NETCALL

Environmental Sustainability Report 2022

Our commitment to reducing our environmental impact

Netcall's long-term growth is underpinned by a set of value-based operating principles. These have regularly been reviewed and adapted as Netcall has developed. They centre on customer focus, innovation, integrity, quality and teamwork.

Overview

The culture of Netcall is characterised by these values. They are communicated widely including within the competency framework, which sets out how we want our colleagues to work within Netcall, and promoted throughout the organisation by managers in their daily work.

Our commitment

Netcall is committed to reducing our environmental impact and enhancing our environmental policy and environmental management systems to establish and measure improvement in this area.

The Group is continuing its journey to measure and improve its impact on the environment and the business is committed to working towards "carbon neutral" status with an ambition to be carbon neutral by the end of 2026.

During the financial year Netcall has measured and is voluntarily reporting its Scope 1 and Scope 2 emissions, which have reduced by 30% to 32 tonnes of carbon dioxide equivalent 'tCO2e' (FY21: 46 tCO2e).

scope 1

Covers direct emissions from owned or controlled sources.

scope 2

Covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by a reporting company.

The Group has started to measure scope 3 emissions

which cover indirect emissions that occur in a company's value chain.

Netcall has purchased carbon offsets for **Scope 1** and **Scope 2** emissions at the Loch Ness Afforestation Project.

This entails establishing a permanent, diverse, native forest that joins up established forests. The planting site comprises a range of native tree species including Caledonian Scots pine, sessile oak, hazel, downy birch, rowan, eared willow and aspen planted during spring of 2022.

Netcall's submission to the Science Based Target Initiative has been successfully validated and provides a path to reduce emissions to net-zero.

SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Putting sustainability into practice

During the year Netcall worked with partner DI Blue on the development of an Environmental Management System (EMS) built on the Liberty Create Low-code Application Platform. The implementation of the EMS will support management of key actions and improvements for environmental performance. The EMS app enables organisations to implement the ISO 14001:2015 standard. The app is available to Netcall customers through the AppShare.

While starting with its operations, Netcall's strategy expands beyond its business by ensuring the changes implemented flow into the Group's product strategies and also benefit the organisations and communities in which it operates.

For example, today Netcall customers benefit from solutions:

- that reduce resource requirements and associated office and transportation costs, such as contact centre agents working from home;

- such as Patient Hub reduce carbon emissions with electronic communications replacing printed and posted materials, directly improving NHS Trust emissions to help them meet their Net Zero promises;

- utilising technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), Automatic Speech Recognition (ASR), Optical Character Recognition (OCR), and Computer Vision to improve efficiency and lower the carbon intensity of operations; and,

- that are cloud based and leverage cloud operators' (i.e. operators') large-scale efficiency innovations combined with their ongoing carbon reduction strategies.

In general, digital transformation by increasing automation and improving stakeholder engagement and communications, makes processes and interactions more efficient and supports reduction of carbon emissions for our customers and their eco-systems.

Therefore, by implementing our solutions and delivering our roadmap, Netcall also supports our customers environmental strategies while at the same time working towards our own environmental targets.

Carbon neutral

A company is said to be carbon neutral by reducing their emissions and/or paying others to not emit an equivalent to their remaining emissions.

❝ Netcall is committed to working towards 'carbon neutral' status with an ambition to be carbon neutral by the end of 2026. ❞
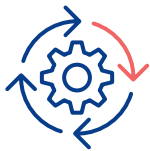
Getting to
Carbon Neutral

Our strategy includes reducing and offsetting our Scope 1 and 2 emissions
to achieve Net Zero this year and our Scope 3 emissions by 2026,
and then removing more carbon than we emit.

The framework for sustainability requires focus in three areas:

Procurement

Purchase green energy,
sustainable water and
sustainable hardware.

Operations

Move as much as possible
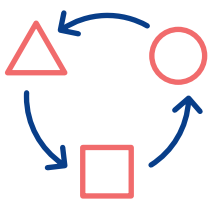to the cloud to exploit
energy at scale.

## Retirement

Ensure E-waste
management.

Operations

We will take responsibility for our carbon, water, waste and land footprints across the way our products and facilities are sourced, manufactured, operated, and managed at end-of-life. This includes our supply chain.

