



CO₂ Progress Report 2023

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1. INTRODUCTION

Since June 2019, Thales Nederland B.V. has a CO2 Awareness certificate at level 5 of the CO2 Performance Ladder. As part of the CO2 management system, Thales Nederland B.V. reports every six months about its CO2 emissions and progress on the reduction targets.

The inventory of CO2 emissions was carried out in accordance with ISO 14064-1: 2018 (E) “Quantification and reporting of greenhouse gas emissions and removals.” In this report the CO2 footprint is reported in accordance with § 7.3.1 of this standard. A cross table is included for this purpose in Chapter 3.

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2. DESCRIPTION OF THE ORGANIZATION

2.1. Policy statement

Thales Netherlands is an international company specialized in the design and production of high-tech electronics for defense and security applications, such as radar and communication systems.

Thales Netherlands wants to reduce CO2 emissions and the consumption of scarce resources resulting from the production and supply of its products.

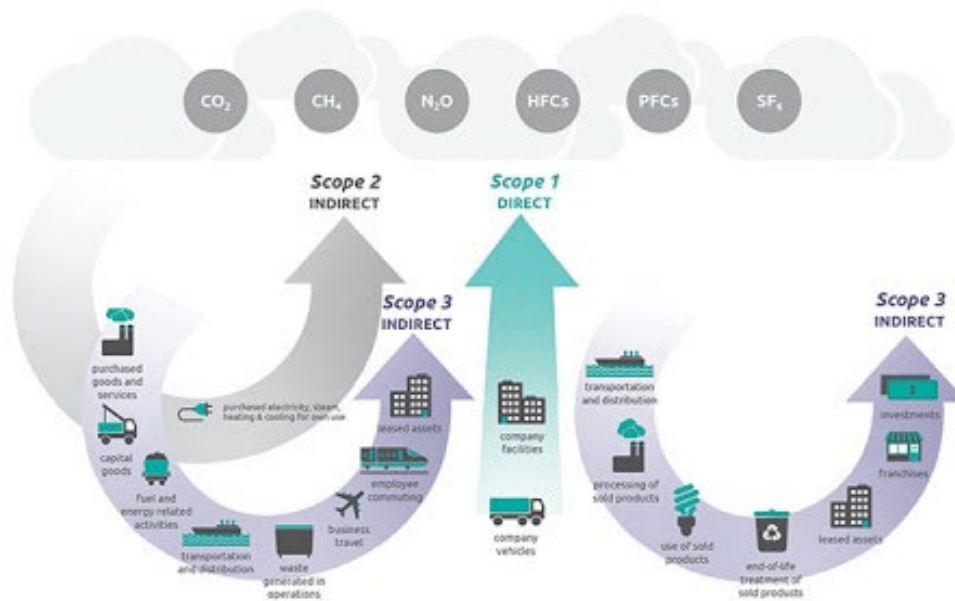
2.2. Organizational boundary

Thales Netherlands is part of the Thales Group. The organizational boundaries of the CO2-Aware certificate relate to Thales Nederland B.V. with locations in Huizen, Hengelo, Delft and Eindhoven. All other companies within the Thales Group are excluded on the grounds of insufficient financial or operational control.

2.3. Operational boundaries

Based on the established organizational boundaries, the CO2 emissions and absorptions due to the organization's activities have been identified. When identifying emissions, in accordance with the Greenhouse Gas (GHG) Protocol, a distinction is made between three sources of emissions (known as scopes) in two categories: direct emissions and indirect emissions.

- **Scope 1** includes direct emissions that are managed and controlled by the organization. Examples include the combustion of fuels in stationary machinery, transportation in vehicles owned or leased by the reporting organization and emissions from refrigeration equipment and air conditioning systems;
- **Scope 2** includes indirect emissions that can be directly influenced, such as the generation of purchased electricity, steam or heat.
- **Scope 3** includes other indirect emissions from sources such as business travel by flying, public transport or private cars, commuting, production of purchased materials and outsourced activities such as freight transport



Figur 1 Scopes CO₂-Prestatieladder

In 2023, there have been no structural changes to existing sources of emissions and/or new sources of emissions added to the operational limits. There have been changes in the number of FTEs, the size and composition of the vehicle fleet, and the amount of office space in use; factors that influence the consumption of emission sources.

