

ENERGENT S.P.A.




EMISSION REDUCTION STRATEGY REPORT

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INDICE

- 1 INTRODUCTION3
- 2 REPORT GHG RESULTS.....4
- 3 SCIENCE BASED TARGET5
 - 3.1 First analysis 5
 - 3.2 SBTi update – Net-Zero standard 6
 - 3.3 Reduction to date..... 8
 - 3.3.1 Scope 1 related actions8
 - 3.3.2 Scope 2 related actions8
 - 3.3.3 Scope 3 related actions9
 - 3.3.4 2019 Emission results.....9
 - 3.3.5 2020 Emission results.....11
 - 3.3.6 2021 Emission results.....13
- 4 2030 COMPANY REDUCTION STRATEGY15
 - 4.1 Conclusions..... 15

	EMISSION REDUCTION STRATEGY REPORT	
	Rev. 01 – 17/06/2022	pag. 3


1 INTRODUCTION

Energent S.p.A. operates in the ICT (Information and Communication Technologies) services and solutions sector, offering specialized IT consultancy. It combines skills and innovation, offering its customers personalized and certified consultancy, exclusive solutions, and innovative products.

The objective of this document is to evaluate the emissions reduction strategy implemented by the company since 2019.

The basis for the strategy setting is the result of the GHG (Green House Gas) Report analysis based on the activities carried out by *Energent S.p.A.* during the most recent evaluated years.

The GHG analysis of the last three years, 2019, 2020, 2021, has been developed by an external environmental consultant to determine a baseline for future actions with the aim to reduce company's GHG emissions to a precise target year, 2030.

 energent technologies	EMISSION REDUCTION STRATEGY REPORT	
	<i>Rev. 01 – 17/06/2022</i>	<i>pag. 4</i>

2 REPORT GHG RESULTS

The Report analysis of GHG emissions is developed considering documentation collected and reordered for the year 2019 which is considered as a baseline year and to which GHG emissions can be reported over time.

The emission categories, as defined by the GHG Protocol, are formally divided in three scopes:

- *Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Including fuel combustion on site such as gas boilers, fleet vehicles and air-conditioning leaks.*
- *Scope 2 – Indirect Emissions from electricity purchased and used by the organisation. Emissions are created during the production of the energy and eventually used by the organisation.*
- *Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. These are usually the greatest share of the carbon footprint, covering emissions associated with business travel, procurement, waste and water.*

Energent S.p.A. as an ICT services and solutions company examined the following data:

- Company cars travel – Scope 1;
- Electricity bills – Scope 2;
- Paper consumption – Scope 3;
- Amount of waste generated – Scope 3;
- Transportation by airplane – Scope 3;
- Transport by train– Scope 3;
- Home – work travel – Scope 3;
- Home - customer offices travel – Scope 3;
- public transport - bus, metro – Scope 3.

The above-mentioned data processing output determines the GHG emissions produced by *Energent S.p.A.*.

3 SCIENCE BASED TARGET

3.1 First analysis

To determine an emissions reduction strategy, the company considered the principles set forth in SBTi - Science Based Target Initiative.

Specifically, the Science Based Target pathway involves setting targets to reduce greenhouse gas (GHG) emissions that are "science-based" and in line with the level of decarbonization required to keep the global temperature increase below 2 degrees above pre-industrial temperatures, as described in the Intergovernmental Panel on Climate Change's (IPCC) Fifth Assessment Report and outlined in the Paris Agreement.

By adopting the results of the GHG inventory analysis of the company, it was possible to define, through the SBTi tool implementation, the reduction targets based on the following assumptions:

- Base year: 2019;
- Target year:2030;
- Reduction approach: Emission absolute reduction;
- Reduction scenery: WB2C – Well Below 2 Degree;
- Emission categories: scope 1, scope 2, scope 3;

Scope	Base year (2019)	Target year (2030)	% reduction
Scope 1 emissions (tonCO2e)	24	17	27,5
Scope 2 emissions (tonCO2e)	14	10	27,5
Scope 3 emissions (tonCO2e)	161,6	117,1	27,5

