



CRONOS
GROEP

CLIMATE PLAN

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05 THE CLIMATE CHALLENGE - SOURCE: WWW.KLIMAAT.BE



Glossary of terms

Decarbonisation

Reducing greenhouse gas emissions and developing renewable energy.

ETS emissions

Greenhouse gas emissions are covered by the EU Emissions Trading Scheme (ETS), in which it is mandatory for companies in sectors such as energy, industry and aviation to buy or receive emission allowances for their CO₂ emissions.

Non-ETS emissions

Greenhouse gas emissions not covered by the EU Emissions Trading Scheme (ETS) include emissions from sectors such as transport, agriculture, waste management and buildings, where emission reductions are regulated by national targets instead of emissions trading.

LULUCF emissions

Direct emissions of greenhouse gases from sources owned or operated by an organisation, such as the combustion of fossil fuels in commercial vehicles or production facilities.

Scope 1 emissions

Direct emissions of greenhouse gases from sources owned or operated by an organisation, such as the combustion of fossil fuels in commercial vehicles or production facilities.



Glossary of terms



Scope 2 emissions

The indirect emissions of greenhouse gases resulting from an organisation's consumption of purchased electricity, heat, or steam, where the emissions occur during the generation of this energy, not its use.

Scope 3 emissions

All other indirect greenhouse gas emissions that occur in an organisation's value chain, both upstream (such as in the production of purchased goods and services) and downstream (such as in the use of sold products and waste management).

INTRODUCTION

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**Sustainable
entrepreneurship is a
core value of De
Cronos Groep.**

*De Cronos Groep means: De Cronos Groep NV and all its
affiliated companies.*



Introduction

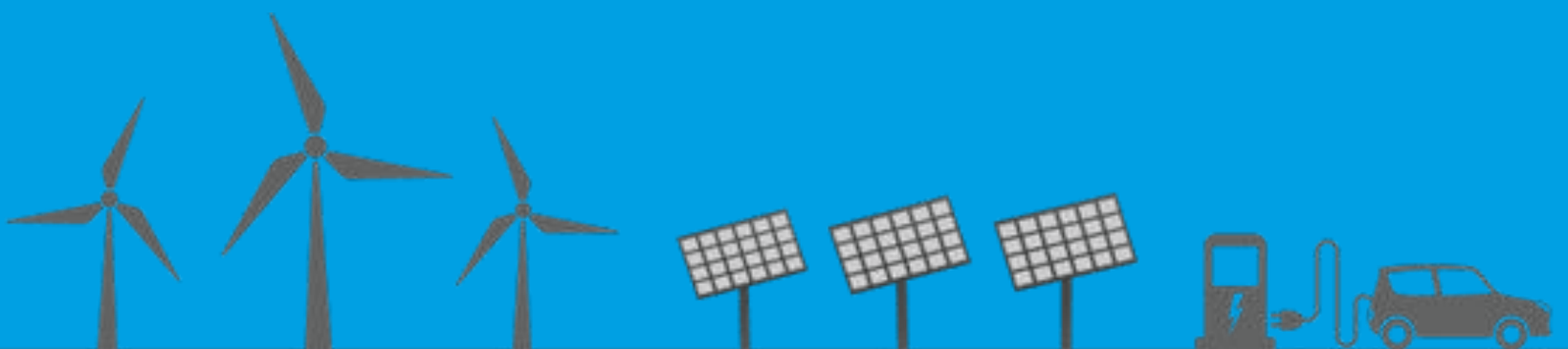
De Cronos Groep is a diverse group, active in a number of innovative sectors, and serves as a catalyst in translating scientific research on new technologies into business solutions. As an early-stage investor, incubator, integrator and venture capital firm, De Cronos Groep has holdings in more than 650 companies in various sectors and is actively involved in the start-up of around 20 new companies per year.

Our main business is ICT & consultancy. By providing strategic IT advice, guidance and expertise, we help organisations improve their technology and optimise their IT infrastructure so that they can achieve their business goals.

Sustainable Business

Sustainable business is a core value of The Cronos Group. Since our establishment in 1991, we have paid special attention to the impact of our activities on the environment and on society. This commitment is embedded in our corporate values and forms an integral part of our business operations.

Today, The Cronos Group is a leading expert in innovative technology solutions and employs more than 9000 people. Our strength lies in developing innovative entrepreneurship, and it is in this area that we can make the greatest contribution. By constantly investing in new technologies and creative solutions, we aim to have a positive impact on both society and the environment.



Target

With this climate plan, we aim to reinvigorate our efforts to devise solutions that can help address the climate challenge. We are determined to remain proactive and responsible in our approach to sustainable business. This plan serves as a blueprint for our future actions and strategies aimed at minimising our environmental footprint and promoting a more sustainable world.

