Hypertec

ENVIRONMENTAL DATA DISCLOSURE HYPERTEC GROUP

CIVIL YEAR 2023

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1. INTRODUCTION

At Hypertec Group, our environmental responsibility goal has always been to enhance efficiency in creating and delivering technology solutions globally. This commitment extends through our supply chain, where we prioritize consistency, transparency, and environmental stewardship. We aim to reduce our energy consumption, environmental impact, carbon footprint, and water usage.

Hypertec Group is dedicated to improving our environmental performance while consistently meeting customer expectations and legal requirements for our products and services. To align our processes with these commitments, we implement and maintain an Integrated Management System (IMS) as a core part of our business strategy, designed to meet the standards of ISO 9001, ISO 14001, ISO 45001, and ISO 50001. These certifications support our goals of minimizing energy consumption, water usage, and carbon emissions.

We are also committed to transparency through ESG reporting and CDP participation, enabling us to track metrics and initiate meaningful reductions. Additionally, we adhere to the SA8000 standard in our Supply Chain Engagement.

Hypertec Group actively works both internally and externally to minimize climate risks and reduce the global carbon footprint of our operations. We demonstrate this commitment by implementing a corporate Climate and Energy Policy, executing a comprehensive Climate Change Strategy, and establishing corporate-wide objectives and targets that support our environmental goals.

2. SCOPE

General Information	Description
Representative	Ali Khosroshahi, Senior Manager, Quality Assurance and Sustainability akhosroshahi@hypertec.com, **Cell Phone:** 514.707.2236
System	Environmental Management System – Emissions and Consumption One-site
Address	9300 Trans-Canada Highway, Saint-Laurent, Québec, Canada, H4S 1K5 5555 Rue Cypihot, Saint-Laurent, Québec, Canada, QC H4S 1R3
Assessment Scope	The buildings are located at the following locations: **Location 1:** 9300 Trans-Canada Highway, Saint-Laurent, Québec, Canada, H4S 1K5, where Hypertec Group. **Occupation Period for whole operations:** January 2023 to January 2024. **Area occupied 1:** 652,565.48 square feet. **Location 2 :** 5555 Rue Cypihot, Saint-Laurent, Québec, Canada, QC H4S 1R3 **Occupation Period**: September 2023 to January 2024. **Area 2:** 178,940 square feet **Revenue 2023:** 331.55 million CAD. All Hypertec Group business units encompass Hypertec Cloud, Hardware Technology Solutions (HTS), Hypertec Solution Partners (HSP), Ciara Tech (Manufacturing), and Medioh Telehealth. Disclosure of standard(s) and framework(s) used for the calculations and reporting, where applicable, or the standard or framework used to achieve the third party.
Assessment Reference	The environmental data reported by Hypertec Group on the following aspects. Water consumption Energy consumption Scope 1 and Scope 2 greenhouse gas emissions Scope 3 greenhouse gas emissions: Category 1 (Purchased Goods and Services, Category 2 (Capital goods), Category 4 (upstream transportation and distribution), Category 5 (Waste Generated in Operations), Category 6 (Business Travel), Category 7 (Employee Commuting), Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution), Category 11 (Use of Sold Products).

Methodology Reference	**Reporting, Verification, and Validation Reference:** GRI 301: Materials, GRI 302: Energy 2016, GRI 303: Water and Effluents 2018, and GRI 305: Emissions 2016. ISO 14064-3 Green gases – Part 3: Specification with guidance for verifying and validating greenhouse gas statements. **Scope 1, Scope 2, and Scope 3 Calculation Reference:** Greenhouse gas protocol standard, Corporate Accounting and Reporting Standard, Scope 2 Guidance, and Scope 3 Guidance Standard. Scope 3 _Category 1: Average-data method. Scope 3 _Category 2: Average spend-based method Scope 3 _Category 3: Fuel-and-Energy activities not included in Scope 1 or Scope 2 Scope 3_Category 4: Spend-based method. Scope 3_Category 5: Waste-type-specific method Scope 3_Category 6: distance-based method Scope 3_Category 7: Average-data method Scope 3_Category 8: Average-data method Scope 3_Category 9: Spend-based method Scope 3_Category 11: Products that directly consume energy (fuels or electricity) during use
Energy and water Reduction Calculation	**Reference Standards:** GRI 301, 302, 303, 305: ISO 50001, ISO 14001, ISO 14064-3 **Calculation Basis:** Reductions are measured against the 2019 baseline and assessed annually, considering efficiency measures, operational improvements, and renewable energy purchases. **The primary calculation methods include:** Energy and water reductions are tracked internally based on utilities bills. Fuel savings converted to energy using standard conversion factors (GJ/L, MWh, etc.). Renewable Energy Certificates (RECs) accounted for based on contractual agreements. **Data Validation & Verification:** Energy data is verified through internal EMS tracking and reports, 3rd party audit.
Management Approach	Hypertec has a structured energy management approach focused on improving efficiency, reducing greenhouse gas emissions, and transitioning to renewable energy. This strategy is integrated into our sustainability and operational framework. We have a clear Hypertec has implemented a structured energy management approach focused on improving energy efficiency, reducing greenhouse gas emissions, and transitioning to renewable energy sources. This approach is fully integrated into the company's sustainability strategy and operational processes. To demonstrate our commitment, Hypertec has established a comprehensive **Energy Policy** aimed at optimizing energy use across operations and the supply chain. Our target is to **reduce electricity consumption by 1.67% per year**, aligned with our **Net-Zero emissions roadmap**, using **2019 as the baseline year**. Hypertec procures Renewable Energy Certificates (RECs: 3,474 for CY2023) to reduce its Scope 2 emissions by claiming renewable energy usage, reinforcing our commitment to clean energy and emission reductions.