Table 3-1 – WB2C - SBTi tool results

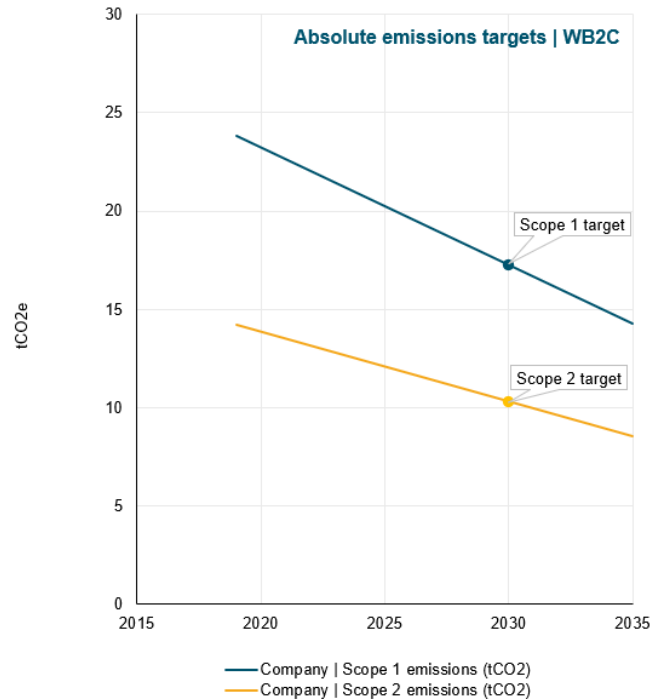


Image 3-1 – Absolute emission targets – Scope 1 and 2 - WB2C

3.2 SBTi update – Net-Zero standard

The SBTi initiated a scoping phase of work in 2019 to develop a framework to enable companies to set robust and credible net-zero targets in line with a 1.5°C future. The standard development process formally began after publication of the Foundations for net-zero target setting in the corporate sector paper in September 2020. At this point, the SBTi convened a dedicated Net-Zero Expert Advisory Group (EAG), which was to be the main consensus building body for the project. The SBTi then began developing detailed criteria and guidance in regular consultation with the EAG, as well as the SBTi’s Scientific and Technical Advisory Group. The SBTi requested feedback from stakeholders to improve the standard through two public consultations and a company road test. The standard was launched on 28 October 2021.

Taking into consideration this ambitious standard, Energent decided to evaluate the 2019 base year emission in the Net-Zero Standard scenario. Furthermore, the company also evaluated the most recent year, 2021, towards the target year.

The Net-Zero standard SBTi tool implementation of the GHG inventory analysis of the company leads to the the reduction targets based on the following assumptions:

- Base year: 2019;
- Most recent year: 2021
- Target year:2030;
- Reduction approach: Emission absolute reduction;
- Reduction scenery: the Net-Zero Standard – 1,5 Degree
- Emission categories: scope 1, scope 2, scope 3

Scope	Base year (2019)	Most recent year (2021)	Target year (2030)	% reduction
Scope 1 emissions (tonCO2e)	24	18	13	46,2
Scope 2 emissions (tonCO2e)	14	11	8	46,2
Scope 3 emissions (tonCO2e)	161,6	39,79*	86,9	46,2

