ImpactQA Environmental Policy

1. Purpose

At **ImpactQA**, we believe that environmental sustainability is not only a moral obligation but also a critical component of responsible business leadership. As a company operating in the global technology and digital services industry, we are uniquely positioned to drive positive environmental outcomes through our operations, partnerships, and innovation.

This Environmental Policy outlines our intent to:

- **Proactively manage and reduce our environmental impact**, particularly greenhouse gas (GHG) emissions, energy consumption, and waste generation.
- **Align our operations with global climate goals**, including the Paris Agreement's target to limit global warming to 1.5°C above pre-industrial levels.
- **Integrate sustainability into our business strategy**, operational decisions, and corporate culture, ensuring that environmental considerations are factored into how we serve our clients and develop our solutions.
- **Comply with all applicable environmental laws and regulations** while striving to go beyond compliance by adopting best practices in environmental stewardship.
- **Engage and empower our employees, clients, and stakeholders** to collaborate in reducing environmental impact and fostering a culture of sustainability.

The purpose of this policy is to serve as a **guiding framework** for environmental responsibility across all levels of our organization - from leadership to individual employees - and across all geographies and business units where we operate.

By articulating our environmental principles and the actions we commit to, this policy aims to:

- Improve our long-term operational resilience and reputation,
- Support global efforts to mitigate climate change, and
- Contribute meaningfully to a more sustainable, low-carbon future.

2. Scope

This Environmental Policy applies to all aspects of ImpactQA's global operations, regardless of geography, team function, or business unit. It serves as a binding commitment to environmental responsibility for both internal stakeholders and external partners.

A. Organizational Scope
- All **ImpactQA legal entities, branches, and offices** worldwide.
- All **departments and teams**, including but not limited to engineering, testing, operations, HR, administration, and sales.

B. Personnel Scope

- All **employees**, whether full-time, part-time, contract-based, or interns.
- **Consultants, contractors, and temporary workers** engaged by ImpactQA.
- **Executive leadership and management** are responsible for policy enforcement and strategic direction.

C. Operational Scope
- All **business processes, tools, and technologies** are used to deliver our services.
- All **physical facilities** (offices, leased workspaces, and data centers).
- All **IT infrastructure**, including in-house systems and cloud-hosted platforms.
- All **travel and transportation** activities related to business operations.
- **Procurement and vendor selection** processes involving goods and services.

D. Supply Chain & Partner Scope
- **Third-party vendors and service providers**, particularly those providing goods, IT equipment, cloud services, or support functions.
- Encouragement of alignment with our environmental goals through our **vendor code of conduct** or sustainability standards.

E. Product & Client Engagement Scope
- All **client projects and engagements**, particularly those involving long-term infrastructure or on-site consulting, where environmental choices (e.g., travel, data center selection) may be impacted.
- Environmental considerations in **solution design**, particularly regarding energy consumption, performance efficiency, and cloud resource optimization.

3. Our Commitments

At **ImpactQA**, our commitment to environmental stewardship is grounded in accountability, action, and alignment with globally recognized sustainability goals. We recognize that our operations, though not resource-intensive like traditional manufacturing, still contribute to environmental impacts—particularly through energy usage, digital infrastructure, business travel, and supply chain interactions.

To address these impacts, **we commit to the following key areas**:

A. Climate Action & Net Zero Goals
- Achieve **Net Zero greenhouse gas (GHG) emissions by 2028** in line with the **1.5°C global warming limit** as outlined by the Paris Agreement.
- Measure, manage, and disclose our **carbon footprint annually**, including Scope 1 (direct), Scope 2 (indirect), and relevant Scope 3 (value chain) emissions.
- Offset unavoidable emissions through **verified carbon offset projects**, such as reforestation, renewable energy development, or carbon capture.

B. Energy & Operational Efficiency
- Transition to **100% renewable electricity** across offices and critical infrastructure wherever feasible.
- Implement **energy-efficient systems**, devices, and practices in all workspaces.