	The **QA team and building management team** are responsible for implementing and maintaining energy systems in accordance with **ISO 50001:2018**, continuously monitoring and improving system performance. Additionally, the **Sustainability Committee** oversees energy reduction targets, ensuring progress toward our sustainability goals.
Energy/ GHG emissions Intensity Ratio	Hypertec has chosen two ratios to measure energy / GHG emissions intensity: 1. **Physical Intensity**: Total energy consumption/emissions divided by the building's total area. 2. **Economic Intensity**: Total energy consumption/emissions divided by annual production.
Impacts on the Economy, Environment, and People	**Positive Impacts:** • **Economy:** Job creation within the supply chain. • **Environment:** Energy optimization and use of recycled materials. • **Social:** Fair labor practices, compliant with SA8000 certification. **Potential Negative Impacts:** • **Environment:** Indirect CO_2 emissions related to energy use and transportation. • **Supply Chain:** Social and environmental risks associated with raw material extraction. Our impacts are indirect, stemming from energy consumption and risks linked to our suppliers. We do not produce ozone-depleting substances and ensure our suppliers comply with regulations. **Policies and Commitments:** • Responsible procurement policy with ESG criteria. • Energy policy in line with ISO 50001. • Environmental management system (ISO 14001). • Electronic waste management through certified subcontractors. **Actions to Manage These Impacts:** • **Prevention:** Energy consumption reduction (-32% in 2023), supplier evaluations, e-waste management. • **Impact Reduction:** Increase in renewable energy usage and improved traceability of IT components. • **Managing Positive Impacts:** Product innovation and internal training. **Effectiveness Monitoring:** • Monitoring energy consumption in accordance with ISO 50001, annual ESG supplier evaluations. • Goals: 50% reduction in Scope 1 and 2 emissions by 2028, and achieving net-zero emissions by 2050 as part of the Net Zero Challenge.
Reporting Year	The calendar: Civil year for 2023
Date	October 16, 2024
Verification	The environmental data for each GRI aspect is assured by an independent third party, Marie Bellemare-MB Consulting, on March 5, 2025.

3. STATEMENT

All activities and processes implemented by Hypertec Group Inc., as well as all building zones of the organization identified above, are included in the monitored information regarding water and energy consumption, as well as Scope 1, Scope 2, and Scope 3 (Categories 1, 2, 3, 4, 5, 6, 7, 8, 9, and 11) greenhouse gas emissions, which are used for calculations and reporting.

Environmental aspect	Assessment Description
Water consumption	Water consumption data is obtained directly from utility bills and meter readings, which are tracked and monitored internally by designated Hypertec Group employees. Our internal verification process ensures accuracy and consistency, with periodic reviews and validations to maintain data reliability.
Energy Consumption	Internal verification is conducted by a designated Hypertec Group employee. The energy sources include electricity (ventilation, heating, and lighting), oil fuel, and natural gas for water heating. **Stationary Sources** encompass natural gas consumption for heating and oil fuel (diesel) for emergency generators. **Mobile Source** encompasses oil fuel (diesel) for company owned vehicles.
Scope 1, Scope 2, and Scope 3 (Category 1, 3 & 4) and greenhouse gas emissions	Internal verification made by designated Hypertec Group employee. These emissions are aligned with the total energy consumption and value chain emissions.

4. CONTENT REPORT

Hypertec- Group has used the civil year for performance evaluation and reporting, with **2019** serving as the baseline year.

