



Hypertec Net Zero Transition Plan

Executive summary

Net Zero; Turning Innovation into Climate Action

At Hypertec, our mission is to bring together expertise, innovation, and strong partnerships to transform complex challenges into opportunities for sustainable growth through technology. Sustainability is not a separate initiative, it is embedded in how we operate, innovate, and create long-term value for our customers, employees, partners, and communities.

As a leader in sustainable AI, high-performance computing, and data center infrastructure, we recognize both the responsibility and the opportunity we have to contribute to the transition toward a low-carbon economy. Climate change is one of the defining challenges of our time, and addressing it requires decisive action, collaboration, and long-term commitment.

I am proud to introduce Hypertec's Net Zero Transition Plan, which outlines our pathway to achieving net-zero greenhouse gas emissions by 2050 in alignment with Canada's Net-Zero Challenge. This plan represents an important milestone in our sustainability journey and demonstrates our commitment to integrating climate action into our business strategy, operations, and decision-making processes.

While setting ambitious targets is essential, meaningful progress requires a clear roadmap and measurable actions. Our Net Zero Transition Plan establishes the framework that will guide our transition, including interim emissions reduction targets for 2033 and 2040, governance mechanisms, investment priorities, and operational initiatives designed to reduce our environmental footprint while supporting sustainable business growth.

With a 2024 baseline footprint of 299.67 tonnes CO₂e for Scope 1 and Scope 2 emissions, and a 2023 Scope 3 screening inventory of 584,888.26 tonnes CO₂e, we understand where our most significant impacts occur and where our greatest opportunities for improvement lie.

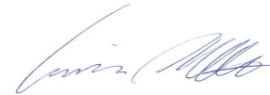
Our strategy focuses on reducing emissions across our operations while progressively engaging suppliers, partners, and other stakeholders throughout our value chain.

We have already taken important steps toward this goal. Our new LaSalle facility reflects our commitment to sustainable infrastructure, incorporating advanced energy-efficient technologies, renewable energy generation, geothermal systems, heat recovery solutions, and intelligent building management systems. These investments demonstrate that environmental responsibility and business performance can go hand in hand.

At the same time, we recognize that achieving net zero will require continuous innovation, collaboration, and accountability. Success will depend not only on our own actions but also on broader progress across supply chains, industries, and public policy. We are committed to working closely with customers, suppliers, industry partners, and governments to help accelerate the transition to a more sustainable future.

Our customers are at the center of this journey. By reducing our environmental impact and advancing sustainable technology solutions, we strengthen our ability to support their sustainability objectives while continuing to deliver the reliability, performance, and innovation they expect from Hypertec.

I am incredibly proud of the progress we have made to date and inspired by the ambition reflected in this plan. Through disciplined execution, ongoing investment, and a commitment to continuous improvement, we will contribute to addressing climate change while creating long-term value for our stakeholders and helping build a more sustainable future for generations to come.

A handwritten signature in blue ink, appearing to read "Simon Ahdoot".

Simon Ahdoot
Chief Executive Officer
Hypertec Group

Our Commitment

We commit to achieving **net-zero greenhouse gas (GHG) emissions for Scope 1 and Scope 2 by 2050**, supported by science-aligned interim targets for 2033 and 2040, and a roadmap to progressively address material Scope 3 categories. The plan will be updated regularly as technologies, policies, and our business evolve.

Customers at the Heart of Our Transition

Our customers are at the heart of this transition. By decarbonizing our operations and products, we deliver sustainable AI and data center infrastructure that helps our customers meet their own climate goals while ensuring reliability, performance, and cost efficiency. Our commitment to sustainability strengthens trust, supports long-term partnerships, and positions Hypertec as the preferred partner for organizations seeking responsible, high-performance computing solutions.

What This Plan Delivers

- Clear, science-based interim targets for 2033 and 2040 aligned with Canada's Net-Zero Challenge
- Comprehensive mitigation strategy across energy, operations, transportation, and supply chain
- Robust governance framework with Board oversight and annual KPI tracking
- Transparent scenario analysis and risk management approach
- Commitment to customer value, operational resilience, and industry leadership

1. Net Zero Ambition and Scope

Hypertec designs, manufactures, and services integrated electronic products and IT infrastructure, including innovative immersion-cooled servers and sustainable data center solutions. We recognize that our climate impact spans operations, products, and the wider value chain.