Within our business operations and wider activities, De Cronos Groep's climate plan aims to

Our Climate Plan



- ✓ reduce CO2 emissions
- ✓ improve energy efficiency
- ✓ promote the use of renewable energy
- ✓ promote sustainable use of resources
- ✓ implement effective waste management
- ✓ and to raise awareness and engagement among employees and stakeholders.

By pursuing these goals, we aim to contribute to a sustainable future and minimise our carbon footprint.

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We believe that our experience and expertise in innovation enable us to develop effective and sustainable solutions, and that by working together, we can together contribute to a sustainable future for everyone.

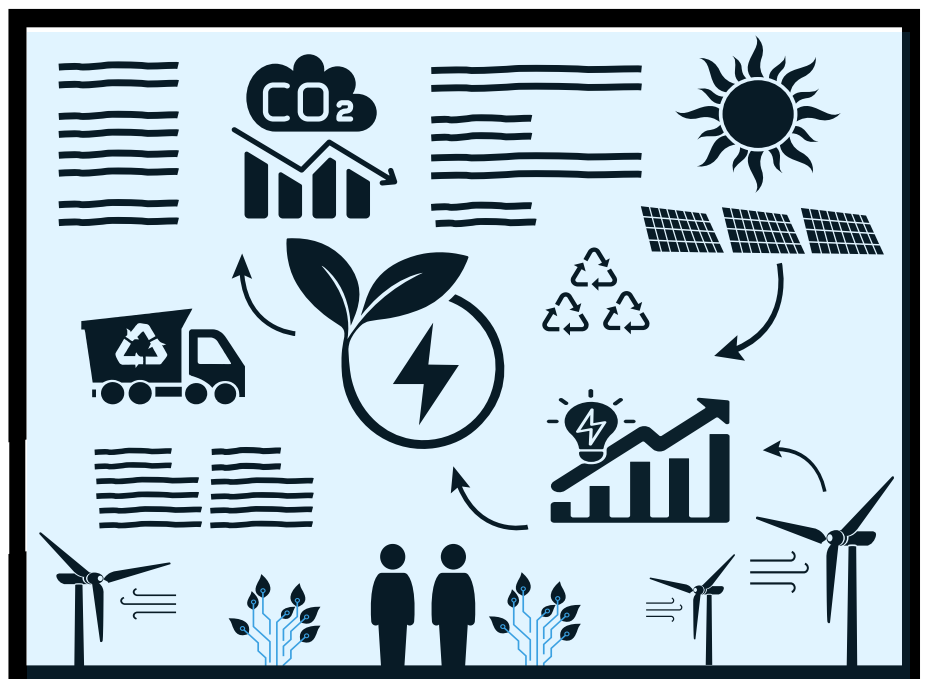
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Our Ambition

Our ambition is not only to reduce our own environmental footprint, but also to play a leading role in the transition to a more sustainable IT industry. Through our investments and commitment to new technologies, we strive for a future where innovation and sustainability go hand in hand.

“**Together**, we can make a meaningful difference in the fight against climate change.”

Our Climate Plan



[Learn more](#) →

In this climate plan, we will go into detail about the specific measures and initiatives we will take to achieve our target. We invite all our employees, partners and stakeholders to work with us on this important mission.



Legal Framework

Since 2019, EU Member States are expected to prepare a [National Energy and Climate Plan \(NECP\)](#) for the period 2021 - 2030, setting out how they will contribute to the EU's energy and climate goals over that period. Belgium's National Energy and Climate Plan consists of regional plans and a federal contribution.

The various indicative and binding targets to be met by Belgium as a Member State are allocated among themselves on the basis of a burden-sharing agreement.

Member States plan around the following five dimensions:

1. Decarbonisation

2. Energy efficiency

3. Energy security

4. Internal energy market

5. Research, innovation and competitiveness

In each case, these plans were supplemented by an analytical section containing

- national (sub) targets
- a run-through of the planned policy measures
- and elaborated forecasts for the coming years

No later than 30 June 2023, each Member State had to submit a draft version on which the European Commission made country-specific recommendations after review. By 30 June 2024, and every 10 years thereafter, each EU Member State will submit to the European Commission an update of its last submitted national energy and climate plan.

Undoubtedly, our governments' plans also apply to businesses and individuals. It led to the electrification of our company cars from 2023 and, as owners of private homes, we are strongly encouraged to make them as energy-efficient as possible.

Large and/or intensive businesses can apply for support from VLAIO on the condition that they submit a climate plan describing how they will reduce their carbon footprint. However, they must follow the targets in the Flemish Energy and Climate Plan.