4.1. Results for Water Consumption

Civil Year	2019	2020	2021	2022	2023
ML	57.895	56.108	44.837	47.767	51.651
Annual variation (amount ML)	-	-1.787	-11.271	+2.930	+3.884
Annual variation (%)	-	-3.09%	-20.09%	6.53%	8.13%
Variation vs 2019 (amount ML)	-	-1.787	-13.058	-10.128	-6.244
Variation vs 2019 (%)	-	-3.09%	-22.55%	-17.49%	-10.79%

4.2. Results for Energy Consumption

4.2.1. Electricity[1]

Civil Year	2019	2020	2021	2022	2023
MWh	56,670	50,190	42,390	46,390	31,163
GJ[2]	204,012	180,684	152,604	167004	122,186.8
Annual variation (GJ)	-	-23,328	-28,080	+14,400	-44,817.2
Annual variation (%)	-	-11.4%	-15.5%	+9.4%[3]	-32.8%
Variation vs 2019 (GJ)	-	-23,328	-51,408	-37,008	-81,825.2
Variation vs 2019 (%)	-	-11.4%	-25.2%	-18.1%	-45.0%

4.2.2. Natural Gas – Stationary Source

Civil Year	2019	2020	2021	2022	2023
m ³	142,464.45	108,056.87	93,838.86	98,750.00	98,470.00
GJ[4]	5,399.40	4,095.35	3,556.49	3,742,62	3,732.01
Annual variation (GJ)	-	-1,304.05	-538.86	+186.13	-10.61
Annual variation (%)	-	-24.15%	-13.16%	5.23%	-0.28%
Variation vs 2019 (GJ)	-	-1,304.05	-1,842.91	-1,656.78	-1,667.39
Variation vs 2019 (%)	-	-24.15%	-34.13%	-30.68%	-30.88%

[1] Hypertec's heating and cooling systems operate entirely on electricity. As a result, the reported electricity consumption includes energy used for climate control (heating and cooling), eliminating the need for separate reporting under heating and cooling categories.
Hypertec does not utilize steam in its operations; therefore, it is not applicable to our energy reporting.
[2] Electricity conversion factor: **0.0036 GJ/kWh**. Source: Ministry-Environment_Conversion-Table-GHG.
[3] In 2022, electricity consumption increased by 9.4% primarily due to the gradual return of employees to the office after the COVID-19 pandemic.
[4] Natural Gas conversion factor: **0.03789 GJ/M³**. Source: Ministry-Environment_Conversion-Table-GHG

4.2.3. Oil Fuel (Diesel) from – Stationary and Mobile Sources

4.2.3.1. Oil Fuel for company owned-vehicles – Mobile Source

Civil Year	2019	2020	2021	2022	2023
MWh	0.0230	0.0230	0.013	37.37	125.10
GJ[5]	0.0828	0.0828	0.0468	0.3525	0.4504
Annual variation (GJ)	-	0	-0.0360	+0.3057	+0.0979
Annual variation (%)	-	0%	-43.48%	86.72%	27.78%
Variation vs 2019 (GJ)	-	0	-0.0360	+0.2697	+0.3676
Variation vs 2019 (%)	-	0%	-43.48%	325.72%	443.00%

4.2.3.2. Oil Fuel for emergency generator – Stationary source

Civil Year	2019	2020	2021	2022	2023
MWh	220	111.66	99.78	220.61	269.00[6]
GJ[7]	792	401.97	359.22	794.19	968.39
Annual variation (GJ)	-	-390.03	-42.75	+434.97	+174.20
Annual variation (%)	-	-49.25%	-10.64%	121.10%	21.93%
Variation vs 2019 (GJ)	-	-390.03	-432.78	+2.19	+176.39
Variation vs 2019 (%)	-	-49.25%	-54.65%	0.28%	22.27%

4.2.3.3. Total Energy

Civil Year	2019	2020	2021	2022	2023
MWh	57,926	51,926	43,451	47,648	32.593
GJ	208,533.6	186,933.6	156,423.6	171,532.8	117,334.8
Annual variation (GJ)	-	-21,600	-30,510	15,109.2	-54,198
Annual variation (%)	-	-10.36%	-16.32%	9.66%	-31.60%
Variation vs 2019 (GJ)		-21,600	-52,110	-37,000.8	-91,198.8
Variation vs 2019 (%)	-	-10.36%	-24.99%	-17.74%	-43.73%

[5] Fuel conversion factor: 0.03345 GJ/L. Source: Ministry-Environment_Conversion-Table-GHG

[6] This increase is due to a major power outage in Montreal in the spring of 2023, caused by the situation attributed to the ice storm.