- Monitor and reduce the environmental impact of **digital tools, servers, and cloud platforms**, including virtualization and workload optimization.

C. Waste Reduction & Circular Economy Practices
- Reduce **electronic waste (e-waste)** by extending equipment life cycles, reusing devices, and recycling responsibly through certified e-waste partners.
- Promote **paperless operations**, digital workflows, and the reduction of single-use items.
- Ensure safe and sustainable disposal of all operational waste in compliance with local and international regulations.

D. Responsible Travel & Mobility
- Minimize emissions from **business travel** through:
  - Encouraging **virtual meetings** and hybrid engagements.
  - Prioritizing **low-carbon transport options** (e.g., rail over flights, carpooling).
- Promote **remote and hybrid work models** to reduce commuting-related emissions.

E. Sustainable Procurement
- Prioritize the selection of **vendors and partners** with strong environmental policies.
- Purchase **eco-certified**, recyclable, and responsibly sourced office and IT supplies.
- Incorporate **environmental criteria into vendor evaluation** and onboarding processes.

F. Employee Engagement & Culture
- Educate and empower our employees to adopt sustainable practices in their work environments and personal lives.
- Foster a **"Green Culture"** through awareness campaigns, sustainability training, and voluntary green teams.
- Plant a Tree initiative on Birthdays, Anniversaries and Joining of Employee
- Recognize and reward employee contributions toward environmental improvement.

G. Governance, Accountability & Transparency
- Appoint a **sustainability officer or committee** to oversee policy implementation, target tracking, and cross-functional collaboration.
- Conduct **regular internal reviews** to ensure alignment with environmental goals.
- Report environmental performance and progress in an **annual sustainability or ESG report**, shared with stakeholders and the public.

H. Stakeholder Collaboration
- Work with clients to design **sustainable QA and digital solutions** that optimize performance while reducing energy consumption and environmental load.
- Encourage suppliers and partners to adopt **eco-conscious practices**, helping to amplify our collective impact across the value chain.

4. Legal & Regulatory Compliance

Achieving net zero greenhouse gas (GHG) emissions requires full compliance with applicable legal and regulatory frameworks at the international, national, and sub-national levels. This section outlines our commitment to maintaining compliance across all relevant jurisdictions and proactively adapting to evolving environmental and climate-related laws.

A. Regulatory Framework Overview

We will ensure alignment with the following key legal and policy frameworks:

- International Agreements
  - **Paris Agreement** – Committing to contributions (NDCs) aligned with limiting global warming to well below 2°C, and ideally 1.5°C.
  - **UN Sustainable Development Goals (SDGs)** – Specifically, Goal 13: Climate Action.

- National and Regional Legislation
  - **Climate Change Acts or Net Zero Laws** (e.g., UK Climate Change Act 2008, EU Climate Law, or equivalent in local jurisdiction).
  - **GHG Reporting Requirements** – Compliance with regulatory disclosure and emissions reporting mandates (e.g., U.S. EPA Greenhouse Gas Reporting Program, EU ETS, SECR in the UK).
  - **Energy Efficiency and Renewable Energy Mandates** – Adherence to building codes, fuel standards, and clean energy procurement requirements.

- Carbon Pricing Mechanisms
  Participation in or accounting for:
    - Cap-and-trade programs
    - Carbon tax regimes
    - Offset markets (voluntary and compliance-based)

B. Compliance Strategy

Our compliance strategy includes:

- Legal Review and Audits
  - **Periodic** legal **audits** to assess exposure, obligations, and regulatory changes.
  - **Retention** of **environmental** legal counsel to interpret new climate legislation.

- **Policy** Integration
  - Integrating legal requirements into internal policies, sustainability goals, and operational procedures.
  - Embedding **compliance** within procurement, R&D, manufacturing, and logistics workflows.

- **GHG** Emissions Reporting and Verification
  - Adopting recognized frameworks (e.g., GHG Protocol, ISO 14064) for accurate emissions accounting.

