Progress report CO_2 Emission Reduction ICT Group B.V.

H1-2022

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Contents

History

Version	Date	Author	Description
0.1	06-12-2022	M. Vrisekoop	Initial version
0.2	14-12-2022	M. Vrisekoop	Updated due to new emission factor WKO
0.3	21-12-2022	M. Vrisekoop	Added graphics and tables
1.0	23-12-2022	P. Lamers	Final version

Distribution

Version	Date	To	Company

1. Introduction

ICT Group profile

ICT Group B.V. (hereafter: "ICT") is a leading industrial technology solutions and services providers offering high quality technological solutions in the information and communication technology areas within various functional domains, especially within Automotive, Logistics, Machine & Systems, Industrial Automation, Energy and Healthcare. ICT is active within the Netherlands, Belgium, France, Bulgaria, Sweden and Portugal.

The ICT solutions offered to clients involve software development, solutions on project basis, the secondment of experienced and highly educated staff as well as services to maintain IT systems.

Corporate social responsibility

For ICT sustainability is a natural and inevitable part of our daily work. In our day-to-day business we pay attention to the sustainable use of energy and materials. We separately collect our waste, and products we use are recycled as much as possible. Within ICT mobility has a significant contribution to the total CO_2 emissions. Therefore, ICT has started initiatives to make it possible to drive electric. Also, charging stations are or will be placed at the offices to extend the possibility electric driving and promote this.

Furthermore, within our Energy unit we touch on corporate social responsibility cases in our day-to-day business as the Energy unit is servicing energy management systems from an IT perspective.

Active sustainability policy

Related to corporate social responsibility ICT is executing an active sustainability policy. Part of this is participation in the 'SKAO CO_2-Performance Ladder'.

1.1. Responsible

Final responsibility for the sustainability policy resides with ICT Group B.V.'s Chief Financial Officer (CFO).

1.2. Reference year

Based on ICT's energy management program the CO_2 Footprint is calculated at least twice a year. The reduction measures are part of the energy management program and described in the reduction plan 2021-2026.
On a semi-annual basis the progress of implementing the reduction measures relative to the reduction targets is reported. The main focus in this report is with the CO_2 reduction measures. The CO_2 footprint is part of this rapport. ICT Group B.V. is currently certified for level 4 of the CO_2

performance ladder with as reference year 2019. The period in which the CO_2 reduction measures must be realised is 2021 to 2026.

1.3. Organizational Boundary

In the CO_2-Performance Ladder handbook is described that the organizational boundary should be chosen in such a way that no C-providers are amongst the A-providers. ICT has chosen for the 'control approach'. Under the control approach, a company accounts for 100 percent of the GHG emissions from operations over which it has control. It does not account for GHG emissions from operations in which it owns an interest but has no control. Control can be defined in either financial or operational terms. When using the control approach to consolidate GHG emissions, companies shall choose between either the operational or financial control criteria which are defined below:

Financial control

The company has financial control over the operation if the form has the ability to direct the financial and operating policies of the latter with a view to gaining economic benefits from its activities.

Operational control

A company has operational control over an operation if the former or one of its subsidiaries has the full authority to introduce and implement its operating policies at the operation.

For a detailed description of the organizational boundary of ICT Group B.V. see the document Organizational boundary 2022 [ref 1].

1.4. Exclusions and verification

In paragraph 9.3 of ISO 14064-1:2018 a number of aspects are recorded which are irrelevant for ICT and therefore excluded. This applies to the following aspects:

	ISO 14064 topic	Explanation
g	a description of how biogenic CO2 emissions and removals are treated in the GHG inventory and the relevant biogenic CO2 emissions and removals quantified separately in tonnes of CO2e (see Annex D);	Biomass is irrelevant within ICT
h	if quantified, direct GHG removals, in tonnes of CO2e (5.2.2);	This is not relevant for ICT
i	explanation of the exclusion of any significant GHG sources or sinks from the quantification (5.2.3);	This is not relevant for ICT
l	explanation of any change to the reference year or other historical GHG data or categorization and any recalculation of the reference year or other historical GHG	This is not relevant, as 2016 is the reference year.

	inventory (6.4.1), and documentation of any limitations to comparability resulting from such recalculation;	
n	explanation of any change to quantification approaches previously used (6.2);	This is not relevant, as 2016 is the reference year.
o	reference to, or documentation of, GHG emission or removal factors used (6.2);	The removal factors are not relevant for ICT

All other requirements with respect to ISO 14064-1:2018 are included in this rapport and all data is verified by the responsible CO_2 manager.