[7] Generator fuel conversion factor: 0.03880 GJ/L. Source: Ministry-Environment_Conversion-Table-GHG

4.2.3.4. Source of Energy

Civil Year	2019	2020	2021	2022	2023
Renewable (MWh)	56,670	50,190	42,390	46,3900	31.163
Renewable_Annual variation (MWh)	-	-6,480	-7,800	+4,000	-15,227
Renewable_Variation vs 2019	-	-6,480	-14,280	-10,280	-25,507
Non-renewable (MWH)	1,750	1,733	1,061.3	1,261.7	1.430
Non-renewable_Annual variation (MWh)	-	-17	-671.7	+200.4	+168.3
Non-renewable_Variation vs 2019	-	-17	-688.7	-488.3	-320

4.2.4. Energy requirements of products and services

Hypertec and Ciara's products are designed with a strong focus on energy efficiency, integrating **ENERGY STAR®** and **80 PLUS®** certified components to minimize power consumption and environmental impact.

Our power supplies are certified under the **80 PLUS program**, which measures efficiency at different load levels. The efficiency improvements of higher certification levels (**Gold, Titanium**) contribute to lower power consumption and reduced energy losses as heat.

Energy Efficiency Comparison of Power Supplies

Certification	Efficiency at 20% Load	Efficiency at 50% Load	Efficiency at 100% Load
80+ Bronze	82%	85%	82%
80+ Gold	87%	90%	87%
80+ Titanium	94%	96%	94%

Example Power Consumption (for a system requiring 500W):

Certification	Power Draw at 50% Load	Power Draw at 100% Load
80+ Bronze	~588W	~610W
80+ Gold	~555W	~575W
80+ Titanium	~520W	~535W

By transitioning to 80+ Gold and Titanium-certified power supplies, we have reduced energy waste and improved power conversion efficiency in our servers and IT products, helping our customers lower their overall energy consumption.

Our energy reduction calculations compare newer product models to previous generations using:

- 2019 as the baseline year, aligning with our corporate sustainability targets.
- Measured power consumption data from standardized test conditions.
- Efficiency gains from hardware upgrades, including improved power supplies, and processors.

Our methodologies for evaluating energy efficiency improvements include: **ENERGY STAR procedures** to validate energy performance, **80 PLUS** efficiency measurements to assess power supply improvements, and Internal lifecycle energy assessments, considering power draw at idle, load, and peak conditions.

- Additionally, we actively work with suppliers to further enhance energy efficiency across our product line, implementing: Optimized power delivery with higher efficiency voltage regulation modules (VRMs).
- Low-power DRAM (LPDDR4x, DDR5) and NVMe SSDs, reducing overall system energy needs.
- Energy-efficient networking components (IEEE 802.3az) to minimize operational power consumption.

4.3. Results for Greenhouse Gas Emissions, Scope 1, Scope 2 & Scope 3.

Calculations were made for the two scopes:

Scope 1: Direct GHG emissions from those sources owned by Hypertec Group. This accounts for the on-site combustion of natural gas and emissions from Hypertec Group's three vehicles for its operation and customer services. The GHG emissions from the diesel generator have been included. Hypertec Group does not own forklifts powered by fossil fuel nor register refrigerant leaks.

Furthermore, Hypertec does not utilize biogenic energy sources in its operations; therefore, no significant biogenic emissions are reported.

The baseline year for emissions tracking is **2019**, serving as the reference point for measuring progress toward reduction targets. Emission factors used in the calculations are sourced from the **Ministry of Environment Conversion Table for GHG Emissions**[8] and Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines for Global Warming Potential (GWP) values, with CH_4 (28) and N_2O (265). to ensure accuracy and consistency in reporting.

[8] Ministry-Environment_Conversion-Table-GHG

CO_2e calculation formula:

$CO_2e=CO_2+(CH_4\times GWP_{CH4})+(N_2O\times GWP_{N2O})$, Data obtained from utility invoices and internal monitoring records.

Scope 2: Electricity indirect GHG emissions are the emissions resulting from the purchased electricity by Hypertec Group from Hydro Quebec. The source of these emissions is at the site from which the electricity is produced.

Hypertec has applied a **Location-Based** approach for calculating Scope 2 emissions, aligning with the **GHG Protocol**. The baseline year for emissions tracking is **2019**, serving as the reference point for measuring progress toward reduction targets.

For this reporting year, the emission factor used is **0.0005 tCO_2/kWh**[9], sourced from Hydro-Québec's official emission rates document.

Table for GHG Emissions. This includes CO_2, CH_4, and N_2O, although CH_4 and N_2O emissions are negligible.

