Progress report CO_2 Emission Reduction ICT Group B.V.

YTD-2023

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Contents

History

Version	Date	Author	Description
0.1	31-01-2024	M. Vrisekoop	Initial version
0.2		P. Lamers	Review
0.3	13-03-2024	M. Vrisekoop	Review input processed
1.0	26-03-2024	M. Vrisekoop	Final

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, Germany, 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 very important share in 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 the participation in the 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. The reference year chosen is 2019.
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 certified for level 4 of the CO_2 Performance Ladder.

1.3. Organizational Boundary

In the CO2-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 V7.0 [ref 1]. An addition: on 1st September 2023, ICT has acquired Incore Software B.V.

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 inventory (6.4.1), and documentation of any limitations to comparability resulting from such recalculation;	This is not relevant, as 2019 is the reference year.

n	explanation of any change to quantification approaches previously used (6.2);	This is not relevant, as 2019 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	10-05-2023	2.0	ICT Group B.V. - CO_2 reduction plan 2021-2026
2	02-05-2023	7.0	ICT Group B.V. – Organizational Boundary

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 2022 vs 2023

Scope	2023 YTD CO2-emission in ton	2022 YTD CO2-emission in ton	Diff % CO2-emission	2023 YTD % of total CO_2 Footprint	2022 YTD % of total CO_2 Footprint	Diff. % of % of total CO_2 Footprint	CO2 emission in ton per FTE 2023	CO2 emission in ton per FTE 2022	Diff. % CO_2 in ton per FTE
Scope 1, Lease cars	1.477,60	1.727,99	-14,49%	54,36%	68,02%	-20,08%	0,79	1,01	-21,69%
Scope 1, Gas	264,97	223,49	18,56%	9,75%	8,80%	10,81%	0,14	0,13	8,58%
Scope 1, Total	**1.742,57**	**1.951,48**	**-10,71%**	**64,11%**	**76,81%**	**-16,54%**	**0,93**	**1,14**	**-18,22%**
							-	-	
Scope 2, Electricity and e-mobility	-	-	-	-	-	-	-	-	-
Scope 2, Electricity	-	-	-	-	-	-	-	-	-
Scope 2, WKO heating	33,88	35,01	-3,23%	1,25%	1,38%	-9,55%	0,02	0,02	-11,37%
Scope 2, Total	**33,88**	**35,01**	**-3,23%**	**1,25%**	**1,38%**	**-9,55%**	**0,02**	**0,02**	**-11,37%**
Scope 3, Public transport	7,50	1,81	314,36%	0,28%	0,07%	287,28%	0,00	0,00	279,48%
Scope 3, Private cars	313,33	241,42	29,79%	11,53%	9,50%	21,30%	0,17	0,14	18,86%
Scope 3, Business flights	620,90	310,80	99,77%	22,84%	12,23%	86,72%	0,33	0,18	82,96%
Scope 3, Total	**941,73**	**554,03**	**69,98%**	**34,65%**	**21,81%**	**58,87%**	**0,50**	**0,32**	**55,67%**
							-	-	
Total CO2 Footprint	**2.718,18**	**2.540,52**	**6,99%**	**100,00%**	**100,00%**	**0,00%**	**1,46**	**1,49**	**-2,01%**

Historic CO_2 emissions ICT Group B.V.

Year	2016	2017	2018	2019	2020	2021	2022	2023
CO_2 emission H1	-	-	2.398	2.371	1.466	894	1.222	1.293
CO_2 emission H2	-	-	2.419	2.153	808	1.009	1.319	1.425
CO_2-emission total	**4.220**	**4.579**	**4.817**	**4.524**	**2.274**	**1.903**	**2.541**	**2.718**

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 been 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

No.	Reduction Measures Mobility	Implementation year	Qualification	Status	Remarks
3.2.1	Reducing standard milage	As of 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 No. 3.2.1
3.2.3	Simplification of maximum CO2 emission limit: the same limit for everyone	2021	Policy	Completed	See No. 3.2.1
3.2.4	Phase out Fossil fuelled cars	2021-2025	Policy	Completed	See No. 3.2.1, As of Jan 1. 2022 only PHEV or full Electric cars can be leased.
3.2.5	Temporarily add Plug-in-Hybrid Electric Vehicles (PHEV) provided charging requirement and annual inspection	Start July 2021	Policy	Completed	See No. 3.2.1
3.2.6	ICT Group pays for charging station and monthly subscription		Policy	Completed	See No. 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 are (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	Charging stations installed at Dreumel and Bergen op Zoom

Reduction Measures Buildings

Nr.	Reduction Measures Building	Implementation Year	Qualification	Status	Remarks
1	Energy management: Energy registration- and controlling system	2022		Ongoing	All data is each quarter registered in the carbon manager.
2	Usage of 100% green energy	2021	policy	Completed	All electricity used by ICT will be 100% renamable 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 February 2024 the CO_2 Footprint over 2023 is determined. This CO_2 footprint is compared to the previous year.