- o Engaging third-party verifiers **for** independent assurance.
- o Ensuring timely submission of mandatory reports to relevant authorities.

C. Risk Management and Contingency Planning

To minimize legal risks associated with non-compliance or regulatory changes:

- **Climate Regulatory Risk Assessment**
  - o **Identification** and evaluation of risks related to carbon pricing volatility, regulatory tightening, and future legal liability.

- **Contingency Planning**
  - o **Developing** action plans to address non-compliance, including rapid remediation measures.
  - o Scenario planning to address emerging legislation or shifts in political environments.

D. Training and Capacity Building

We will build internal capacity for compliance through:

- **Legal and Compliance Training**
  - o Regular training sessions for legal, environmental, and operational teams.
  - o Updates on emerging regulations, reporting requirements, and legal precedents.

- **Compliance Culture**
  - o Promoting a culture of accountability and ethical responsibility regarding environmental obligations.

E. Engagement with Regulators and Stakeholders

- **Regulatory Engagement**
  - o Ongoing dialogue with regulators to stay informed about upcoming changes and contribute to policy development.

- **Stakeholder Transparency**
  - o Public disclosure of compliance status and regulatory engagement in annual sustainability and ESG reports.
  - o Participating in industry coalitions to advocate for fair and science-aligned climate policies.

5. Roles & Responsibilities

A. Executive Leadership / C-Suite

Role: Provide strategic direction, allocate resources, and ensure company-wide accountability for legal compliance and net-zero objectives.

Responsibilities:
- Approve and champion the net-zero compliance strategy.
- Embed compliance within corporate governance and risk management structures.
- Ensure alignment between business strategy and evolving climate regulations.
- Sign off on regulatory disclosures and sustainability reports.
- Represent the organization in high-level regulatory and stakeholder engagements.

B. Sustainability Officer (CSO) / Sustainability Director

Role: Lead the organization's sustainability and net-zero program, ensuring integration with legal and compliance frameworks.

Responsibilities:
- Develop and implement the net-zero roadmap, incorporating legal requirements.
- Coordinate with legal and compliance teams to ensure regulatory alignment.
- Oversee GHG data collection, reporting, and verification processes.
- Engage with regulatory bodies, NGOs, and industry forums on policy matters.
- Ensure sustainability reporting meets frameworks such as GRI, CDP, and TCFD.

C. Legal and Compliance Department

Role: Interpret climate-related legislation, manage regulatory risk, and ensure legal obligations are met across jurisdictions.

Responsibilities:
- Monitor current and emerging environmental laws and climate regulations.
- Advise departments on compliance requirements (e.g., carbon reporting, permits).
- Conduct legal audits and risk assessments specific to climate regulations.
- Review contracts for compliance with environmental clauses (e.g., supply chain emissions, offset procurement).
- Support investigations and remediation in case of non-compliance.

D. Environmental, Health, and Safety (EHS) Team

Role: Operationalize environmental compliance and support implementation of mitigation strategies.

Responsibilities:
- Ensure facility-level compliance with air quality, emissions, and energy regulations.
- Maintain permits and documentation required by local environmental authorities.
- Conduct environmental impact assessments and audits.
- Coordinate with operations and engineering on emissions reduction initiatives.
- Train site-level staff on environmental compliance protocols.

E. Finance Department / Chief Financial Officer (CFO)

Role: Ensure accurate reporting of climate-related financial risks and manage budgeting for compliance investments.

Responsibilities:
- Integrate carbon pricing and regulatory cost exposure into financial planning.
- Ensure accurate and auditable financial disclosures related to climate risk (e.g., TCFD, IFRS Sustainability Standards).
- Evaluate ROI on compliance-related investments (e.g., low-carbon technologies, offsets).
- Oversee procurement and trading of carbon credits or allowances.

F. Risk Management and Internal Audit

Role: Identify, assess, and monitor risks associated with non-compliance and climate legislation.