Scope 3: encompasses indirect greenhouse gas (GHG) emissions in the Hypertec value chain, including upstream and downstream activities not directly owned or controlled by Hypertec Group. For the reporting year, Hypertec Group is disclosing Scope 3 emissions across several categories: **Category 1** pertains to emissions from purchased goods and services, **Category 2** covers emissions related to capital goods, **Category 3:** Fuel-and-Energy activities not included in Scope 1 or Scope 2, **Category 4** addresses emissions from upstream transportation and distribution, **Category 5** includes emissions from waste generated in operations, **Category 6** relates to emissions from business travel, **Category 7** encompasses emissions from employee commuting, **Category 8** involves emissions from upstream leased assets, **Category 9** pertains to emissions from downstream transportation and distribution, and **Category 11** addresses emissions from the use of sold products.

The base year for Scope 3 emissions calculation is 2021, as it marks the first year Hypertec began quantifying these emissions.

Emission factors used are sourced from the GHG Protocol for the general ones, However, For IT equipment, we used the EPA database, Please refer to Annex 2 for a complete list of the factors applied.

[9] https://www.hydroquebec.com/data/developpement-durable/pdf/taux-emission-ges-hq-1990-2023.pdf

4.3.1. Referring to Scope 1

Civil Year	CO2 t CO_2-e	CH4 t CO_2-e	N2O t CO_2-e	Gross Global Scope 1 t CO_2-e	Intensity Metric t CO_2-e / sq.ft	Intensity Metric t CO_2-e /$ CAD Revenue
2019	345.1862	0.0084	0.0065	345.20	5.64E-3	2.3E-6
2020	237.4669	0.0054	0.0045	237.48	3.92E-3	7.9E-7
2021	208.7541	0.0049	0.0049	208.76	3.44E-3	6.0E-7
2022	255.0050	0.0067	0.0067	255.02	4.21E-3	5.1E-7
2023	258.2201	0.00364	0.00348	258.22	1.82E-04	7.79E-07

4.3.2. Referring to Scope 2 – Location-based

Civil Year	Gross Global Scope 2 t CO_2-e	Intensity Metric t CO_2-e / sq.ft	Intensity Metric t CO_2-e /$ CAD Revenue
2019	28.20	4.7E-04	1.88E-07
2020	25.10	4.1E-04	8.37E-08
2021	21.20	3.5E-04	6.06E-08
2022	23.20	3.8E-04	4.64E-08
2023	15.58	1.10E-05	4.70E-08

Procurement of Renewable Energy Certificates (REC):

Hypertec procures Renewable Energy Certificates (RECs) as part of its Scope 2 emissions reduction strategy. The following table summarizes our electricity consumption, REC procurement, and Scope 2 emissions reduction for the past two years:

Civil Year	Electricity (MWh)	Number of RECs.	Scope 2 Emissions t CO_2-e	Reduction Scope 2 Emissions t CO_2-e
2022	6415.00	6415.00	3.21	-
2023	3474.00	3474.00	1.74[10]	1.47

[10] This result is obtained using the emission factor from Hydro-Québec, which is equal to 0.0005.

Methodology for REC Calculation :

- Total RECs Purchased = Total electricity consumption * 14.70% * 95%
  - *14.70%*: Ciara's share of total building electricity consumption
  - *95%*: Renewable Energy Coverage Factor
  - *1 REC (CER) = 1 MWh of renewable electricity*

Accounting for RECs in Energy and Emissions Reporting

- The RECs purchased are accounted for using the GHG Protocol's market-based accounting approach.
- The total electricity consumption reported includes all energy used by Hypertec, while the Scope 2 emissions reported reflect the adjusted values after applying the RECs.
- Scope 2 emissions are calculated based on:

  Electricity covered by RECs ×Emission Factor
- The RECs do not reduce total energy consumption but rather offset Scope 2 emissions by ensuring the equivalent amount of electricity is sourced from renewable energy.

Hypertec does not use carbon offsets to meet GHG emissions targets. Instead, we procure **Renewable Energy Certificates (RECs)** as part of our Scope 2 emissions reduction strategy. RECs represent the environmental attributes of renewable electricity generation and are used to account for purchased renewable electricity in accordance with the **GHG Protocol's market-based accounting approach**.

In **2023**, we procured **3,474 MWh of RECs**, further lowering Scope 2 emissions to **1.74 t CO_2-e**, achieving a **1.47 t CO_2-e reduction** from the previous year.

We transparently disclose REC purchases in our sustainability reporting and confirm that they are **not carbon offsets**, but rather an instrument used for **Scope 2 emissions reduction** through renewable energy procurement.