Direct and indirect CO_2-emissions (ton CO_2)	2023	2022	Increase / decrease in %
Scope 1	1.743	1.951	-10,7%
Scope 2	34	35	-3,0%
Scope 3	942	554	70,0%
Total	**2.718**	**2.540**	**7,0%**
Average number of total FTE	1.865	1.708	9,2%
Total emission per FTE	**1,46**	**1,49**	**-2,0%**

Buildings related emissions (ton CO_2)	2023	2022	Increase / decrease in %
Electricity	-	-	-
Heating + WKO	299	258	15,6%
Total	**299**	**258**	**15,6%**

Buildings related kWh	2023	2022	Increase / decrease in %
Number kWh (before the purchase of green power)	1.343.430	942.310	42,6%
Number m^2	19.017	22.790	-16,6%
Number kWh per m^2 (before the purchase of green power)	71	41	70,9%
Number kWh per FTE (before the purchase of green power)	720	552	30,6%

Mobility related emissions (ton CO_2)	2023	2022	Increase / decrease in %
Lease cars	1.478	1.728	-14,5%
Electric vehicles (EV) (after purchase of green power)	-	-	-
Business travel with private cars	313	241	29,8%
Public transport	8	2	314,4%
Business flights	621	311	99,8%
Total	**2.419**	**2.282**	6,0%
Number of electric vehicles	223	184	21,2%
Public transport kilometers	374.982	120.897	210,2%

Number kWh electric driving	2023	2022	Increase / decrease in %
Number kWh electric driving	898.028	1.080.343	-16,9%

Electric cars/total Leasecars	2023	2022	Increase / decrease in %
Electric leasecars	223	184	21,2%
Plug-in Hybrids Electric (PHEV) cars	123		
Total amount of leasecars	**566**	**572**	**-1,0%**
Percentage electric/rest	39,4%	32,2%	

4. Results and conclusions

4.1. Results

CO_2 emission per FTE

The relative CO_2 emission per FTE has decreased with 2,0 %, even though the number of FTE increased in 2023 with 9,2% compared to 2022. This is due to the new policy to work on a 50/50 basis at the office/customer's site or from home and the new mobility policy. Both attribute to lower emissions.

Mobility

The lease car related CO_2 emissions have decreased with 14,5% compared to 2022. This is due to the new mobility policy, which became effective from 1. July 2021. It states that, as of that moment, only plug-in hybrid or full electric cars can be leased. The percentage of electric cars have further increased from 32,2% in 2022 to 39,4% in 2023. However, the total amount of lease cars has decreased despite of the increase of FTE.

The CO_2 emissions due to usage of public transport has increased with 314,4% and business travel with private cars has increased with 29,8% compared to 2022. The CO_2 emissions due to business flights have increased with 99,8%. This is partially due to the removal of the COVID-19 travel restrictions. However, this is still less than in the period before COVID-19. We will analyse this further to assess whether the reduction targets for 2024 -2026 remain feasible or whether additional measures are needed.

Buildings

The number of offices decreased from 27 in 2022 to 26 in 2023. The building-related emissions in 2023 are 15,6% higher than in 2022, which relates to more people working at the offices since the COVID-19 restrictions were lifted.

4.2. Conclusion

The absolute CO_2 emissions in 2023 have increased with 7,0% compared to 2022. This is mainly due to the lifting of COVID-19 restrictions and more people working at the offices or at the customer's premises. However, the emissions are still much lower than the CO_2 emissions in 2019.

The CO_2 emissions per FTE have decreased with 2,0%. Over 2023 the emission of 1,46 ton is lower than the target of 2,26 CO_2 emission per FTE (lower is better). This is the result of the new hybrid work and mobility policy.

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 year 2023.

Mobility

CO_2 emissions on lease cars per FTE decreased from 1,01 to 0,79 ton CO_2 emissions. This is due to less traveling with the fossil fuelled lease cars and more usage of electric cars. The amount of kWh used for Electric driving has decreased with 16,9%.

