CORE4CE

# Carbon Reduction Target

Version No 1.0_2023

CARBON REDUCTION TARGET

# INTRODUCTION TO CARBON REDUCTION

The setting of a best-in-class target is guided by the Science-based Target Standard released by the Science Based Targets initiative. The standard outlines the setting of a science-based target (SBT) as follows

1) Near-term SBTs: 5–10-year emission reduction targets in line with the 1.5°C as a minimum for Scope 1 and 2 emissions and a well below 2 degrees scenario as a minimum for Scope 3 emissions.

2) 2) Long-term SBTs: Target to reduce emissions to a residual level in line with 1.5°C scenarios by no later than 2050

3) 3) Neutralization of residual emissions: GHGs released into the atmosphere when the company has achieved their long-term SBT must be counterbalanced through the permanent removal and storage of carbon from the atmosphere.

SCOPE 1 – all direct emissions from the activities of an organization or under their control. i.e., fuel combustion on site in gas boilers, fleet vehicles and refrigerant.

SCOPE 2 – indirect emissions from electricity purchased and consumed by the organization.

SCOPE 3 – All other indirect emissions from activities of the organization, occurring from sources that they do not own or control.

WB2D – Well-below two degrees climate scenario – the level of decarbonization to sustain a 66% chance of limiting peak warming between present and 2100 to below 2°C.
1.5D – 1.5 degrees climate scenario – the level of decarbonization needed to sustain a 50% chance of limiting peak warming between present and 2100 to below 1.5°C

| 2023 Baseline | kgCO2e | MtCO2e |
|---|---|---|
| **Scope 1 EMISSIONS** | | |
| Natural gas and Refrigerants | 25,362 | 25 |
| **Scope 2 EMISSIONS** | | |
| Electricity Consumption | 136,592 | 137 |
| **Scope 3 EMISSIONS** | | |
| Business Travel | 368,263 | 368 |
| Employee commuting | 468,838 | 469 |
| Facility Waste Disposal | 86,124 | 86 |
| Outsourced Cloud Computing | 1,540 | 1.5 |
| E-Waste Disposal | 102 | 0.1 |
| **Total Baseline 2023** | **1,085,280** | **1,087** |

*Core4ce is currently compliant with Scope 1 and 2 as of the end of 2023.*
*Core4ce is not nor does it attest to Scope 3 Compliance. The measurements depicted for Scope 3 reflect bassline measurements for Scope 3 inventory and in assisting with setting Near-Term and Long-Term Targets. Core4ce hopes to achieve full Scope 3 Compliance by the end of 2025.*