4.3.3. Referring to Total Gross Scope 1 and Scope 2

Civil Year	Gross Global Scope 1 & 2 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2019	373.00	6.2E-03	2.5E-06
2020	263.00	4.3E-03	8.8E-07
2021	230.00	3.8E-03	6.1E-07
2022	278.00	4.6E-03	5.6E-07
2023	273.80	1.93E-04	8.26E-07

4.3.4. Referring to Scope 3

In 2023, Hypertec Group expanded its scope of work regarding scope 3 emissions by incorporating 7 additional categories compared to the previous year. Below are the results obtained for each category:

Category 1: Purchased Goods and Services

Civil Year	Gross Global Scope 3_C1 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	140,745.32	2.32	4.0E-04
2022	195,830.45	3.23	3.9E-04
2023	524,850.41	3.71E-01	1.58E-03

Category 2: Capital goods

Civil Year	Gross Global Scope 3_C1 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	2,762.88	1.95E-03	8.33E-06

Category 3: Fuel-and-Energy activities not included in Scope 1 or Scope 2

Civil Year	Gross Global Scope 3_C3 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	21,231.69	0.35	6.07E-05
2022	23,241.23	0.38	4.65E-05
2023	0	0	0

Category 4: Upstream Transportation and Distribution

Civil Year	Gross Global Scope 3 _ C4 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	542.19	8.9E-3	1.55E-06
2022	753.64	1.2E-2	1.51E-06
2023	102.14	7.21E-05	3.08E-07

Category 5: Waste Generated in Operations

Civil Year	Gross Global Scope 3 _ C5 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	5.47	3.86E-06	1.65E-08

Category 6: Business travel

Civil Year	Gross Global Scope 3 _ C6 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	59.22	5.00E-05	2.14E-07

Category 7: Employee Commuting

Civil Year	Gross Global Scope 3 _ C7 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	59.22	4.18E-05	1.79E-07

Category 8: Upstream Leased Assets

Civil Year	Gross Global Scope 3 _ C8 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	1,883.65	1.33E-03	5.68E-06

Category 9: Downstream Transportation and Distribution

Civil Year	Gross Global Scope 3 _ C9 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	3,538.27	2.50E-03	1.07E-05

Category 11: Use of Sold Products

Civil Year	Gross Global Scope 3 _ C9 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	-	-	-
2022	-	-	-
2023	51,615.42	3.64E-02	1.56E-04

4.3.5. Referring to Total Gross Scope 3 (Category 1, 2, 3, 4, 5, 6, 7, 8, 9 & 11)

Civil Year	Gross Global Scope 3 t CO_2-e	Intensity Metric (t CO_2-e / sq.ft)	Intensity Metric (t CO_2-e /$ CAD Revenue)
2021	162,519.20	2.681	4.643E-04
2022	219,825.32	3.626	4.397E-04
2023	584,888.26	4.13E-01	1.76E-03

4.4. Performance Evaluation

4.4.1. Absolute Value

Civil Year	2019	2020	2021	2022	2023
Energy (MWh)	57,926	51,926	43,451	47,648	32,594
Variation (MWh)	-	-6,000	-8,475	+4,197	-15,054
Energy Variation (%)	-	-10	-16	10	-32
Gross Total Scope 1	345.20	237.48	208.76	255.02	258.22
Scope 1 Variation vs 2019 (tCO2 e)		-107.72	-136.44	-90.18	-86.98
Scope 1 Variation vs 2019 (%)	-	-31%	-40%	-26%	-25%
Gross Total Scope 2	28.20	25.10	21.20	23.20	15.58
Scope 2 Variation vs 2019 (tCO2 e)	-	-3.10	-7.00	-5.00	-12.62
Scope 2 Variation vs 2019 (%)	-	-11%	-25%	-18%	-45%
Gross Total Scope 1 & 2	373	263	230	278	273.8
Scope 1 & 2 Variation vs 2019 (tCO_2e)	-	-110	-143	-95	-99.2
Scope 1 & 2 Variation vs 2019 (%)	-	-30%	-38%	-25%	-27%
Gross Total Scope 3	-	-	162,519.20	219,825.32	584,888.26
Scope 3 Variation vs 2021 (tCO_2e)	-	-	-	+57,306.12	+422,369.06

Scope 3 Variation vs 2021 (%)	-	-	-	+35%	+260%
Gross Total Scope 1, 2 & 3	-	-	162,749.17	220,103.54	585,162.60
Annual variation Scope 1,2 & 3 (tCO2 e)	-	-	-	+57,354.37	+365,059.06
Gross Total Scope 1, 2 & Scope 3 Variation (%)	-	-	-	35	166
Water Consumption (m3)	57,895	56,108	44,837	47,767	51,651
Annual variation_ Water Consumption (m3)	-	-1,787	-11,271	+2,930	+3,884
Annual variation_ Water Consumption (%)	-	-3	-20	6.5	8

The significant increase in Scope 3 emissions from 2021 to 2023 can be attributed to two main factors:

- Expansion of categories: In 2023, we added seven new categories to our Scope 3 reporting.
- Broadened product scope: We expanded our reporting to include all Hypertec products, compared to only 60% of purchases in the previous year.