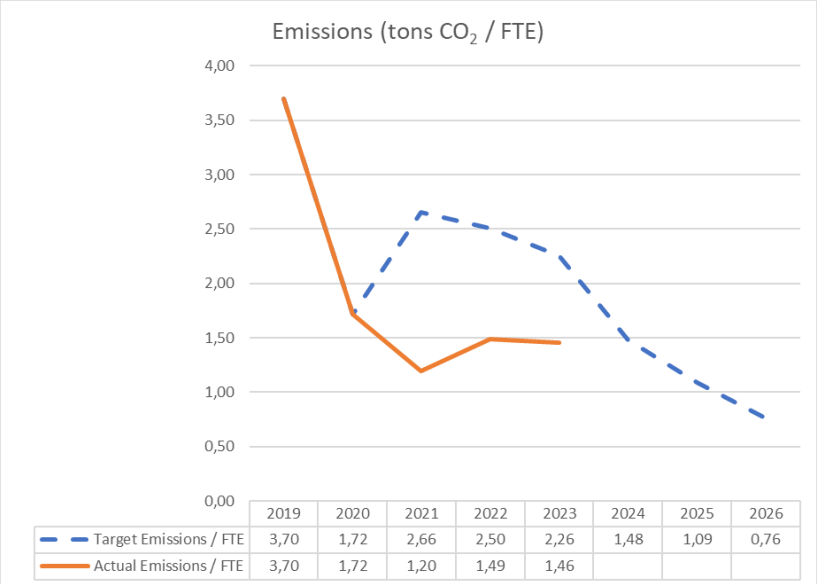
The CO_2 emissions related to business flights have increased 99,8%, but this is still lower than before the COVID-19.

Buildings

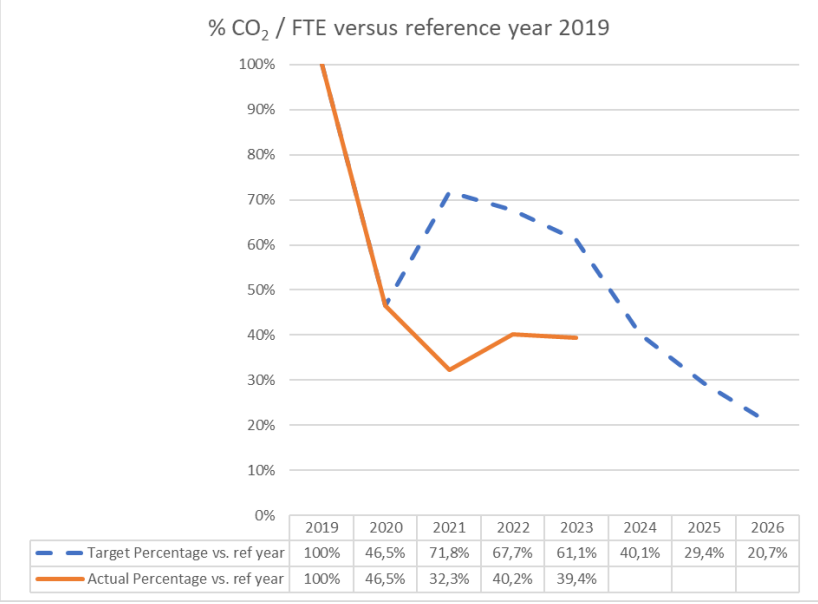
The number of offices decreased from 27 to 26 offices. The building related absolute CO_2 emissions have increased in 2023 with 15,6%. This increase is due to a German entity, reporting a much higher amount of m3 usage. This will be further analysed.

Insights in CO_2 emissions target versus actual achieved

The target KPI set in the reduction plan (emissions tons CO2 / FTE) is indicated by the blue dashed line in the figures below. The emissions per FTE were expected to rise, assuming the impact of the COVID-19 pandemic had stopped in Q2 2022. In contrast, the implementation of the new mobility policy and hybrid working contributed more positively to carbon reduction as expected. This resulted in a 1,46 ton CO_2 emission per FTE which is ahead of the targeted of 2,26 ton CO_2 emission per FTE. Based on this, it can be concluded that the 2023 target has been achieved.



	2019	2020	2021	2022	2023	2024	2025	2026
Target Emissions / FTE	3,70	1,72	2,66	2,50	2,26	1,48	1,09	0,76
Actual Emissions / FTE	3,70	1,72	1,20	1,49	1,46			



	2019	2020	2021	2022	2023	2024	2025	2026
Target Percentage vs. ref year	100%	46,5%	71,8%	67,7%	61,1%	40,1%	29,4%	20,7%
Actual Percentage vs. ref year	100%	46,5%	32,3%	40,2%	39,4%			

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