The current emission flows within the operational limits are:

Scope 1:

- Consumption of natural gas for heating offices, workshops and warehouses
- Fleet fuel consumption
- Equipment fuel consumption
- Consumption of refrigerants

Scope 2:

- Power consumption of offices, workshops and warehouses and hybrid/full-electric cars
- Residual heat use for heating some buildings

Scope 3:

- Kilometres driven with rental cars and private cars
- Kilometres driven by public transport
- Kilometres flown by plane
- Kilometres of commuting by mode of transport

2.4. Projects with award advantage

Last year, Thales Nederland B.V. had no ongoing project with award advantage

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3. EMISSIONS INVENTORY

3.1. Person responsible

The person responsible for the CO2 reduction control cycle and all activities linked to it is Debbie Brands, HSE Director Thales Netherlands.

3.2. Base year and reporting period

This report covers the whole of 2023; the year 2018 serves as the reference year for the CO2 reduction targets.

3.3. Direct and indirect CO2-emissions

3.3.1. Scope 1 en 2

The total scope 1 and 2 CO2 emissions of Thales Netherlands amounted to 3,034 tons of CO2 in 2023. Of this, 1,152 tons of CO2 (38%) was caused by direct scope 1 emissions, 111 tons of CO2 (4%) by indirect scope 2 emissions and 1,771 tons of CO2 (58%) by business travel.

Scope 1	usage	unit	emission factor	tonnes CO2	%
Natural gas	302.640	m3	2079	629	21%
Fleet (Lease) - Diesel	27.359	liters	3256	89	3%
Fleet (Lease) - Petrol	112.354	liters	2821	317	10%
fuel consumption of assets (diesel)	1.770	liters	3256	6	0%
refrigerants	22	kg	divers	111	4%
Total scope 1				1.152	38%

Scope 2	usage	unit	emission factor	tonnes CO2	%
Electricity - grey	-	kWh	456	-	0%
Electricity - green	13.989.198	kWh	0	0	0%
electricity fleet - grey	196.226	kWh	456	89	3%
electricity fleet - green	6.580	kWh	0	-	0%
residual heat without additional heating	2.484	GJ	8800	22	1%
Total scope 2				111	4%

Scope 3 Business travel	usage	unit	emission factor	tonnes CO2	%
Fleet (Rental) - fuel unknown	180.422	km's	193	35	1%
Fleet (Rental) - hybrid/petrol	856.146	km's	144	123	4%
Fleet (Rental) - electricity	29.731	km's	109	3	0%
Fleet (Rental) - diesel	27.822	km's	180	5	0%
Business kilometers private car	971.843	km's	193	188	6%
Business kilometers public transport	368.132	km's	2	0,7	0%
Air travel < 700	595.140	km's	234	139	5%
Air travel 700-2500	2.086.519	km's	172	359	12%
Air travel >2500	5.846.715	km's	157	918	30%
Total business travel				1.771	58%

Total scope 1,2 en business travel 2023	3.034
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Table 1 CO₂-emissions scope 1,2 en business travel 2023

3.3.2. Scope 3

The scope 3 emissions, as included in reduction objectives, have been calculated for the entire year of 2023 and determined as follows

2023	Activity within category	Size in CO2 (tonnes)	
Upstream Scope 3 Emissions			
1.	<i>Purchased goods and services</i>	<i>electronics</i>	94.435
4.	<i>Upstream transport en distribution</i>	<i>transport</i>	<i>not available</i>
5.	<i>Production waste</i>	<i>waste</i>	304
7.	<i>Commuting</i>	<i>commuting</i>	2.286
Downstream Scope 3 Emissions			
9.	<i>Downstream transport en distribution</i>	<i>transport</i>	<i>not available</i>
11.	<i>Use of sold products</i>		<i>not available</i>

3.4. Explanation

3.4.1. Combustion of biomass

No combustion of biomass took place within Thales Netherlands during the reporting period.

3.4.2. GHG-removals

No GHG-removals took place within Thales Netherlands during the reporting period.