Here's a breakdown of the impact of each category:

- Category 1 (Purchased Goods and Services): Increased from 140,745.32 in 2021 to 524,850.41 t CO_2-e in 2023, a 273% increase. This substantial rise is primarily due to the expansion of our product scope.
- New categories added in 2023:
  - Category 2 (Capital Goods): 2,762.88 t CO_2-e
  - Category 5 (Waste Generated in Operations): 5.47 t CO_2-e
  - Category 6 (Business Travel): 59.22 t CO_2-e
  - Category 7 (Employee Commuting): 59.22 t CO_2-e
  - Category 8 (Upstream Leased Assets): 1,883.65 t CO_2-e
  - Category 9 (Downstream Transportation and Distribution): 3,538.27 t CO_2-e
  - Category 11 (Use of Sold Products): 51,615.42 t CO_2-e

These new categories collectively added 59,924.13 t CO_2-e to our Scope 3 emissions.

- Changes in existing categories:
  - Category 3 (Fuel and Energy-related activities): Decreased from 21,231.69 in 2021 to 0 t CO_2-e in 2023. This significant reduction requires further investigation to ensure accurate reporting.
  - Category 4 (Upstream Transportation and Distribution): Decreased from 542.19 in 2021 to 102.14 t CO_2-e in 2023, likely due to improved logistics efficiency.

The most significant contributors to the increase were:

- Expansion of Category 1 reporting: +384,105.09t CO_2-e
- Addition of Category 11 (Use of Sold Products): +51,615.42 t CO_2-e
- Addition of Category 2 (Capital Goods): +2,762.88 t CO_2-e

These changes account for the majority of the 260% increase in Scope 3 emissions from 2021 to 2023. The expansion of our reporting scope provides a more comprehensive view of our value chain emissions, allowing for better-targeted reduction strategies in the future.

4.4.2. INTENSITY VALUE

Civil Year	2019	2020	2021	2022	2023
Energy -Physical Intensity	7.32E-01	6.30E-01	4.83E-01	5.29E-01	5.13E-01
Energy -Physical Intensity Variation (%)	-	-14	-23	10	-3
Energy -Economic Intensity	1.27E-04	1.15E-04	9.98E-05	1.33E-04	9.83E-05
Energy- Economic Intensity Variation (%)	-	-9.81	-13.21	33.20	-26.03
Gross Total Scope 1 – Physical Intensity	5.69E-03	3.91E-03	3.44E-03	4.20E-03	4.07E-03
Gross Total Scope 1 -Physical Intensity Variation (%)	-	-31	-12	22	-3
Gross Total Scope 1 – Economic Intensity	2.30E-05	7.9E-06	6.00E-06	5.1E-06	7.79E-07
Gross Total Scope 1 -Economic Intensity Variation (%)	-	-65	-24	-14	-84.73
Gross Total Scope 2 – Physical Intensity	4.7E-04	4.1E-04	3.5E-04	3.8E-04	2.45E-04
Gross Total Scope 2 -Physical Intensity Variation (%)	-	-10	-16	9	-35
Gross Total Scope 2 – Economic Intensity	1.88E-07	8.37E-08	6.06E-08	4.64E-08	4.70E-08
Gross Total Scope 2 -Economic Intensity Variation (%)	-	-55	-28	-23	1
Gross Total Scope 3 for Category 1, 3 & 4 – Physical Intensity	-	-	2.681	3.626	9.21E+00
Gross Total Scope 3 for Category 1, 3 & 4 - Physical Intensity Variation (%)	-	-	-	35	154
Gross Total Scope 3 for Category 1, 3 & 4 – Economic Intensity	-	-	4.643E-04	4.397E-04	1.76E-03
Gross Total Scope 3 for Category 1, 3 & 4 -Economic Intensity Variation (%)	-	-	-	-5.31	301
Water Consumption – Physical Intensity	9.50E-01	9.30E-01	7.40E-01	7.90E-01	8.14E-01
Water Consumption- Physical Intensity Variation (%)	-	-3.09	-20	6.5	3
Water Consumption – Economic Intensity	3.87E-04	1.9E-04	1.3E-04	9.6E-05	1.56E-04
Water Consumption-Economic Intensity Variation (%)	-	-52	-32	-25	62