Products & services

We will develop new technology and services driven by data, AI and digital technology to power environmental sustainability.
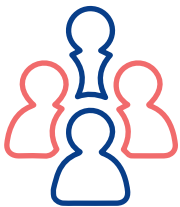
Customers & partners

We will help our customers and partners around the world reduce their carbon, water, waste, and land footprints through our learnings, technology and services. We will work with partners to explore GHG reporting using Netcall solutions.

Employees

We recognise that our employees are the most important asset and resource in advancing innovation and will create new opportunities for them to contribute to our efforts.

Netcall is a software and service business with very little transport and distribution of solutions. Waste generated is typical of an office-based organisation, not a manufacturer.

Business Travel, employee commuting, and home-working have changed considerably since the pandemic.

For Netcall customers, whilst solutions will reduce resource requirements and associated office and transportation costs, such as contact centre agents working from home, a key method to reduce their energy use is to migrate from on-site solutions to the cloud.

Cloud operators utilise their massive scale for adopting large-scale efficiency innovations. In 2014, the US Natural Resources Defense Council's report on data centre efficiency stated that average server utilisation remained static at 12% to 18% between 2006 and 2012, while hyperscalers could achieve 40% to 70%. Higher utilisation is more efficient.

Therefore, the move of Netcall customer workloads to the cloud will reduce CO_2 emissions and help customers meet their Net Zero targets.

Reducing Scope 3 emissions

We are reducing and offsetting our Scope 3 emissions to net zero by 2026. While we do not have direct control over the majority of emissions in the Scope 3 category, they represent the bulk of our emissions. We are addressing them in our carbon neutral commitment by the following methods:

- Implementing an environmental management system.

- Improving supplier emissions data tracking & reporting

- Further improving energy efficiency of devices and software

- In our solutions, we are continuing to reduce carbon emissions and environmental impact throughout lifecycles.

66 We are continuing our journey
to measure and improve our
impact on the environment.
We have achieved our target
of reducing our Scope 1 and 2
emissions to net zero by 2022.
We have been validated by
the Science Based Target
Initiative (SBTi), committing to
science-based 1.5°C and net-zero
targets. In addition, we continue
to work with our partners and
customers to support their
environmental strategies. 99

Henrik Bang, Netcall CEO

What's Next?

By 2026 we will reduce and offset our Scope 3 emissions to net zero. In advance of the commitment to become net zero by 2026, Netcall plans to offset travel emissions in the current financial year 2022-23.

We will continue to help our suppliers, customers, and partners reduce their carbon footprints through our learnings and with the power of intelligent automation and customer engagement.
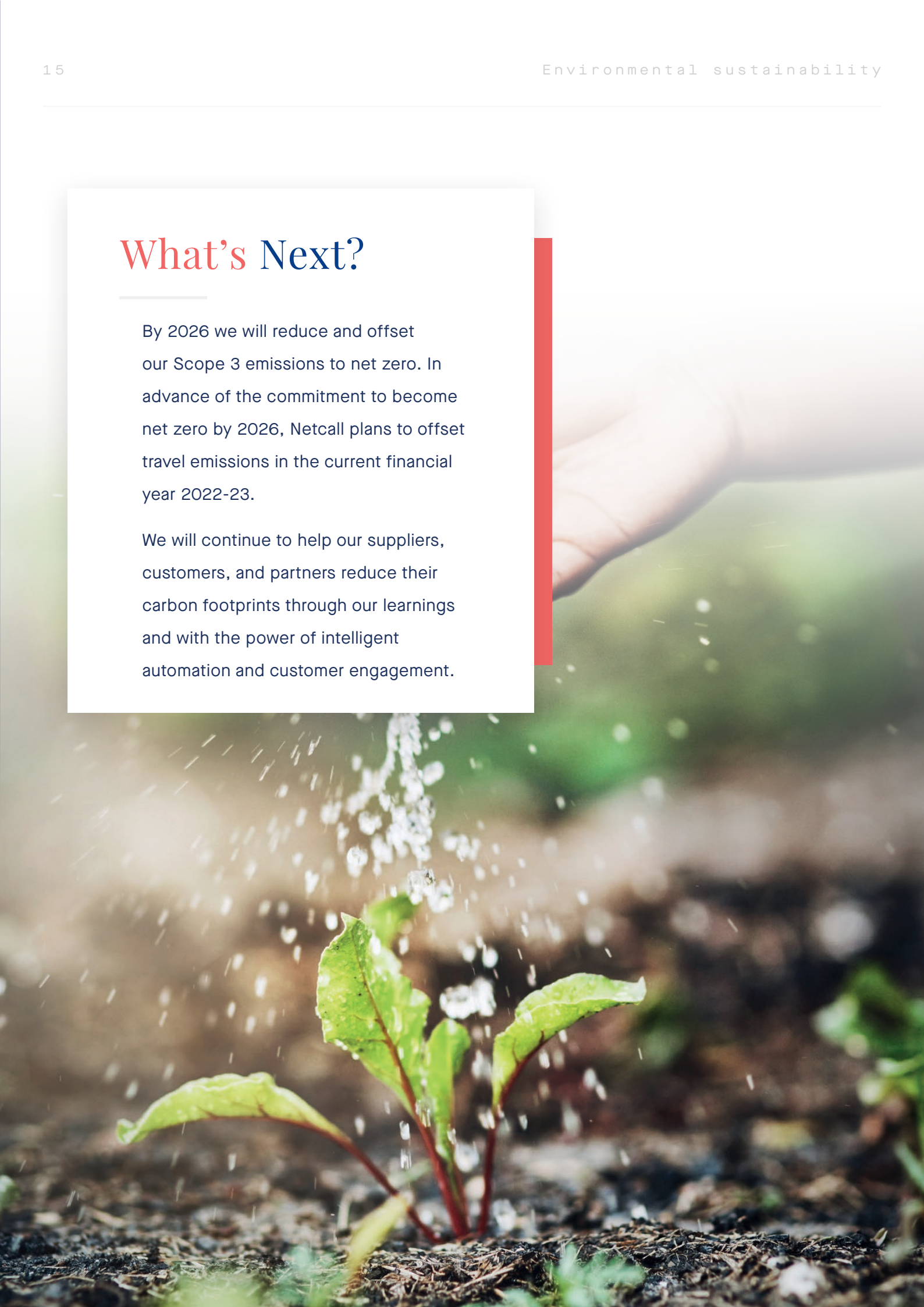
Greenhouse gas emissions

