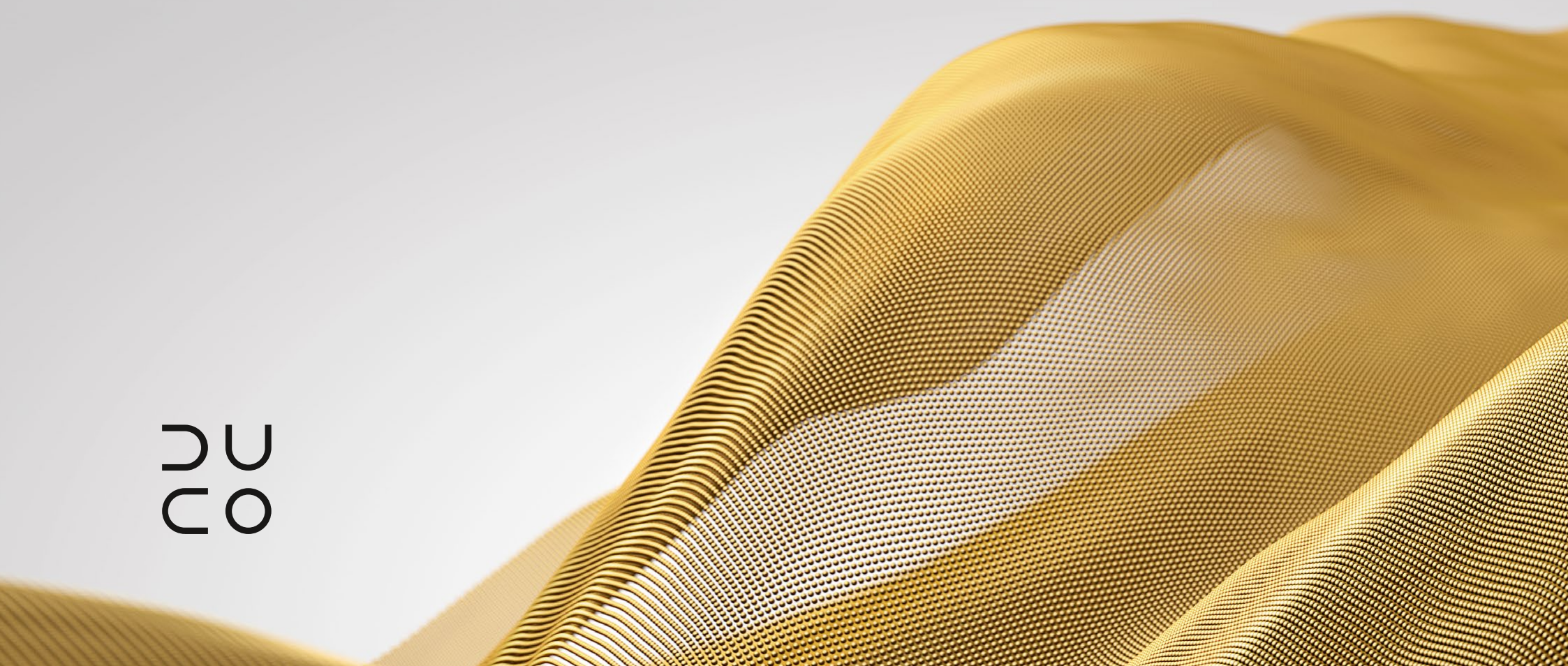


Environmental, Social and Governance Report

FY23

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Letter from our CFO



Danielle Price
CFO Duco

Our people care about creating a fair, sustainable, and equitable world. We plan to leave our planet and society in a better place than we found it – we see Duco as a conduit for positive change.

At Duco we are proud of our company culture of innovation, focused on making a difference for the people we serve as well as our planet and the communities around us. That takes many shapes, from pioneering new cloud technologies that reduce emissions, creating products that create resilience in global financial markets through data automation, to volunteering amongst our local communities.