5. HISTORY OF CHANGES

REV	DATE	MODIFICATIONS	CREATED BY	APPROVED BY
01	10/22/2024	Creation	Aziza B.	Ali Khosroshahi

6. ANNEX

6.1. Global Reporting Initiative Disclosure

GRI 302: Energy 2016

GRI	Description	Disclosed Information	Link
103-1.2 and 3	Material and Boundary Explanation of Energy, the Management approach	Integrated Management Systems Policy	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
		ISO 14001 Certificate	
		CDP score	
		Boma Best Certificate Gold	
		Supply Chain Responsibility	
		Energy Management Policy & Climate Change Policy	
		Bulk Packaging Policy for PC Systems	
302-1	Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used.	Table of Annual Consumptions	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
302-2	Energy consumption outside of the organization, in joules or multiples	This metric does not apply to Hypertec Group's activities and energy consumption scope.	N/A
302-3	Energy intensity ratio for the organization.	Table of Intensity Value	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
302-4	Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	Table of Annual Consumptions_3rd party audit and reports. Review section 4 of this report.	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
302-5	Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Table of Energy requirements of sold products and services	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/

GRI 303: Water and Effluents 2018

GRI Ref	Description	Disclosed Information	Link
303-1	Interactions with water as a shared resource	N/A	N/A
303-2	Description of water discharge standards	N/A	N/A
303-3	Sources and volumes of water withdrawn	N/A	N/A
303-4	Destinations and volumes of water discharged	N/A	N/A
303-5	The volume of water consumed	Table of Annual Consumptions	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/

GRI 305: Emissions 2016

GRI Ref	Description	Disclosed Information	Link
103- 1, 2 and 3	Explanation of Emissions as a material topic and its Boundary, the management approach and its components, and the evaluation of the management approach.	Please review sections 2 and 3 of this report.	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
305-1	Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent	Table of Consumptions; and Hypertec Group has assessed scopes 1 and 2. For Scope 3, categories 1, 2, 3, 4,5,6,7, 8,9, and 11 were reported.	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
305-2	Indirect (Scope 2) GHG emissions		
305-3	Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent		
305-4	GHG emissions intensity ratio for the organization.	Table of Intensity Value	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
305-5	GHG emissions were reduced directly due to reduction initiatives in metric tons of CO2 equivalent.	Table of consumptions	https://ciaratech.com/epeat/ https://hypertec.com/sustainability/
305-6	Emissions of ozone-depleting substances (ODS)	N/A Our activities focus on assembling IT equipment, a process that does not require the use of ODS	N/A
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	N/A Our company does not generate significant NOx, SOx, or other air emissions, as our activities focus on IT equipment assembly, which does not involve combustion or industrial processes that release these pollutants. However, we ensure that our suppliers comply with air quality regulations and adopt best practices to minimize emissions	N/A

6.2. Emission Factors (Scope 3)

Category	Methodology	Element	Emission factor	Source
Category 1	Average-data method	NOTEBOOK, PC, Laptop	331 (kg CO2e/piece)	https://circularcomputing.com/news/carbon-footprint-laptop/
		Servers	945(kg CO2e/piece)	This factor is an estimate based on data from Boavizta: https://boavizta.org/
		BATTERY	120 (kg CO2e/piece)	Ecoinvent Database
		Cables	0,75 (kg CO2e/piece)	Ecoinvent Database
Category 2	Average spend-based method	Capex spent	0,5 (kg CO2e/$)	GHG Protocol : https://ghgprotocol.org/calculation-tools-and-guidance
Category 4 & 9	Spend-based method (transportation)	Sea Freight	2,71 (kg CO2e/$)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Air Freight	2,15 (kg CO2e/$)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Rail Transport	0,0252 (kg CO2e/$)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Truck Transport	1,42 (kg CO2e/$)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 5	Waste-type-specific method	Wood	0,05 (kg CO2e/Kg)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Paper & Cardbord	0,04 (kg CO2e/Kg)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Toner	0,5 (kg CO2e/Kg)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Metal	0,02 (kg CO2e/Kg)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		EE (Total of bins)	0,3 (kg CO2e/Kg)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 6	Spend-based method	Air transport	0,15 (kg CO2e/km)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 7	Average-data method	Public :0.045 (kg Co2/km)	0,045 (kg CO2e/km)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
		Personal: 0,180 (kg Co2/km)	0,180 (kg CO2e/km)	EPA : https://www.epa.gov/climateleadership/ghg-emission-factors-hub
Category 11	Direct use-phase emissions from products that directly consume energy (electricity) during use	Electricity during use	0,1376 (kg CO2e/kWh)	Estimated value based on the average electricity consumption in Canada and the United States, according to the average emission factors of the electricity grids in these regions