3.4.3. Exceptions

There are no notable exceptions to the GHG Protocol.

3.4.4. Quantification methods

A model tailor-made for Thales Netherlands was used to quantify CO2 emissions. All consumption from registered volume units can be entered in the model. In those situations where fuel volume units are not available, the most reliable information available is used.

The associated CO2 emissions are then automatically calculated by multiplying the consumption by emission factors.

Chapter 4 of Thales Nederland's CO2 management plan describes where the source data per energy flow comes from. There have been no changes in the quantification methods in this reporting period compared to the base year.

3.4.5. Emission factors

In accordance with the requirement of manual 3.1 of the CO2 Performance Ladder, the emission factors from CO2emissionsfactors.nl were used for the inventory of Thales Nederland's CO2 emissions for 2023.

The emission factors of Thales Nederland will at all times follow changes in the emission factors of the CO2 Performance Ladder. Emission factors were used to calculate the 2023 CO2 footprint in accordance with the changes on CO2emissionsfactors.nl from January 2023.

No "Removal factors" apply. The calculated CO2 emissions have not been converted into CO2e, and therefore no GWP values have been applied.

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3.4.6. Uncertainties

The results presented should be seen as the best estimate of the actual values. Almost all data used to calculate the CO2 footprint is based on invoices and/or actual measured quantities. This means that the margin of uncertainty is very small. There are still some uncertainties. These are described below:

1. Gas and Electricity; This data was not available for the locations Delft (until 2020), Ridderkerk, Lekstraat and Westland – the buildings are rented. A standard consumption per m2 has been assumed for gas and electricity. This is included for all years. Because it is not certain whether this concerns green electricity or gray electricity, we assumed gray electricity for Lekstraat and Westland. As of 2023 the locations Ridderkerk, Lekstraat and Westland are no longer part of the organizational boundary of Thales Nederland BV.
2. A number of cars in the fleet are (re)charged with electricity. When this is done via the fuel card, the charged kWh are registered. If this is done in any other way, no. In addition, it is unknown what the origin of all charged kWh is. Because it is not demonstrable, this amount of electricity is considered gray electricity.
3. The employees of Thales Netherland B.V. use the plane a lot and often. There is a registration of total kilometers traveled by air, but this is based on the place names and not on the actual locations of the airports, which means that the registered kilometers may differ slightly from reality.
4. Thales Netherlands employees often use private cars for business trips. The declared kilometers may differ from reality..

The uncertainty margin was estimated using a ghg-uncertainty.xlsx tool from www.GHGprotocol.org. The result is a calculated deviation of less than 2%, with a high degree of accuracy.

3.4.7. Exemptions

In Handbook 3.1, reporting of the CO2 emissions inventory on all greenhouse gases, expressed in CO2 equivalents, is not yet mandatory. It is therefore not required to include other gases, other than CO2 (CH4, N2O, HFCs, PFCs and SF6) that are released during

the company's operations, in the emissions inventory. This also applies to refrigerants. However, the emissions released by the use of refrigerants at Thales Nederland B.V. are so significant that they are included in the CO₂ Footprint.

3.4.8. Verification

The emission inventory of Thales Nederland B.V., has only been internally verified.

3.4.9. Reporting according ISO 14064-1

This document has been drawn up in accordance with the requirements of ISO 14064-1, paragraph 7. Table 2 contains a cross-table of the parts of ISO 14064-1 and the sections in the document.

ISO 14064-1	§ 7.3 GHG-report content	Description	Section document
	A	Reporting organization	2
	B	Person responsible	3.1
	C	Reporting period	3.2
5.1	D	Organizational boundaries	2.2
	E	Reporting boundaries	2.3
5.2.2	F	Direct GHG emissions	3.3
	G	Combustion of biomass	3.4.1
5.2.2	H	GHG removals	3.4.2
5.2.3	I	Exclusion of sources or sinks	3.4.7
5.2.4	J	Indirect GHG emissions	3.3
6.4.1	K	Base year	3.2
	L	Changes or recalculations	3.4.4
6.2	M	Methodologies	3.4.4
6.2	N	Changes to methodologies	3.4.4
6.2	O	Emission or removal factors used	3.4.5
8.3	P	Uncertainties	3.4.6
8.3	Q	Uncertainty assessment description	3.4.6
	R	Statement in accordance with ISO 14064-1	3.4.9
	S	Verification	3.4.8
	T	GWP values used	3.4.5