We are an ambitious group of people and we have set ourselves an ambitious goal to become carbon neutral by 2027, no mean feat for a growth company. To achieve that, we are prioritising reduction strategies. We've spent the last 2 years executing a multi-million dollar public cloud strategy, rearchitecting our platform to optimise emissions whilst improving our customer experience. During the year we achieved significant milestones, having migrated 98% of our customers away from less efficient cloud providers to AWS by Dec 22. Whilst this led to a temporary spike in emissions, long-term this has created significant emission reductions. We are incredibly proud of what our team achieved in this project, not least because they made a difference for the companies who will follow, pioneering technologies for a wider societal benefit.

At Duco, an inclusive environment is in our DNA and something we fiercely protect. We have continued our work with charities to do our part in creating a society in which people from

all socioeconomic backgrounds can flourish. Our teams participated in volunteering programmes in soup kitchens, took part in environmental clean-ups, and planted trees in honour of Earth Day, to name a few. Our apprenticeship programme continues to empower and upskill young adults with backgrounds typically under-represented in our industry.

Guided by one of our goals for Duco to be an inclusive, fair and engaging workplace, this year, we ensured our people processes were structured to ensure everyone was levelled, assessed and compensated accurately, fairly and without bias. We launched a mental health first aiders initiative, to provide support and advice to any colleagues in need.

We're engaged in this work because, at every level of our organisation, we strongly believe it's the right thing to do. I'm personally excited to head up our cross-functional working group focused on ESG, we are a small group but we have a huge amount of passion to make a difference. I'm proud to capture in our first ESG report our progress so far, progress only made possible by the collective hard work of our teams around the world and their shared commitment to our values.

Highlights from FY23

14

volunteering events

100%

carbon emissions to be offset

79%

employee engagement



Volunteers from our New York office planting trees for Earth day



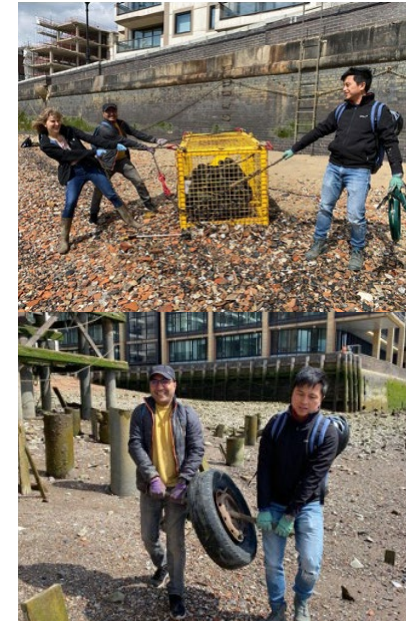
Volunteers from our Wroclaw office planting trees for Earth Day



Volunteering at the Whitechapel mission



Earth day in our Singapore and New York offices



Volunteers from our London office cleaning up one of the banks on the Thames

Our strategy and actions this year



ENVIRONMENTAL

To be carbon neutral by 2027, prioritising carbon reduction, recapturing where possible and offsetting the remainder.

To invest in a balanced portfolio that includes nascent tech in order to create a market and scale, thereby reducing the cost of permanent removal and having a greater impact on broader society.



SOCIAL

To build trust and transparency with our stakeholders (internal and external) that Duco is a fair, equitable, inclusive and engaging place to work.

To utilise Duco as a vessel for good across society through various means including volunteering and social mobility initiatives.



GOVERNANCE

To monitor and address sustainability risks for all critical vendors in our supply chain by 2025 while maintaining existing high standards on internal governance policies.

Our ambition

ENVIRONMENTAL

We are prioritising long-term reduction in our environmental impact where possible, this has resulted in a short-term spike of emissions with future years expected to reduce significantly in relative terms.