Legal Framework

The Flemish Climate Plan 2021-2030 includes several targets:

- The national target required from Europe under the *Effort Sharing Regulation*, commonly referred to as the non-ETS sectors, applies to the following sectors: (road) transport, buildings, agriculture, light industry and the waste sector. For these sectors, Flanders aims to reduce greenhouse gas emissions by -40% by 2030 compared to 2005.
- Member States must also report on the LULUCF sector (*land use, land use change and forestry*), the sector that can provide net removals of CO₂ from the atmosphere by carbon sequestration in biomass (wood, plants) and soil. In this sector, the "no debit" rule is used as a national target: the carbon stock must be conserved per Member State. This means that any action in the sector that would cause the absorption capacity in the LULUCF sector to decrease must be offset by an equivalent action in the LULUCF sector (e.g. afforestation).
- In addition, the Flemish Climate Plan also includes targets to save energy and generate renewable energy.

In greenhouse gas accounting, emissions are divided into three categories:

1. ETS emissions

2. Non-ETS emissions

3. LULUCF emissions and storage

An additional legal obligation from the European Union is the "[Corporate Sustainability Reporting Directive](#)" (CSRD).

The CSRD came into force on 5 January 2023, requiring De Cronos Groep to report on non-financial information from 2026 onwards. A climate transition plan is an important part of this.



OUR CARBON FOOTPRINT & SBTi



Our Carbon Footprint & SBTi

Although we do not generate physical products, we contribute to CO₂ emissions to some extent, as does the entire IT sector.

In mid-2023, De Cronos Groep submitted its letter of intent to the [Science Based Targets Initiative \(SBTi\)](#). This commits De Cronos Groep to submit an emission reduction plan in line with SBTi criteria within 24 months.

This global initiative, anchored to the United Nations, acts as the catalyst for businesses that want to work on their climate ambitions. The SBTi, in line with the Paris Agreement, guides participating businesses towards concrete and measurable actions to tackle climate change. De Cronos Groep is now embracing the challenge of reducing its emissions according to these science-based targets, a crucial step towards a more sustainable future.

By mapping emissions, developing a detailed reduction plan and reporting annually, De Cronos Groep is actively working towards its environmental sustainability goals. In doing so, we are laying the foundations for a decrease in our emissions in the coming years.

Today, the carbon footprint calculation for Scope 1 and Scope 2 emissions of De Cronos Groep is ready. Further in-depth research is needed for Scope 3 emissions, which include the performance of our customers and suppliers. When we have a clear view of that value chain, we will have all the ingredients for a clear, credible reduction plan. The establishment of KPIs concerning greenhouse gas emissions is expected in December 2024.

The carbon footprint gives us a numerical insight into what **our focus areas** should be. We set these out step by step below.

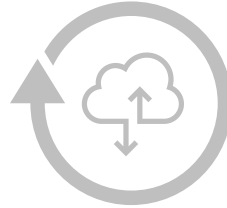
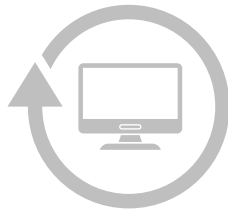


OUR FOCUS AREAS





Our Focus Areas



Mobility

De Cronos Groep has a fleet of about 5000 company cars, and works with many *freelancers*, most of whom also have their own cars. Cars produce emissions during both the production and use phases. That dual impact requires a holistic mobility strategy. Not only electrification (electric cars), but also diversification (fewer cars) is important.

Today, over 30% of our fleet is already fully electric, reducing emissions during operation. De Cronos Groep is investing in line with the increasing electrification of its fleet. Currently, more than 250 charging stations are in use at the office locations and 650 charging stations are in place at employees' homes.

In addition, De Cronos Groep limits travel for its employees by:

- Having office spaces in geographically dispersed locations in all Flemish provinces, Brussels and Wallonia, allowing employees to travel short distances in commuting and to customers.
- Offering hybrid work.

There are also car alternatives offered through a mobility budget.

Ideally, a company car should only be provided if someone needs to go on the road frequently. As our focus is on providing services for customers, where mobility is crucial, a group-wide rollout of the mobility budget is perhaps not expected. However, certain subsidiary companies, whose activities enable them to avoid providing company cars for their consultants, already use the mobility budget. In addition, the cafeteria plan also highlights the leased bicycle as an alternative.

Today, no plan is in place yet to restrict air travel or incentivise *freelancers* to diversify or electrify their cars.

Our Focus Areas



IT Hardware

De Cronos Groep is keen to reduce the carbon footprint of its IT equipment by better managing the purchase, life span and end-of-life of IT hardware. The following actions are being explored:

- **Sustainable procurement policy** (choosing sustainably produced items, with lower lifetime emissions and higher ease of recycling),
- **Adapting life cycle policy** (including repair policy) so that IT equipment is used as long as possible,
- **Establishing partnership with an end-of-life partner** (e.g. Close the Gap), which initially gives a second life to the collected material, and ensures optimal recycling at the actual end of life of the material.