Table 3-2 – Net-Zero Standard - SBTi tool results

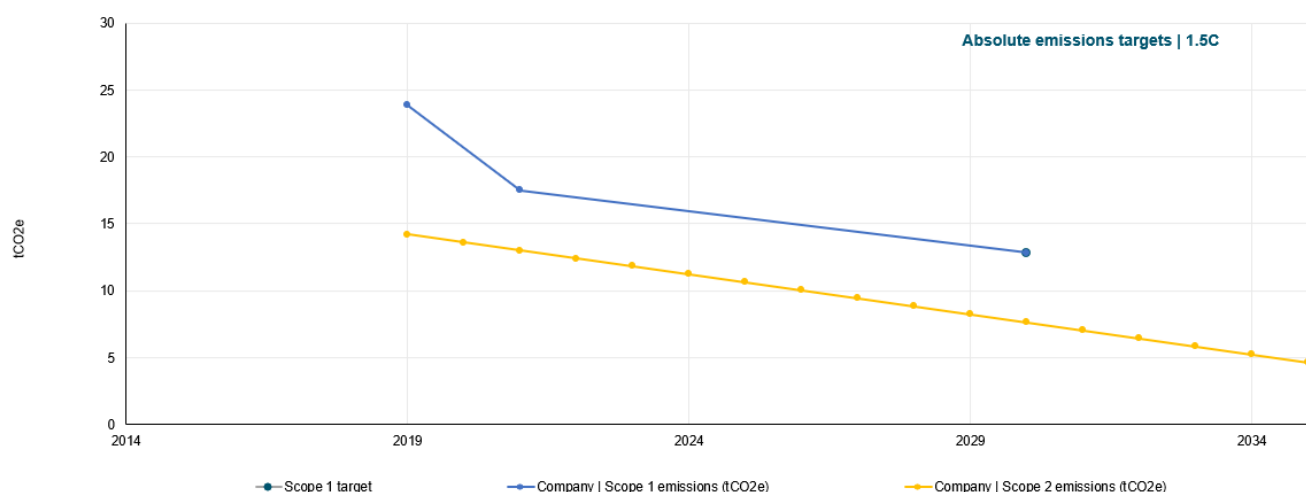


Image 3-2 – Absolute emission targets – Scope 1 and 2 - Net-Zero Standard

*The SBTi tool results show a strong reduction of scope 3 emission during the year 2021. Reasons behind this are explained in the following chapters. Therefore, the company has decided to control the 2022 scope 3 emission results to evaluate a more challenging scope 3 emission target for 2030.

3.3 Reduction to date

Energent reduction strategy has been based on targeted actions, connected to the three emission categories previously detailed.

To evaluate the company's behaviour through the years, the actions implemented for every scope are described as follows.

3.3.1 Scope 1 related actions

Since 2019, ENERAGENT has been evaluating its emission amount in ton of CO₂e.

The year 2020 was affected by the covid 19 pandemic, therefore, it cannot be validated.

Since 2021, however, ENERAGENT has set a progressive replacement of company cars with low emission vehicles (plug-in hybrid) and signed four new long term (three years) hybrid vehicles contracts. From march 2022 the company has set the following policy: all rented cars must be powered by an electric engine (hybrid, mild hybrid, plug-in or full-electric models are allowed). Moreover, ENERAGENT obtained the installation of 4 recharging stations (22 KW) in their office's shared garage which are fully operational. The 2021 actions have led to a reduction to date of 26,5% towards the 2030 ambition target year.

3.3.2 Scope 2 related actions

In 2019, ENERAGENT decided to reduce emissions from Purchased/Acquired Electricity. The company has set a progressive replacement of lighting bodies with low emission devices, through the introduction of lighting switch sensors, the purchase of electronic devices with a high energy saving rate. Since 2021 ENERAGENT office sites have been equipped with lighting devices based on led technology. All ICT devices (such as notebook, servers, printers, etc.) are "Energy Star" compliant and the power consumption is the first parameter to be evaluated, after technical characteristics, during pre-purchase selection. In 2021, the company changed their electricity provider choosing a renewable energies source electricity source provider. The 2021 actions have led to a reduction to date of 22,9% towards the 2030 ambition target year. The company's next reduction action will be the automation of self-power off in unused areas.

3.3.3 Scope 3 related actions

Since 2019, ENERAGENT has been setting emission reduction work rules. These actions aim to:

- Increase smart working;
- raise staff awareness to print only what is strictly necessary by reducing printing stations and introducing of printing volume control system thanks to exclusive access via badge,
- daily careful differentiated collection of waste,
- digitalization of data archives.

To further improve the emission reduction, since 2021 ENERAGENT established more stringent rules allowing only:

- only double-sided printing and not color prints allowed;
- replacement of plastic water bottle with fresh filtered water dispenser providing all employees of re-usable personal bottles;
- furnishing office areas with differentiated waste bins;
- coffee makers, located in many rooms, have been replaced by only a big one (for each floor) using recyclable capsules and disposable coffee cups.

The actions implemented through the years has shown the following results.

3.3.4 2019 Emission results

GHG INVENTORY 2019			
Category	Emission types	Emissions value [ton CO2e]	Emissions value [%]
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion	23,84	11,94%
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 2	Scope 2 - a. Indirect Emissions from Purchased/Acquired Electricity	14,22	7,12%

GHG INVENTORY 2019			
Category	Emission types	Emissions value [ton CO2e]	Emissions value [%]
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	161,55	80,93%
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
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Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 1: Purchased goods and services		
Scope 3	Scope 3 - Category 5: Waste generated in operations		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
TOTAL AMOUNT		199,61	100,00%

Table 3-3 – GHG Inventory 2019

Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	74,73	71,6%
Scope 3	Scope 3 - Category 1: Purchased goods and services		
Scope 3	Scope 3 - Category 5: Waste generated in operations		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
TOTAL AMOUNT		104,36	100,00%