This year we:

- + Pioneered new technologies to migrate our platform onto AWS
- + Worked with Greenly to deliver a more complete and precise emissions calculation
- + Launched a travel portal for employees to better track footprint from traveling
- + Introduced an Environmental Policy and a Laptop Lifecycle Policy to formalise our commitment to managing sustainably

KPIs

Total carbon emissions: 2.7ktCO₂e¹

Offset: 100% (2.7ktCO₂e¹)

SOCIAL

At Duco, we prioritise initiatives that improve the day-to-day experiences of our people, building confidence that the company can support career growth and provide a great place to work, and that our decision making frameworks are fair, inclusive and free from bias.

This year we:

- + Implemented more structured people processes on levelling, assessment and compensation
- + Hired our first finance apprentice through a Social Mobility charity programme
- + Launched mental health first aider support
- + Increased our focus on well being as an important pillar of the Duco experience

KPIs

Employee engagement*: 79%

* positive engagement in Pulse survey from employees with > 1y tenure

Annual retention rate:** 76%

** 100% - annual attrition rate (all attrition)

GOVERNANCE

We believe that in order to drive value for our stakeholders and our community, we require cohesive strategy overseen and driven at multiple layers of the organisation. This must be supported by transparency, inside and out:

This year we:

- + Formed a cross-functional ESG team to drive our agenda, led by our CFO
- + Committed to our ESG KPIs and to updating our Board of Directors every 6 months
- + Agreed our Supplier Code of Conduct
- + Implemented a third-party whistleblowing system

KPIs

Critical vendors reviewed last 12 months: 100%

Employees trained on key policies: 100%

Duco is committed to becoming carbon neutral by 2027, reducing and recapturing wherever possible, offsetting what remains

Greenhouse gas emissions (CO²)

In CY2022 we onboarded the calculation tool Greenly to adhere to global standards of calculation and to make this process repeatable, having completed our independent calculation in CY2021.

We have developed a good understanding of the main contributors to the Duco footprint and implemented measures to both reduce and control those contributors, including:

- + Re-architecting our platform
- + Implementing a global travel booking system to help employees choose the most sustainable way of travelling
- + Implementing an electric car scheme
- + Began discussions on carbon tax and other measures to drive a culture of sustainability

In addition KPIs were set for the GHG emissions for carbon offset, with a commitment to investing in nascent CO² removal technologies. We will offset 100% of GHG generated in 2022.

Regular training is being introduced to educate employees on the impact of their daily activities on the company as well as their personal footprint. Best practices are being taught, role modelled and promoted.

Evolution of our platform

This year we continued the multi-year migration of our product onto AWS, pioneering technology to effect this change. Once complete in summer 2023, we expect to see significant reductions in our carbon footprint.

Short term, given the significant amount of client data that Duco manages, the migration materially increased our emissions. This is largely due to:

- + Parallel running (and storing of data),
- + Network traffic to move clients, and
- + Testing of such nascent technology to ensure we continued to deliver the highest quality, uninterrupted service to our customers.

We also developed a roadmap to migrate to native AWS technologies which will reduce our emissions still further, including moving our less frequently accessed data to more carbon efficient technologies.

Energy consumption

While we do not directly control the energy providers in our offices, one of our key selection criteria when choosing our offices is the EPC rating. During this year we moved our London Head Office to a new location and selected the highest energy efficiency grade building.

In addition we provide our employees with guidance on the usage of natural resources and energy when working either in the office or remotely.

Supply chain

The Environmental Policy and the Laptop Life-cycle Policy were introduced to guide our employees on best practices related to purchasing, using and disposing of goods and services.

Restoration and conservation

This year we ran initiatives in each of our global locations dedicated to the Earth Day celebration. This includes planting trees in multiple locations and cleaning up beaches and river banks. Our employees each have three days per year to dedicate to these activities.

Duco is committed to building trust and transparency with our stakeholders that Duco is a fair, equitable, inclusive and engaging place to work

Fair and transparent processes

Eliminating biases within our people practices is paramount. We will ensure measures are in place to monitor bias free decision making through the hiring, promotions, performance rating and compensation processes and, where possible, internally publish aggregate outcomes that demonstrate their overall effectiveness.

Education and awareness

We inform and educate on topics that will make Duco a more inclusive place, and help create an environment in which everyone feels they belong.