1.5. References

Ref.	Date	Version	Description
1	08-04-2022	6.0	ICT Group N.V. - Organizational Boundary 2021
2	23-08-2021	1.0	ICT Group N.V. - CO_2 reduction plan 2021-2026

1.6. Changes based on CO_2 performance ladder manual

The conversion factors which are currently applicable are recorded in the Exsion consolidation tool in which all ICT Group B.V. entities have to report their energy consumption with respect to scope 1, scope 2 and scope 3 CO_2 emissions.

1.7. Footprint development 2021 vs 2022

Scope	Q_2-2022 YTD CO2-emission in ton	Q_2-2021 YTD CO2-emission in ton	Diff % CO2-emission	Q2-2022 YTD % of total CO_2 Footprint	Q2-2021 YTD % of total CO_2 Footprint	Diff. % of % of total CO_2 Footprint	CO2 emission in ton per FTE 2022	CO2 emission in ton per FTE 2021	Diff. % CO_2 in ton per FTE
Scope 1, Lease cars	830,13	653,88	26,95%	67,92%	81,81%	-16,98%	0,48	0,44	9,01%
Scope 1, Gas	124,41	99,37	25,19%	10,18%	12,43%	-18,13%	0,07	0,07	7,50%
Scope 1, Total	**954,53**	**753,25**	**26,72%**	**78,10%**	**94,24%**	**-17,13%**	**0,56**	**0,51**	**8,81%**
								-	
Scope 2, Electricity and e-mobility	-	-	-	-	-	-	-	-	-
Scope 2, Electricity	-	-	-	-	-	-	-	-	-
Scope 2, WKO heating	15,63	15,94	-1,94%	1,28%	1,99%	-35,87%	0,01	0,01	-15,80%
Scope 2, Total	**15,63**	**15,94**	**-1,94%**	**1,28%**	**1,99%**	**-35,87%**	**0,01**	**0,01**	**-15,80%**
Scope 3, Public transport	0,79	0,32	149,93%	0,06%	0,04%	63,45%	0,00	0,00	114,60%
Scope 3, Private cars	102,52	26,87	281,50%	8,39%	3,36%	149,48%	0,06	0,02	227,57%
Scope 3, Business flights	148,76	2,91	5012,36%	12,17%	0,36%	3243,26%	0,09	0,00	4289,67%
Scope 3, Total	**252,07**	**30,10**	**737,45%**	**20,62%**	**3,77%**	**447,66%**	**0,15**	**0,02**	**619,07%**
								-	
Total CO2 Footprint	**1.222,23**	**799,28**	**52,92%**	**100,00%**	**100,00%**	**0,00%**	**0,71**	**0,54**	**31,30%**

Historic CO_2 emissions

ICT Group B.V.

Year	2016	2017	2018	2019	2020	2021	2022
CO_2-emission H1	-	-	2.398	2.371	1.466	893,55	1222,23
CO_2-emission H2	-	-	2.419	2.153	808	1009,06	
CO_2-emission total	**4.220**	**4.579**	**4.817**	**4.524**	**2.274**	**1902,61**	

In all CO_2 emission calculations the CO_2 emissions are based on version 3.1 of the performance ladder manual and the related conversions.

2. Reduction measures 2021-2026

For the period 2021-2026 the following reduction measures are recorded on ICT Group B.V. level. The reduction measures per subsidiary are recorded in the reduction measures plan 2021-2026.