Hypertec commits to:

- Achieve **net-zero Scope 1 and Scope 2 emissions by 2050**, in line with our public climate commitment.
- Prioritize deep absolute reductions in operational emissions, using high-quality carbon removals only for residual, hard-to-abate emissions after 2040.

- Progressively measure, manage, and set targets for material Scope 3 categories (e.g., purchased goods and services, upstream transport, use of sold products, and end-of-life treatment) in future phases.

Scopes covered in this plan:

Scope 1: Direct emissions from owned or controlled sources (e.g., onsite fuel use, process emissions).

Scope 2: Indirect emissions from purchased electricity and energy for our facilities and operations.

Scope 3: Value-chain emissions are being screened and will be integrated into subsequent iterations of the plan, prioritizing categories most relevant to electronics manufacturing, data center solutions, logistics, and product use.

2. Base Year and Emissions Boundary

Base year: 2024¹

The 2024 emissions inventory is the baseline for tracking progress and reflects Hypertec's relocation to the new facility at 5555 Cypihot, which has a distinct energy and operational profile compared to our previous site.

- **Organizational boundary:** Based on the GHG Protocol Corporate Standard, using the operational control approach for Hypertec's headquarters, manufacturing, and service operations.
- **Operational boundary:** Includes all material Scope 1 and Scope 2 emission sources; Scope 3 categories are being mapped and will be added in phases, consistent with Net-Zero Challenge expectations.

3. Interim Targets and Net-Zero Trajectory

Hypertec's targets for Scope 1 and Scope 2 are:

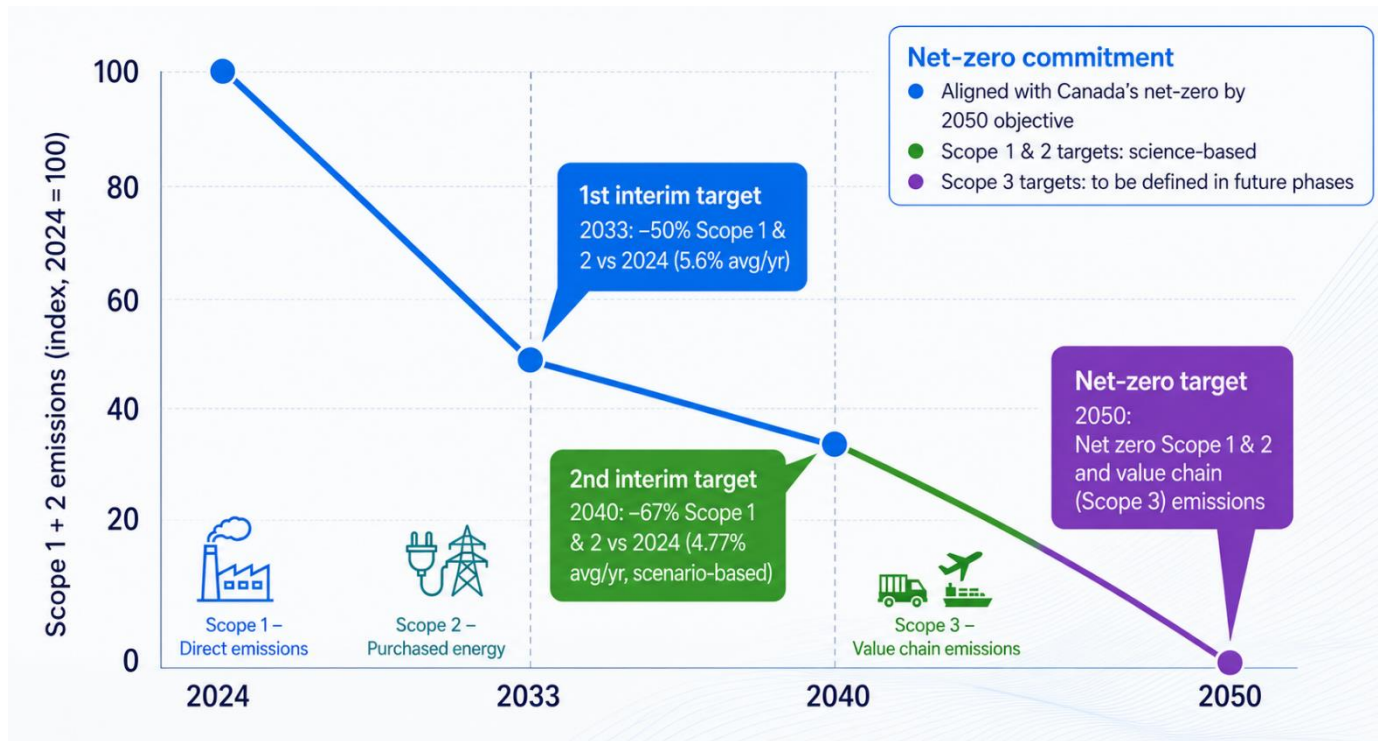
- **First Interim Target:** 50% absolute reduction in Scope 1 and Scope 2 emissions by 2033 vs 2024 (approx. 5.6% average annual reduction).
- **Second Interim Target:** 67% absolute reduction in Scope 1 and Scope 2 emissions by 2040 vs 2024 (approx. 4.77% average annual reduction, scenario-based).