Community work (Duco STAR)

Duco has a dedicated social & environmental responsibility working group that engages in regular volunteer work globally. Every Duco employee is encouraged to use their allocated 3 days a year to volunteer. The group has executive level sponsorship and meets regularly to coordinate quarterly volunteering projects, and encourage wider participation within the organisation.

Apprenticeships

Duco partners with the charity LTSB to recruit young people from under-represented backgrounds for apprenticeships, to give opportunities to those who would not usually consider a career in tech. Duco believes in empowering and upskilling these young adults to impact positively on society. The program has been running for several years.

Career development

Duco runs a biannual peer review, self reflection and manager feedback process, with the emphasis on this process being the collection of developmental feedback over the performance assessment of the individual.

Our intention is that all employees have a clear career path available to them by the end of 2023.

Every employee has a personal learning development budget, and we run a number of coaching and training programs to develop leadership skills at all levels of the business, from executive coaching to high potential future leaders.

We offer three separate manager development programmes, targeted to individuals with increasing levels of management experience.

Employee Engagement Reporting

We collect employee engagement data across the entire employment life-cycle, from onboarding, through probation completion, all the way to exit. This includes a bimonthly Pulse survey that regularly tracks engagement and the people topics we currently prioritise.

Managers and leaders use this data to identify opportunities to improve their teams' working environment.

Benefits

Duco prioritises employee physical & mental wellbeing, offering a number of benefits around fitness and wellbeing. So long as people deliver their work, we trust them to manage their time without clock-watching, so encourage flexibility and work/life balance through initiatives such as unlimited vacation, Pressure Off Fridays, and a hybrid work approach.

We champion well being, from the provision of a mental health first aider community, through to regular presentations from experts on a number of well being topics.

Duco is committed to monitoring and addressing sustainability risks for all critical vendors in our supply chain by 2025

Corporate Governance

Effective governance lays the foundation for ethical and effective management of Duco, maximising our long-term value creation and positive societal impact.

ESG matters are managed and reported at multiple levels in the organisation.

Board oversight

Duco has created and follows a cyclical schedule for reporting all sustainability activities and targets to the Board of Directors.

ESG sustainability decisions are subject to BoD scrutiny at the start of each financial year, and progress is reviewed again before reporting is published.

This matters to all of us, right up to our Board.

ESG Working group

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Reporting

Duco is committed to full transparency on environmental and social initiatives, including the public disclosure of our priorities and progress annually.

This document marks the first such public disclosure, with future iterations to be published around September every year as part of our audited financial reporting.

Duco is committed to monitoring and addressing sustainability risks for all critical vendors in our supply chain by 2025

Ethics and compliance

Company code of conduct

Duco ensures compliance with the Code of Conduct by requiring all employees to sign the document during onboarding and annually thereafter.

This ensures their understanding of and commitment to ethical standards, anti-bribery measures, anti-money laundering policies, directorship regulations, conflicts of interest management, and limitations of authority.

Supplier management

Duco has a robust third-party code of conduct approved by our Executive Team and BoD. This document is included in reviews of any new suppliers and this year we also conducted reviews of our critical suppliers to ensure compliance.

Similarly we conduct annual risk reviews of our critical suppliers to ensure we maintain an acceptable risk profile.

Compliance and policies

Duco ensures the effective implementation of policies by providing employees with access to a dedicated page on our intranet. This page serves as a centralized hub for all company policies, with 39 policies and guidance documents currently published.

By making these resources readily accessible, we promote awareness among employees and their commitment to adhering to these policies. Additionally, we have established robust routines for managing non-compliance instances, ensuring timely resolution and corrective actions when needed.

Whistleblowing

Our employees are encouraged and required to speak up about any violation of our code of conduct and other policies governing our internal activities and those of our suppliers.

In 2023 we are planning to implement third-party whistleblowing software which enables all employees to raise concerns anonymously to our Chief People Officer. The People team will partner with appropriate teams to investigate concerns and determine the appropriate resolution.

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