Because of ICT Group's buy-and-build strategy, it's likely that ICT Group will grow further the years ahead. Therefore it's more suitable to use a relative KPI to set reduction targets and for monitoring carbon emissions. The reduction KPI will be set relative to the number of FTE and the assumption is that it will reduce with 78% compared to the reference year 2019. This will mean an average reduction of 11% per year.

For the buildings, the reduction program is now being developed. The main focus is on mobility, as the fossil fuelled leased cars are the main contributors to CO2 emissions. In order to reduce fossil fueled lease cars, a new lease policy has be introduced. The schedule of implementation is shown in Figure 1 Roadmap leased car policy.

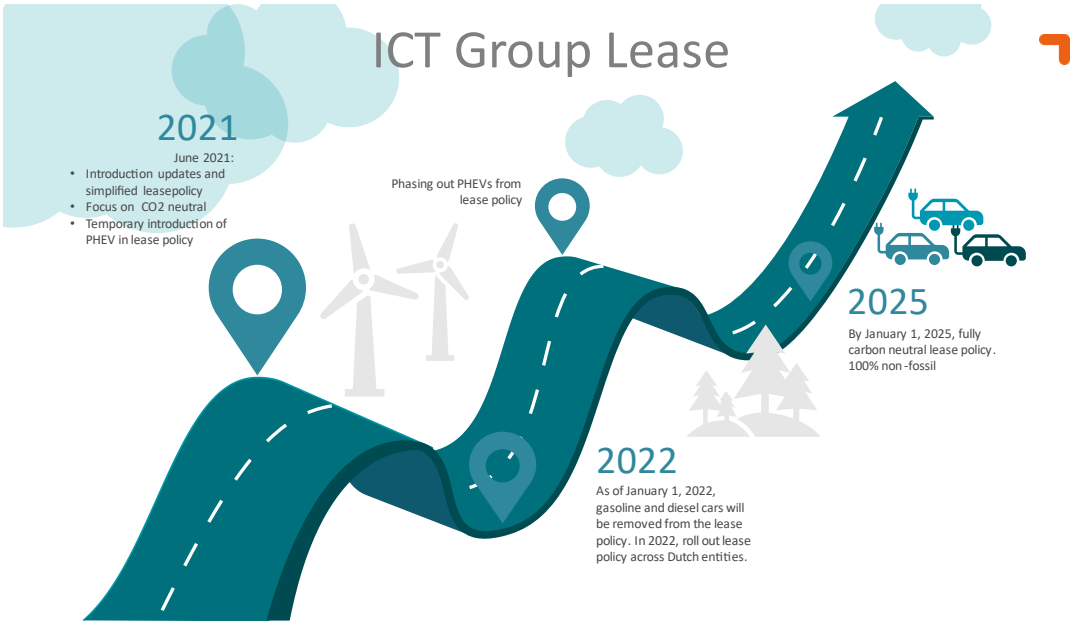


Figure 1 Roadmap leased car policy

Main changes will be:

- Reducing standard mileage
- Annual mileage restriction on private usage of lease car
- Simplification of maximum CO_2 emission limit: the same limit for everyone
- Phase out petrol & diesel fueled cars
- Temporarily add Plug-in Hybrid Electric Vehicles (PHEV) provided charging requirement and annual inspection
- ICT Group pays for charging station and monthly subscription.

Green electricity

ICT Group will continue its 100% green energy usage policy. Meaning all electricity used by the buildings and e-mobility will be 100% renewable energy, CertiQ Dutch Wind energy.