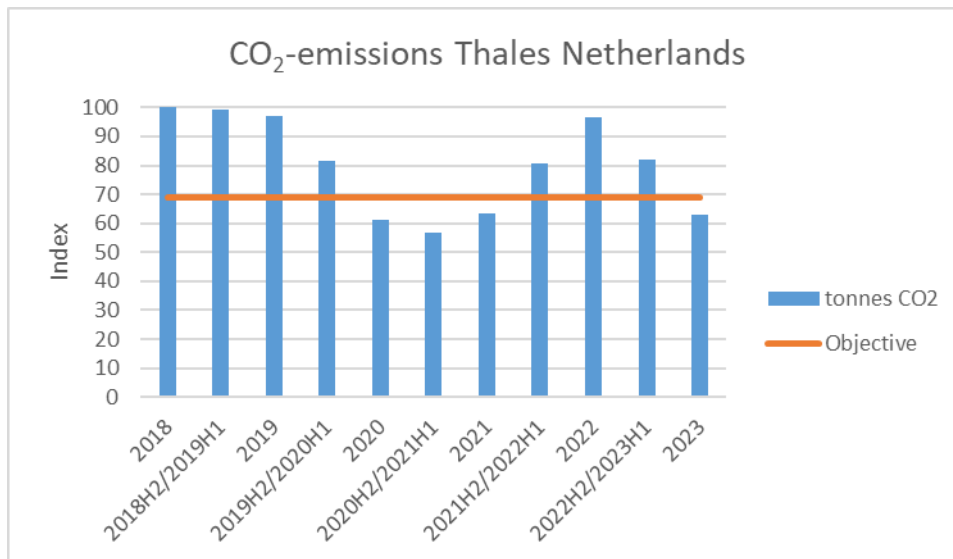
Table 2 Cross table ISO 14064-1

4. ANALYSIS OF PROGRESS

Every six months, Thales Nederland B.V. the emissions inventory has been drawn up. In order to monitor progress against the set annual objectives, it was decided to look at a 12-month period in the progress analysis, so that seasonal influences are moderated and the effects of measures taken are considered over a longer period. CO2 Footprint Thales Netherlands

Objectives Thales Netherlands 2018-2023

Thales Netherlands wants to emit 31% less CO2 in 2023 compared to 2018

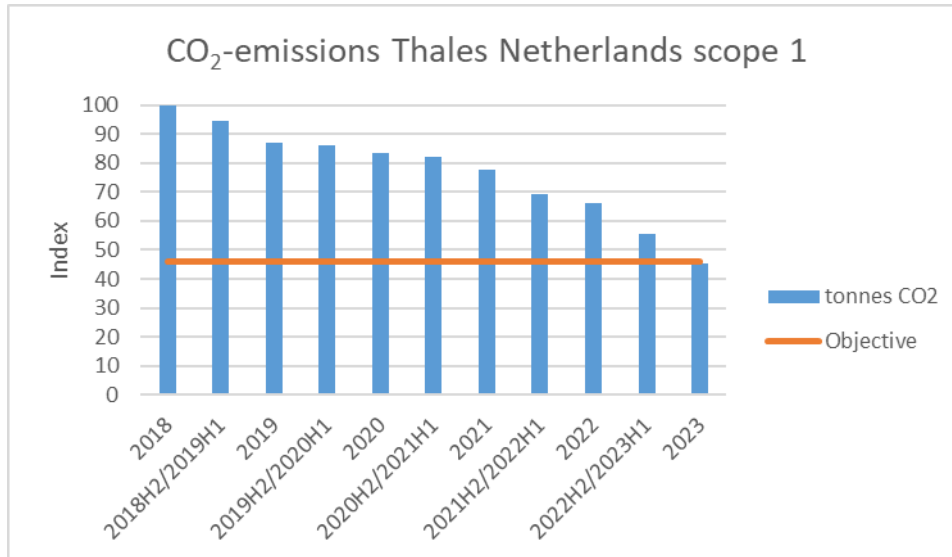


The total CO2 emissions of Thales Netherlands in the 2023 progress period amounted to 3,047 tons of CO2. That is a decrease of 37% compared to 2018, so target reached.