Responsibilities:
- Maintain a climate regulatory risk register.
- Evaluate exposure to litigation, penalties, or reputational damage.
- Conduct internal audits of compliance controls and emissions data.
- Recommend improvements in compliance processes and controls.

G. Operations and Engineering

Role: Implement technical measures to reduce emissions and ensure on-the-ground compliance.

Responsibilities:
- Integrate compliance requirements into operational processes (e.g., energy use, process efficiency).
- Collect data for emissions calculations and reporting.
- Maintain records for regulatory inspections or audits.
- Support execution of mitigation projects aligned with legal standards.

H. Procurement and Supply Chain Management

Role: Ensure supplier compliance with environmental and climate regulations.

Responsibilities:
- Include climate and compliance criteria in supplier selection and evaluation.
- Monitor supplier adherence to relevant environmental laws and corporate sustainability policies.
- Support scope 3 emissions tracking and verification.
- Contractually enforce climate commitments (e.g., decarbonization targets).

I. IT and Data Management

Role: Support data collection, storage, and analytics for compliance and reporting.

Responsibilities:
- Deploy systems for tracking and managing GHG emissions data.
- Ensure data security, auditability, and integrity.
- Support integration of regulatory reporting tools (e.g., ESG platforms).

J. Human Resources / Training & Development

Role: Embed legal compliance and sustainability awareness into the company culture.

Responsibilities:
- Develop and implement training programs on legal and regulatory compliance.
- Incorporate sustainability KPIs into performance appraisals.
- Support recruitment of roles critical to climate compliance (e.g., ESG reporting, legal experts).

K. Communications and Public Affairs

Role: Manage transparency and engagement with external stakeholders on compliance issues.

Responsibilities:
- Prepare external disclosures (e.g., ESG reports and climate risk statements).
- Communicate the company's regulatory compliance record to investors, customers, and the public.
- Support dialogue with policymakers and regulators.

6. Monitoring & Reporting

A robust Monitoring and Reporting (M&R) system is critical for tracking progress toward net zero GHG emissions, ensuring compliance with regulatory obligations, and enabling transparent communication with stakeholders. Our M&R framework is designed to provide accurate, timely, and verifiable data on emissions and reduction activities.

A. Monitoring Framework

Objective: Continuously track and evaluate GHG emissions across Scopes 1, 2, and 3, and monitor progress against net zero targets.

Key Components:

- **Emission Source Identification:** Map all emission sources across operations, including:

- o **Scope 1:** Direct emissions from owned or controlled sources (e.g., boilers, company vehicles).
- o **Scope 2:** Indirect emissions from purchased electricity, heat, or steam.
- o **Scope 3:** Indirect emissions from upstream/downstream activities (e.g., supply chain, business travel, waste).

- **Data Collection Frequency:**
  - o Real-time or monthly for Scope 1 and 2.
  - o Quarterly or annually for Scope 3, depending on availability.

- **Key Performance Indicators (KPIs):**
  - o GHG emissions (absolute and intensity-based)
  - o Renewable energy usage %
  - o Energy consumption per output unit
  - o Carbon offset utilization
  - o Progress toward interim and net zero targets

B. Reporting Framework

Objective: Provide accurate, transparent, and verifiable emissions data to regulators, stakeholders, and internal leadership.

Voluntary Reporting Channels:
- Annual Sustainability or ESG Reports
- Integrated Financial Reports (with climate-related disclosures)
- Investor and stakeholder communications

C. Data Governance and Quality Assurance

Objective: Ensure reliability, accuracy, and audit-readiness of reported data.