Reduction Measures Mobility

Nr.	Reduction Measures Mobility	Implementation year	Qualification	Status	Remarks
3.2.1	Reducing standard milage	As off July 2021	Policy	Completed	Part of the new Lease Policy, will become effective 1. July 2021 Standard milage is reduced to from 35.000 km to 30.000 km per year.
3.2.2	Annual milage restriction on private use lease cars	July 2021	Policy	Completed	See 3.2.1
3.2.3	Simplification of maximum CO2 emission limit: the same limit for everyone	2021	Policy	Completed	See 3.2.1
3.2.4	Phase out Fossil fueled cars	July 2021-2026	Policy	Completed	See 3.2.1
3.2.5	Temporarily add Plug-in-Hybrid Electric Vehicles (PHEV) provided charging requirement and annual inspection	During period: 1.July 2021 - 30.June 2022	Policy	Completed	See 3.2.1
3.2.6	ICT Group pays for charging station and monthly subscription		Policy	Completed	See 3.2.1
3.2.7	All energy used by e-mobility will be 100% renewable energy, CertiQ Dutch Wind energy	2021-2026	Policy	Completed	
3.2.8	Facilitate working from home and teleconferencing	2020		Completed	After COVID-19 restrictions, new guidelines on hybrid working will be (if possible) home/office on 50/50 basis.
3.2.9	Stimulate more usage of electric cars by placing more load poles at the offices	2021-2026		Ongoing	Tekst toevoegen dat er onderzocht wordt of er meer kunnen komen

Reduction Measures Buildings

Nr.	Reduction Measures Building	Implementation Year	Qualification	Status	Remarks
1	Energy management: Energy registration- and controlling system	2022		Ongoing	All data will each quarter registered in the carbon manager.
2	Usage of 100% green energy	2021	policy	Completed	All electricity used by ICT will be 100% renewable energy, CertiQ Dutch wind energy.
3	Conduct energy audits on a selection of offices.	2021-2026	Policy	Completed	Energy audits have been conducted on a selection of offices to explore additional energy reduction possibilities.

3. CO2 emission footprint ICT Group B.V.

In October 2022 the CO_2 Footprint over H1- 2022 is determined. This CO_2 footprint is compared to H1 of the previous year.

Direct and indirect CO_2-emissions (ton CO_2)	H1-2022	H1-2021	Increase / decrease in %
Scope 1	954,53	753,25	26,72%
Scope 2	15,63	15,94	-1,94%
Scope 3	252,07	30,10	737,45%
Total	**1.222,23**	**799,28**	**52,92%**
Average number of total FTE	1.719,00	1.476,00	16,46%
Total emission per FTE	**0,71**	**0,54**	**31,30%**

Buildings related emissions (ton CO_2)	H1-2022	H1-2021	Increase / decrease in %
Electricity	-	-	-
Heating + WKO	140,03	115,31	21,44%
Total	**140,03**	**115,31**	**21,44%**
Buildings related kWh	H1-2022	H1-2021	Increase / decrease in %
Number kWh (before the purchase of green power)	663.072	592.211	11,97%
Number m^2	20.180	18.923	6,64%
Number kWh per m^2 (before the purchase of green power)	32,86	31,30	4,99%
Number kWh per FTE (before the purchase of green power)	385,73	401,23	-3,86%

Mobility related emissions (ton CO_2)	H1-2022	H1-2021	Increase / decrease in %
Lease cars	830,13	653,88	26,95%
Electric vehicles (EV) (after purchase of green power)	-	-	-
Business travel with private cars	102,52	26,87	281,50%
Public transport	0,79	0,32	149,93%
Business flights	148,76	2,91	5012,36%
Total	1.082,20	683,98	58,22%
Number of electric vehicles	178	146	21,90%
Public transport kilometers	52.871	21.382	147,30%

Number kWh electric driving	H1-2022	H1-2021	Increase / decrease in %
Number kWh electric driving	490.058	370.957	32,10%

4. Results and conclusions

4.1. Results

CO_2 emission per FTE

The relative CO_2 emission per FTE has increased with 31,3%. The increase of the relative CO_2 emission per FTE is mainly due to removal of the COVID-19 restrictions and more working at the offices or at the customer sites. This resulted not only in an increase in mobility related emissions, but also an increase of building related kWh (per FTE) emissions. Furthermore there is an increase of the use of electric lease cars compared to diesel or gasoline cars.

The number of FTE increased in 2022 with 16,5% compared to 2021.

Mobility

The lease car related CO_2 emissions have increased with 26,95% compared to 2021. The CO_2 emissions of the usage of public transport have also increased. The amount of electric cars has increased with 21,9%. This is mainly due to the new lease policy of ICT Group (see chapter 2).