4.1. Scope 1

Scope 1 objective Thales Nederland

Thales Netherlands wants to emit 54% less CO2 in 2023 compared to 2018 in scope 1

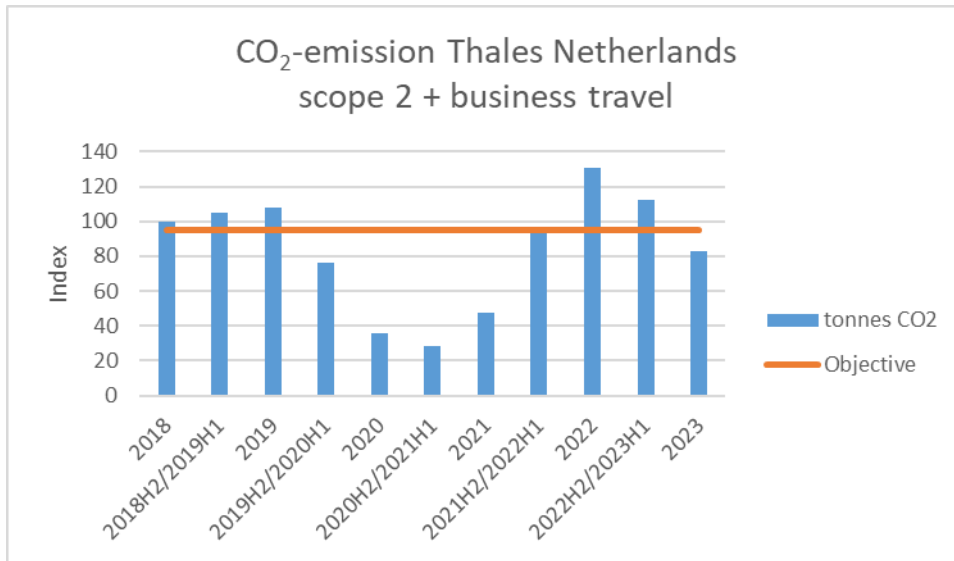


The total scope 1 CO₂ emissions of Thales Netherlands in the 2023 progress period amounted to 1,159 tons of CO₂. That is a decrease of 55% compared to 2018, so target reached.

4.2. Scope 2

Scope 2 and business travel objective Thales Nederland

Thales Netherlands wants to emit 5% less CO₂ in 2023 compared to 2018 in scope 2 and business travel

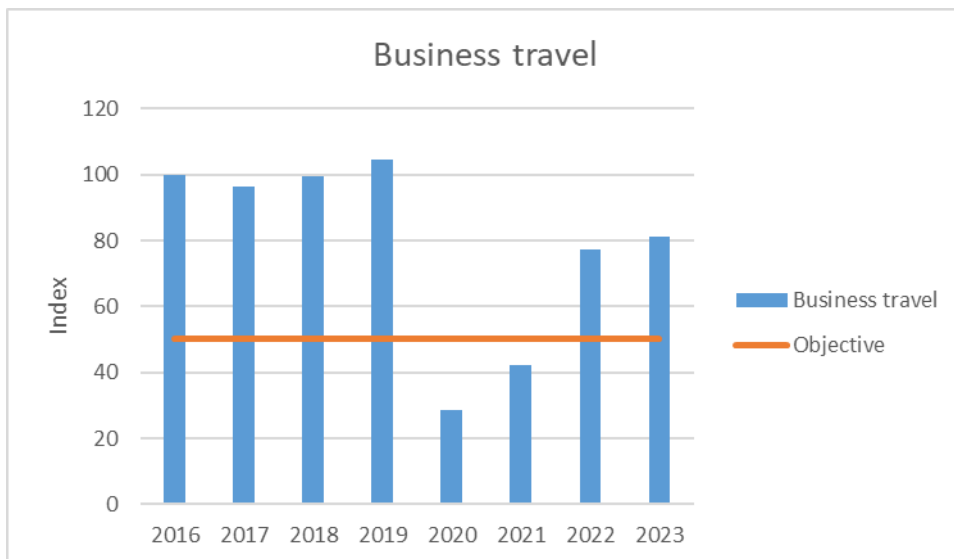


The total scope 2 and business travel CO₂ emissions of Thales Netherlands in the 2023 progress period amounted to 1,888 tons of CO₂. That is a decrease of 17% compared to 2018, so target reached.