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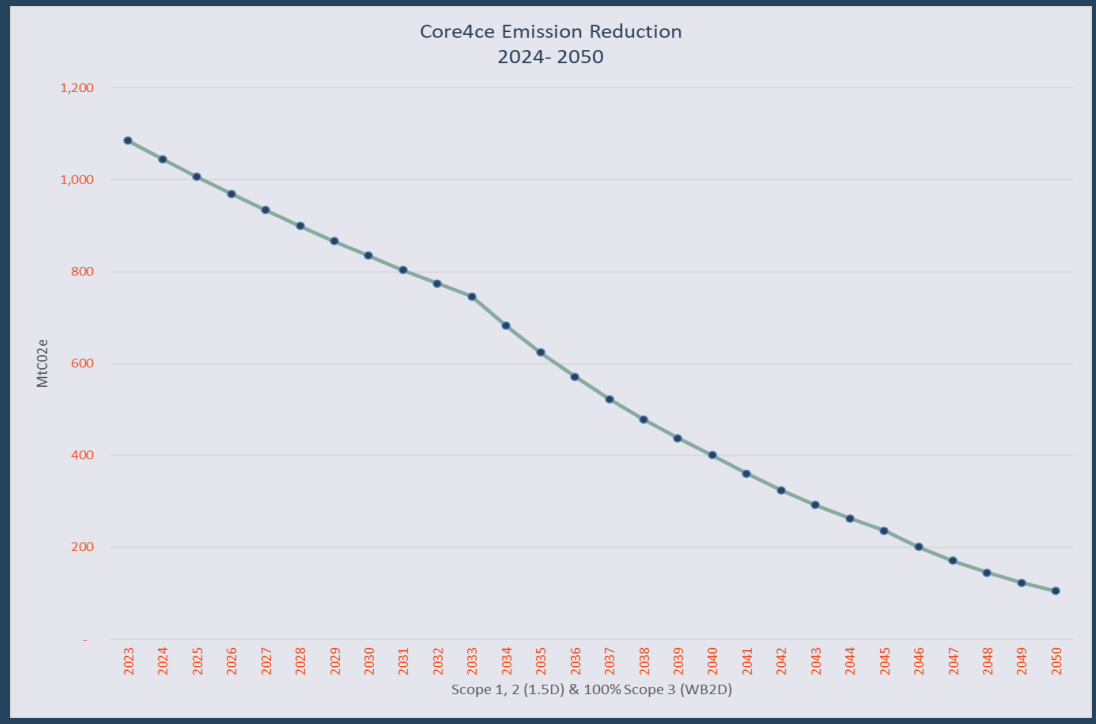
# NEAR-TERM & LONG-TERM TARGET

Core4ce as an IT services provider to the US Federal government will strive to achieve the set of targets that are designed to bring our organization in line with the targets set forth during the Paris Climate Accord. As a contractor providing critical services to the U.S. government, Core4ce operates within a regulatory environment that increasingly emphasizes ESG compliance and reporting. Federal agencies and departments are progressively seeking contractors who not only meet performance criteria but also exhibit strong ESG practices. Our commitment to ESG aligns with the government's expectations and positions us as a reliable partner that shares its values. However, Core4ce currently operates under several significant limitations and constraints. We do not own or operate our own facilities, which limits our control over energy usage and sustainability practices within our physical work environments. Additionally, we cannot dictate when, where, or how our employees travel on behalf of our customers, which restricts our ability to manage and reduce travel-related carbon emissions. Despite these constraints, Core4ce is committed to making meaningful progress in our ESG initiatives, striving to integrate sustainable and responsible practices into every aspect of our operations.  It is unlikely, given our small carbon footprint that our organization will be able to achieve the target solely through a reduction in carbon emitting activities. As part of our overall target reduction strategy Core4ce is exploring the purchase of Carbon Credits to act as an offset in helping us achieve our goals

5-10 Year Target Near-term science-based targets include what Core4ce will need to do now and over the next 5-10 years to reduce our emissions. As a minimum Core4ce would need to reduce its Scope 1 and 2 emissions in line with the 1.5-degree scenario. The Scope 3 emissions can be reduced in line with the 2 degrees pathway as a minimum. The total reduction required to meet a near-term science-based target is therefore 31.3% by 2033 across Scope 1, 2 and 3 from a 2023 baseline. Our targeted goal in the Near-Term, would be ~3.7% reduction Y/Y from 2024-2033 to achieve the 10-year target,

| | 2024 | 2033 |
|---|---|---|
| Scope 1, 2 (1.5D), Scope 3 (WB2D) | -3.68 | -31.27 |




Long Term Target: A long-term target can be set for no later than 2050 and would require a reduction of 90% of Core4ce Scope 1, 2 and 3 emissions

| | 2034 | 2040 |
|---|---|---|
| Scope 1, 2 (1.5D), Scope 3 (WB2D) | -8.50 | -63.09 |

| | 2041 | 2045 |
|---|---|---|
| Scope 1, 2 (1.5D), Scope 3 (WB2D) | -10.00 | -78.2 |

| | 2046 | 2050 |
|---|---|---|
| Scope 1, 2 (1.5D), Scope 3 (WB2D) | -15.00 | -90.00 |

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