Another change is that the CO2 emissions due to business flights have increased with 5012,36% in 2022 compared to 2021. This is due to the removal of the COVID-19 travel restrictions.
Note: If the emissions are compared to H1-2019 emissions due to business flights, which was a normal year without COVID-19-restrictions, the CO2 emissions H1-2022 would be 32,1% lower.

Buildings

The number of offices increased from 21 in 2021 to 26 in 2022. The building-related emissions have increased with 21,44%. This is mainly due to more offices and more employees working at the offices since the lifting of the COVID-19 restrictions.

4.2. Conclusion

The absolute CO_2 emissions have increased with 52,9%. This is mainly due to the lifting of the COVID-19 restrictions which resulted in more employees working at the offices or at the customer sites. The amount of kWh used for Electric driving has increased with 32,1% which is a result of the increase of the use of more electric vehicles of 21,9%. Also the number of employees increased with 16,5% and the number of offices have increased.

The CO_2 emissions per FTE have increased with 31,3%. The absolute CO_2 emissions per FTE of 0,71 ton over H1-2022 is still below the targeted CO_2 emission per FTE of 1,2 ton.

Currently no extra reduction measures are needed to reach the CO_2 emission reduction targets over the years 2021-2026 based on the CO_2 emissions developments over the first half of 2022.

Mobility

The CO_2 emissions on lease cars per FTE have increased. This is due to more travelling to the offices and the customer sites.

The new lease policy, which has become effective from July 1st, 2021 is promoting electric driving. Since the beginning of 2022, only Plug-in-hybrid or full electric cars could be leased. As of January 1st, 2023, only full electric cars can be leased. From then on, the number of full electric lease cars will increase more rapidly and, subsequently, meaning less fossil fuelled lease cars.

The CO_2 emissions related to business flights have increased significantly (5012,36%). This is mainly due to the lifting of the COVID-19 travel restrictions.

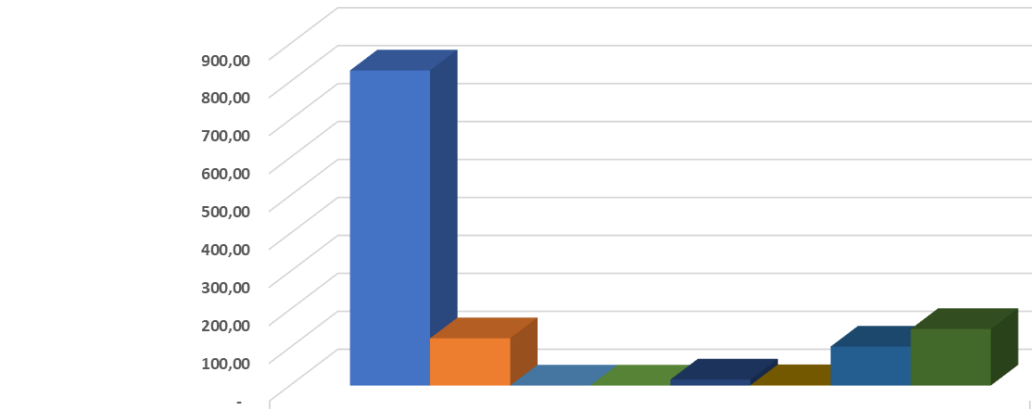
Buildings

The building related absolute CO_2 emissions have increased in 2022, while the number of offices increased from 21 to 26 offices.

The emphasis will be to reduce the electricity and gas consumption. Furthermore, we will actively follow up on the project to install smart meters in all offices, read these smart meters to acknowledge energy consumptions trend and take actions where needed.

Insights in CO_2 emission

CO_2 emissions H1-2022 per scope



	1
Scope 1, Lease cars	830,13
Scope 1, Gas	124,41
Scope 2, Electricity and e-mobility	-
Scope 2, Electricity	-
Scope 2, WKO heating	15,63
Scope 3, Public transport	0,79
Scope 3, Private cars	102,52
Scope 3, Business flights	148,76

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Making the world a little smarter

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