¹ The baseline year has been revised from 2019 to 2024 to reflect the relocation of our operations to a new facility at 5555 Cypihot. The new site presents a significantly different energy profile and operational setup compared to the previous location, making 2024 a more accurate reference point for future comparisons.

- **Long-term Objective:** Net-zero Scope 1 and Scope 2 emissions by 2050, aligned with our public climate commitment.

These targets complement our public "Net-Zero by 2050" statement and ensure our plan meets the Net-Zero Challenge requirement for interim reduction targets and a clear emissions pathway.

Figure 1: Hypertec's emissions trajectory to net zero by 2050.



4. Governance and Accountability

Strong governance is fundamental to the successful implementation of Hypertec's Net Zero Transition Plan and is aligned with the Net-Zero Challenge guidance on embedding climate objectives into corporate governance and strategic decision-making. Hypertec's governance framework provides clear accountability, robust oversight, and regular performance monitoring to ensure climate-related risks, opportunities, and emissions reduction initiatives are effectively managed and integrated across the organization.

Governance, Compliance & Assurance Sustainability Committee:

The Governance, Compliance, Assurance and Sustainability Committee provides strategic oversight of Hypertec's sustainability and climate commitments and is responsible for:

- Overseeing the Company's sustainability strategy and the integration of environmental, social, and governance (ESG) considerations across business operations.
- Ensuring alignment between corporate strategy, business objectives, and sustainability goals.
- Embedding climate and ESG priorities into executive decision-making, risk management, and long-term business planning.
- Reviewing the quality and completeness of sustainability reporting and monitoring progress against established objectives and targets.
- Tracking the implementation of sustainability initiatives and assessing organizational maturity through the "In Place, In Use, and In Control" framework.
- Promoting cross-functional accountability for sustainability actions and measurable performance outcomes.
- Reviewing and approving the Net Zero strategy, greenhouse gas (GHG) reduction targets, and any material updates to the transition plan.
- Receiving at least annual updates on progress toward climate objectives, including key risks, opportunities, performance indicators, and corrective actions where necessary.

Executive leadership is responsible for integrating climate considerations into strategic planning, capital allocation decisions, operational priorities, and enterprise risk management processes, ensuring alignment with Hypertec's growth strategy in sustainable AI, high-performance computing, and data center infrastructure.

Sustainability, Quality Assurance, and Operations teams:

The Sustainability, Quality Assurance, and Operations teams are responsible for the day-to-day implementation of the Net Zero Transition Plan. Their responsibilities include:

- Developing and implementing emissions reduction initiatives across operations and the value chain.
- Maintaining and continuously improving the Company's GHG inventory and emissions data management processes.
- Monitoring progress against climate targets and key performance indicators.
- Coordinating internal climate-related reporting and supporting external sustainability disclosures.
- Identifying opportunities for energy efficiency, renewable energy adoption, waste reduction, and supply chain engagement.

- Supporting internal awareness, training, and continuous improvement initiatives related to climate action and sustainability performance.

5. Scenario Analysis

Hypertec has conducted internal scenario analysis aligned with Net-Zero Challenge expectations to test the robustness of our pathway

Short-term (2025 _ 2033): Focus on proven and economically feasible mitigation measures.

Medium-term (2033 _ 2040): Incorporation of emerging technologies and infrastructure evolution.

Long-term (2040 _ 2050): Full alignment with Net Zero objective.