Our Focus Areas



Applications, Servers & Cloud

An important part of our *core business* is developing applications for our customers. The servers we own have been running on green energy since early 2024, and most of them much earlier. This is also the case for the many servers in *public clouds*, on which more and more customers rely.

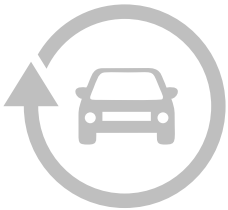
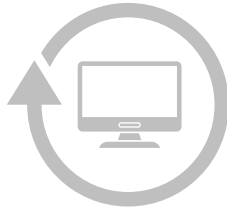
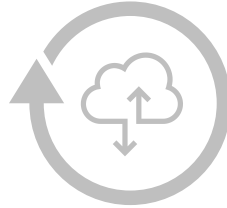
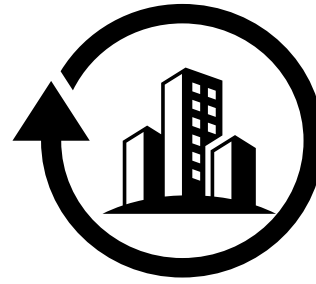
De Cronos Groep is not taking any specific actions today to reduce CO₂ emissions from written software. In the coming period, we will explore possible actions such as:

- *Teaching Green Coding* principles, which minimises emissions from written code. We also examine application dimensions and availability across environments
- *Teaching cloud hosting best practices* so that one can select the *cloud provider* and location from a CO₂ emissions perspective. The major *cloud providers* where most of our applications are hosted in the cloud (Microsoft for Azure, Amazon for AWS, Google for GCP) have all signed the *Climate Neutral Data Centre Pact*. They take actions themselves to minimise their energy consumption and associated CO₂ emissions.
- Including CO₂ considerations in the selection of SaaS solutions.

An important note here is that De Cronos Groep develops applications on behalf of its clients, so we often do not own the hosting ourselves. However, we work closely with our customers to make the most climate-conscious choices in this area.



Our Focus Areas



Buildings

As a company, we barely own any buildings. With rare exception, we use rented buildings for our operations.

De Cronos Groep therefore depends largely on the owners of the buildings that it rents today as office space or uses as locations for the operation of its data centres (co-housing) in order to achieve good energy performance.

In our offices where we control the energy contract ourselves, we have firmly opted for green energy since January 2024.

We also ensure systematic and continuous improvement, for example by installing solar panels. As we are only tenants of most of the buildings where De Cronos Groep is present and not owners, this is less straightforward, but we are exploring various creative ways to turn this into a win-win situation. For the planet, the owner and De Cronos Groep.

Finally, we are looking at how we can further optimise HVAC operations so that the right temperature is reached at the right place at the right time. We also plan to increasingly tackle standby power consumption.

Today, about 70% of the office space used is equipped with LED lighting with automatic switch-off. Every year, we aim to add at least 5% to this, and we refresh this space as well.

Our Focus Areas



We are also actively committed to fostering innovative technologies and entrepreneurship to promote a sustainable future. Our strategy, supported by the creation of the ESG team, also focuses on sensitising, informing and motivating employees so that they can play an active role in this transition and contribute to achieving our sustainability goals.

Other

In addition to the above actions, De Cronos Groep can use its own expertise to come up with technological solutions that contribute to climate change mitigation.

Our next steps

In addition to the ongoing, future and potential actions mentioned above, we can highlight two concrete next steps. First, De Cronos Groep should/will work out a strategy regarding CO₂ emissions that we have not yet been able to reduce.

Second, we can derive significant value from further optimising this climate plan based on/by means of standards. The *de facto* standard for [climate transition plans](#) is the [Transition Plan Taskforce](#).

This provides detailed guidelines for building a robust and credible climate plan.

GOVERNANCE



Monitoring and surveillance

De Cronos Groep has a central ESG team responsible for the rollout and coordination of all group-wide sustainability initiatives. The ESG team reports directly to the managing director.



There is also an environmental coordinator and a corporate social responsibility cell that highlights and supports bottom-up initiatives. The development of the climate plan is entrusted to an environmental coordinator who also directly reports to the managing director. In addition, the environmental coordinator is also responsible for further refining the climate plan, monitoring the targets and reporting to authorities. This responsibility lies with Robby Devadder from 1 January 2023.

There are frequent consultations between the various teams and management. The monitoring of the climate plan and the development of targets is therefore ensured at the highest level within De Cronos Groep.

Contact

For more information on our climate plan and sustainability initiatives, please contact our environmental coordinator or the ESG team.

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