Baseline: Financial year ending 30th June 2020

Additional details relating to the baseline emissions calculations: No prior Scope 3 emissions reporting.

Baseline year emissions:

EMISSIONS	TOTAL (tCO$_2$e)
Scope 1	36.6
Scope 2	30.0
TOTAL EMISSIONS	66.6

Baseline: Financial year ending 30th June 2022

Additional details relating to the baseline emissions calculations: No prior Scope 3 emissions reporting.

2022 financial year emissions:

EMISSIONS	TOTAL (tCO$_2$e)
Scope 1	32.0
Scope 2	0
TOTAL EMISSIONS	32.0

Purchase of 100% renewable electricity for our offices has been implemented since the 2020 baseline.

The carbon emissions reduction achieved by these schemes equates to 34.6 tCO2e, a 52%ge reduction against the 2020 baseline and the measures will be in effect when performing the contract.

Scope 1 Emissions

Scope 1 includes emissions resulting directly from Netcall's activity, such as fuel used in vehicles or gas burnt in boilers to heat facilities.

- In financial year 20 Netcall CO2e emissions for the use of gas to heat office buildings was 36.6 tonnes.

- In financial year 22 Netcall CO2e emissions for the use of gas to heat office buildings was 32.0 tonnes.

This is a reduction of 4.4 tonnes of CO2e, 12%.

Scope 2 Emissions

Scope 2 includes indirect emissions primarily from purchased electricity. Energy efficiency and procurement of green power are key to reduce Scope 2 emissions.

- In financial year 20 Netcall CO2e emissions for the use of electricity in office buildings was 30.0 tonnes.

- In financial year 22 Netcall CO2e emissions for the use of electricity in office buildings was 0.0 tonnes.

This is a reduction of 33.0 tonnes of CO2e, 100%.

Scope 3 Emissions

Scope 3 includes all indirect emissions that occur across Netcall's value chain, both downstream and upstream.

These sources are extensive and includes business travel of employees and the full lifecycle of products, including the electricity that clients consume when using a Netcall solution.

Reporting of emissions in Scope 3 is optional, but it provides an opportunity to be innovative in greenhouse gas management.

Netcall will focus on accounting for and reporting those activities that are relevant to our business and goals, and for which we have reliable information. In advance of mandatory reporting requirements, Netcall is capturing and analysing data for the following Scope 3 categories:

BUSINESS TRAVEL

EMPLOYEE COMMUTING

WASTE GENERATED IN OPERATIONS

UPSTREAM TRANSPORTATION AND DISTRIBUTION

DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

NETCALL