Data Quality Management:
- Use of automated data capture to reduce manual errors
- Standardized templates and methodologies across all business units
- Cross-checking and validation with historical trends and benchmarks

Third-Party Verification:
- Independent verification of GHG inventories and offset claims
- Assurance levels in line with ISAE 3000 or ISO 14064-3
- Audit trails for all data submissions and changes

Internal Controls:
- Regular audits by internal compliance or sustainability teams
- Role-based access controls and logs for emission data systems
- Reconciliation with energy bills, invoices, and procurement records

D. Continuous Improvement

Objectives:
- Refine methodologies as new standards and technologies emerge
- Benchmark against peers and best practices
- Integrate feedback from audits and stakeholder reviews

Initiatives:
- Integration of AI/ML for anomaly detection and forecasting
- Training programs on reporting best practices

7. Review & Updates

Regular review and iterative updates are essential for maintaining the effectiveness, relevance, and compliance of our Net-Zero GHG Emissions Initiative. This process ensures alignment with evolving regulations, scientific developments, stakeholder expectations, and organizational changes.

A. Purpose of Review and Update Process

- **Maintain Regulatory Compliance:** Adapt to changing local, national, and international laws and reporting standards.
- **Support Continuous Improvement:** Identify areas of underperformance or new opportunities for emissions reductions.
- **Sustain Stakeholder Confidence:** Demonstrate transparency and accountability through regular updates and reporting.

B. Review Frequency and Triggers

Review Type	Frequency	Trigger Examples
Strategic Plan Review	Annually	Annual business planning cycle
Regulatory Compliance Review	Biannually or as required	New or revised climate-related legislation or policies
Emissions Inventory Review	Annually	Annual GHG data collection and reporting cycle
Interim Target Review	Every 2–3 years	Performance gaps or early achievement of milestones
External Assurance Review	Annually	Preceding sustainability/ESG reporting
Ad Hoc Reviews	As needed	Major operational changes, M&A activity, or climate events

C. Key Elements Reviewed

- Net Zero Roadmap and Interim Targets

o   Reassess the achievability of targets based on current performance and new technologies.
o   Incorporate feedback from external stakeholders, including regulators and investors.

- **Compliance Obligations**
  o   Monitor regulatory changes across jurisdictions of operation.
  o   Update internal policies and controls to meet new reporting or mitigation requirements.

- **Mitigation and Offset Strategy**
  o   Evaluate the performance of emissions reduction projects and offset quality.
  o   Adjust portfolio of offsets based on market developments and credibility assessments.

- **Stakeholder Expectations and Disclosure Requirements**
  o   Align with updated frameworks.
  o   Adjust disclosures to address investor and customer feedback.

- **Governance Structure and Responsibilities**
  o   Review clarity, accountability, and effectiveness of sustainability governance bodies.
  o   Update roles or organizational structure as needed.

D. Update Process

- **Initiate Review Cycle**
  o   Led by the Sustainability Office in coordination with Legal, Compliance, Risk, Finance, and Operations.

- **Data and Evidence Collection**
  o   Gather performance data, regulatory updates, stakeholder input, and audit findings.

- **Gap and Impact Analysis**
  o   Identify misalignments, risks, and opportunities based on collected data.

- **Revision Proposal Development**
  o   Prepare recommended changes to goals, processes, systems, or disclosures.
- **Stakeholder Consultation**
  o   Engage internal and external stakeholders (e.g., board, regulators, suppliers, NGOs) for input.

- **Approval and Integration**
  o   Submit updates for executive approval and integrate changes into strategies, policies, and systems.
- **Communication and Training**
  o   Communicate updates across the organization.
  o   Provide training to affected departments and update documentation (e.g., SOPs, manuals).

E. Documentation and Recordkeeping

- Maintain version-controlled documentation for all updates.
- Log justification, stakeholder input, and decisions behind changes.
- Store in a centralized system accessible to compliance, audit, and reporting teams.

F. Governance and Oversight

Body	Role
Executive Sustainability Committee	Oversees strategic updates, allocates resources, and approves major changes.
Legal & Compliance Team	Ensures regulatory alignment and legal integrity of updates.
Sustainability/ESG Office	Leads review process, coordinates input, and drafts updates.
Audit Committee/Internal Audit	Verifies that updates are implemented and documented appropriately.