employee New Hires and Turnover Rate | Inclusion & Diversity	5.1, 8.5, 10.2, 10.3
401-2 Benefits provided to all employees	Employee benefits	3.8, 10.4
403-1 Occupational health and safety management system	Health and Safety	8.8
403-3 Occupational health services	Health and Safety	8.8
403-6 Promotion of worker health	Health and Safety | Employee wellbeing	3.8
403-8 Workers covered by an occupational health and safety management system	Health and Safety	8.8
403-9 Work-related injuries	Health and Safety	8.8
403-10 Work-related ill health	Health and Safety	8.8
404-2 Programmes for upgrading employee skills and transition assistance programmes	Learning and development	4.4
405-1 Diversity of governance bodies and employees	Governance and our Board | Inclusion & Diversity | Our employees	5.5, 8.5, 10.2, 10.3, 16.7
413-1 Operations with local community engagement, impact assessments, and development programmes	Community engagement | The Global Green Teams initiative	4.a
414-1 New suppliers that were screened using social criteria	Human Rights	5.1, 8.7, 8.8, 10.3, 12.6, 12.7

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7.5. Colt Group's contributions to the SDGs

3 GOOD HEALTH AND WELL-BEING	3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	Employee wellbeing
	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	Employee benefits
4 QUALITY EDUCATION	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Learning and development Community engagement
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	Community engagement
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and girls everywhere	Our employees Inclusion & Diversity
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision- making in political, economic and public life	Governance and our Board Our employees Inclusion & Diversity
7 AFFORDABLE AND CLEAN ENERGY	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	Renewables and energy efficiency
	7.3 By 2030, double the global rate of improvement in energy efficiency	Renewables and energy efficiency Digital transformation

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SDG	Targets	Location
8 DECENT WORK AND ECONOMIC GROWTH	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	Innovation at Colt
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	Circular economy and waste reduction
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Our employees
	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	Human rights
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Human rights Health and safety
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Our carbon footprint Digital transformation Circular economy and waste reduction
	9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020	Innovation at Colt
10 REDUCED INEQUALITIES	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Our employees Inclusion & Diversity
	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	Human rights Our employees Inclusion & diversity
	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Human rights Inclusion & diversity Employee benefits

Appendices

SDG	Targets	Location
11 SUSTAINABLE CITIES AND COMMUNITIES	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Circular economy and waste reduction
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2 By 2030, achieve the sustainable management and efficient use of natural resource	Our journey to Net Zero Renewables and energy efficiency Digital transformation Circular economy and waste reduction
	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	Circular economy and waste reduction
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Circular economy and waste reduction
	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Sustainability strategy Our carbon footprint
	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Circular economy and waste reduction The Global Green Teams initiatives
13 CLIMATE ACTION	13.1 Strengthen resilience and adaptive capacity to climate- related hazards and natural disasters in all countries	Sustainability strategy Our journey to Net Zero Our carbon footprint Digital transformation
	13.2 Integrate climate change measures into national policies, strategies and planning	Sustainability strategy Our journey to Net Zero Our carbon footprint
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	The Global Green Teams initiatives

Appendices

SDG	Targets	Location
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms	Business ethics, anti-corruption and whistle-blower mechanism
	16.6 Develop effective, accountable and transparent institutions at all levels	Sustainability strategy Governance and our Board Business ethics, anti-corruption and whistle-blower mechanism
	16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	Sustainability strategy Governance and our Board
17 PARTNERSHIPS FOR THE GOALS	17.3 Mobilise additional financial resources for developing countries from multiple sources	Community engagement

Appendices