Table 3-4 – GHG Inventory 2020

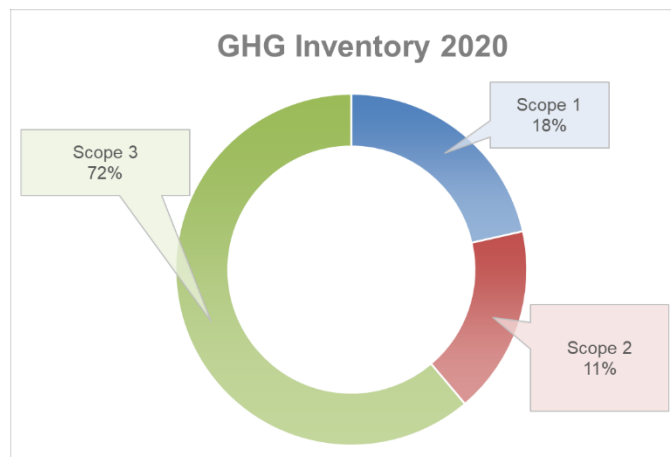


Image 3-2 -- GHG Inventory 2020

In the 2020 year, the covid 19 pandemic caused a reduction in employee travel as compared to 2019. Although, there was an increase in:

- business trip by company vehicles single use;
- increase in air-conditioning use;
- electricity purchased.

Furthermore, this year cannot be validated.

3.3.6 2021 Emission results

GHG INVENTORY 2021			
Category	Emission types	Emissions value [ton CO2e]	Emissions value [%]
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion	17,51	25,65%
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 1	Scope 1 - b. Direct Emissions from Mobile Combustion		
Scope 2	Scope 2 - a. Indirect Emissions from Purchased/Acquired Electricity	10,96	16,05%
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	39,79	58,29%
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
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Scope 3	Scope 3 - Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)		
Scope 3	Scope 3 - Category 1: Purchased goods and services		
Scope 3	Scope 3 - Category 5: Waste generated in operations		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 6: Business travel		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
Scope 3	Scope 3 - Category 7: Employee commuting		
TOTAL AMOUNT		68,26	100,00%

Table 3-5 – GHG Inventory 2021

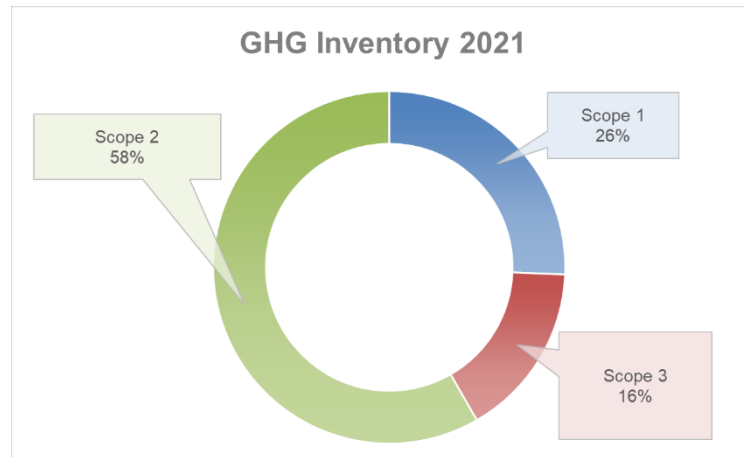


Image 3-3 -- GHG Inventory 2021

The 2021-year Emissions value [ton CO₂e] are lower than 2019. These results show the effect of the company reduction strategy implementation.

4 2030 COMPANY REDUCTION STRATEGY

Based on the analyses carried out and evaluated in the GHG report, in view of the output of the SBTi Tool with reduction of emissions by 2030 for each of the 3 scopes analysed, and considering the actions carried out in the last 3 years, the company is committed to furthermore implementing the following strategic actions to reduce emissions:

- ❖ increase the number of company cars considered lower emission models, such as electric hybrid system;
- ❖ constantly evaluate their energy supplier in order to increase clean energy use;
- ❖ led light implementation;
- ❖ control of electronic devices operation time;
- ❖ paper waste reduction through management control of printers;
- ❖ employee awareness about waste reduction and recycling.

4.1 Conclusions

The analysis of the 2019 GHG inventory results shows Scope 3 emission as the most prevalent and the most impactful emission category concerning employees' travels.

The most recent year (2021) analysis results show a relevant reduction of emission, particularly for scope 3, hence, the company has decided to control the 2022 scope 3 emission results to evaluate a more challenging scope 3 emission target for 2030.

Taking into account the company's objective described above, **Energent S.p.A.** will continue the strategic development of emission reduction action and over the year scope check, in order to reach the value, set for the target year.