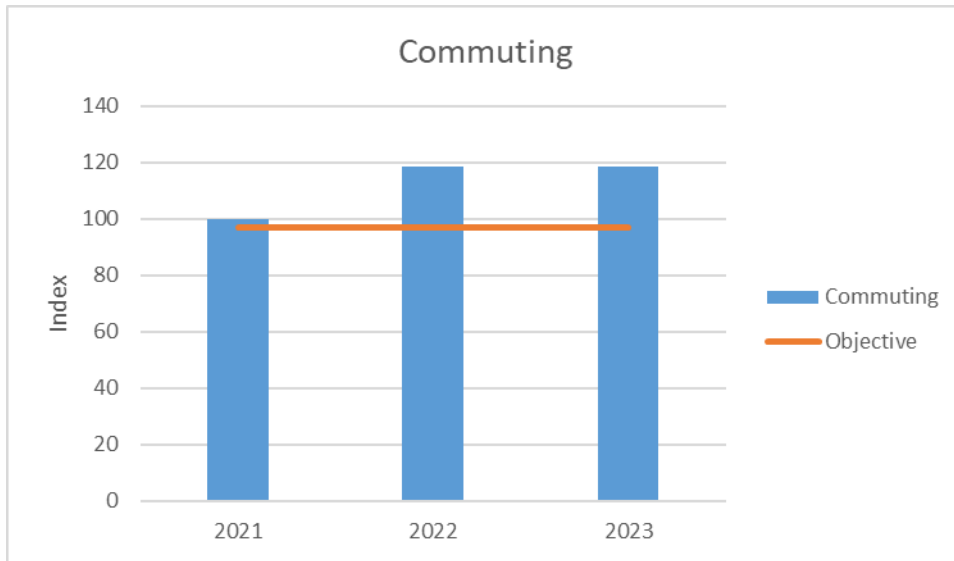
4.3. Scope 3

The scope 3 emissions for 2023 have been calculated at a total of 97,025 tons of CO₂. This is a decrease of 53% compared to 2022 (205,117 tons of CO₂). Since >95% of the calculated scope 3 emissions fall under the category 'purchased goods and services', the explanation for this decrease lies mainly in developments in this category. Think of purchasing large projects in a particular year, investing in new housing / production, etc., which was the case for 2022. Part of the explanation also lies in the calculation method used, in which emission factors are determined annually by the Thales Group per purchasing category. On average, these factors were 8% lower in 2023 than in 2022.

For some scope 3 categories specific objectives have been set. The progress of these is as follows:



Business travel CO2 emissions increased in 2023 compared to the period 2020-2022. The increase is partly caused by more global projects that require travel. The objective has not yet been achieved.



Commuting was on the same level in 2023 as in 2022 despite the increase in the number of FTE. The objective has not yet been achieved.

In the context of the chain analysis “Radarsystemen”, the Thales NL HSE policy has been extended in 2023 with the ECO design principles to support the Thales group objective to reduce 15% of scope 3 CO2 emission by 2030 (procurement, use of Thales equipment by customers, business travel). The implementation of these ECO design principles has been supported by setting up a dedicated Eco design roadmap, process assets, including E-learning and workshops. In 2024 more detailed reduction objectives will be available for reporting.

4.4. New objectives

Based on the results for the period 2018-2023 and the expectations for the upcoming years, new CO2 reduction targets have been set up to and including 2030:

CO2 objective Thales Nederland

Thales Netherlands wants to emit 74% less CO2 in 2030 compared to 2018 in scope 2 and business travel

Further specified for scope 1 and 2, the objectives are as follows:

Scope 1: 94% reduction in 2030 compared to 2018

Scope 2 and business travel: 52% reduction in 2030 compared to 2018