Scenarios are assessed for plausibility, coherence with business strategy, and alignment with Hypertec's role as a provider of sustainable digital infrastructure

6. Mitigation Strategy

Energy and Buildings:

Key actions (current and planned):

- Heat recovery systems to capture and repurpose heat from electronic equipment for building heating.
- 180 double-loop geothermal wells connected via a shared energy loop, providing a stable and renewable source of ground-source thermal energy for heating and cooling, significantly reducing dependence on the electrical grid and improving overall system efficiency.
- New, modern, high-performance building, lighting (full LED rollout), and advanced Building Management System (BMS) for real-time optimization.
- Super-insulated building envelope with high-performance insulation, careful air sealing, and minimized thermal bridges in walls, roof, and slab, significantly reducing heating and cooling loads and supporting the path to net zero.
- On-site renewable electricity generation via 975 solar PV panels and building-integrated photovoltaic (BIPV) modules on the façade, directly offsetting facility Scope 2 emissions and reducing grid dependence.
- High-efficiency heat pump systems (air-source or ground-source) for heating and cooling, achieving high COP, enabling full electrification of heating (Scope 1 reducing), and replacing any residual fossil fuel use.

- Demand-controlled ventilation using CO₂/VOC sensors to modulate airflow based on actual occupancy, ensuring healthy indoor air quality while minimizing energy use for ventilation and conditioning.

Operations and Equipment:

- Process optimization

Transportation:

- Fleet optimization for service and logistics vehicles, including route efficiency and right-sizing.
- Progressive electrification of applicable vehicle categories and deployment of smart EV charging infrastructure at the LaSalle facility, 40 connected charging stations with load management and optional vehicle-to-building (V2B) capability, supporting both fleet electrification and grid peak control.

Supply Chain

- Map and prioritize key suppliers based on spend and emissions intensity; integrate climate and circularity criteria into sourcing and vendor evaluation.
- Engage strategic suppliers on emission-reduction expectations, sustainable materials, and low-carbon logistics, building on existing packaging and recycling initiatives.
- Continue to expand take-back and recycling services for customers, ensuring end-of-life products are recycled responsibly and contribute to circular material flows.

7. Capital Planning and Investments

Consistent with best practice, Hypertec will embed its net-zero pathway into capital budgeting and asset lifecycle management.

- Integrate carbon and energy performance into investment appraisals for buildings, manufacturing equipment, and data center infrastructure.
- Prioritize projects that deliver both emissions reductions and long-term cost savings, resilience, and competitive advantage (e.g., immersion cooling systems that cut data center energy use and enable heat recovery).

- Coordinate sustainability investments with customer-facing projects (e.g., eco-campus, sovereign AI data center collaborations) to ensure transition actions support core business growth.

8. Risks and Opportunities

Key Risks:

- Regulatory and policy changes affecting energy, product standards, and reporting obligations.
- Technology availability and timing for emerging low-carbon solutions.
- Energy price volatility and grid decarbonization trajectories in key markets.

Key Opportunities:

- Operational cost savings from energy efficiency and optimized packaging and logistics.
- Stronger resilience and differentiation as a sustainable AI and high-performance computing infrastructure provider.
- Enhanced brand, customer trust, and access to sustainability-focused tenders and partnerships (e.g., CDP recognition, institutional collaborations).

9. Residual Emissions

Residual emissions that cannot be feasibly eliminated by 2050 will be addressed using high-quality, verifiable carbon removal solutions, in line with net-zero principles.

Hypertec will:

- Prioritize absolute emissions reductions first, then consider removals for remaining hard-to-abate sources.
- Develop criteria for acceptable carbon credit quality (e.g., permanence, additionality, transparency) before procurement.
- Disclose any use of offsets transparently in public reporting.

10. Reporting and Review

Progress will be reported annually to the top management. The Net Zero plan will be reviewed and updated regularly to reflect evolving science, policy, and business conditions.

- Hypertec will report annually on GHG emissions, progress against targets, and key initiatives to top management and, where appropriate, public stakeholders through its sustainability channels.
- The Net Zero Transition Plan will be reviewed at least every five years, or earlier if there are significant changes in science, regulation, or business strategy.
- We will continue to engage employees, customers, and partners through sustainability communications, round tables, and collaborations, building on recent events and thought-leadership on sustainable IT and data centers.

11. References and Alignment

- Net Zero Challenge_Government of Canada
- Science Based Targets initiative (SBTi)

- GHG Protocol_Corporate Accounting and Reporting Standard
- Management systems and internal policies