

Sustainability Report 2020

ORTEC

Table of contents

Message from the CEO	4
Message from the Corporate Sustainability Manager	6
2020 Facts & Figures	9
Our commitment	
ORTEC and the Sustainable Development Goals	10
Our journey to increased impact	13
Our footprint	
Planet	16
People	22
Our impact at customers and partners	
Results	29
Impact stories	30



Message from the CEO

At ORTEC, we do things for a reason. We are intrinsically motivated to improve the world using our passion for mathematics. That is why sustainability is at the heart of everything we do. We believe that companies often have more potential to improve our society than they realize. Besides, we all have a moral obligation to use our influence to contribute to the three pillars of sustainability: People, Planet and Profit.

All companies are part of a global economic system that distributes wealth, happiness and health. Businesses need to take that responsibility seriously, as an integral part of what they do. After all, we cannot call ourselves a successful business, if a large part of the world is unable to participate in that success. This means that we need to address topics like climate change, social responsibility and education.

Leading by example is very important to ORTEC. We do this by continuously reducing our environmental footprint while contributing to a positive impact on society. More importantly, we leverage our passion for mathematics to empower our customers and partners to reduce their environmental footprint, improve job satisfaction levels, enhance productivity and boost financial performance.

In addition to our Annual Report, this Sustainability Report presents the impact we have on people, planet, and profit in more detail. The report describes our ambitions for the future as well as the actions that have been taken to further improve our impact. I am very proud of the positive impact that the ORTEC team has created together with our customers and partners. Together we will continue to use our passion for mathematics to create a better world.

Best regards,
Michael van Duijn

→P

π

Message from the Corporate Sustainability Manager

In March 2021, I joined ORTEC as Corporate Sustainability Manager, taking over the role from Iris van Beuzekom. ORTEC is a company that is very passionate about sustainability, with a solid track record on measuring and improving its own footprint. More importantly, ORTEC is very committed to help its customers and partners to contribute positively to people, planet and profit. I am very much looking forward to help accelerate ORTEC's progress.

Reaching targets and raising the bar

In addition to our Annual Report 2020, this sustainability report highlights the impact of ORTEC on people planet and profit. One of the key elements of this report is the reduction of our own greenhouse gas emissions up until 2020. Due to many improvements that were made over the past years, we managed to achieve the climate goal we set ourselves back in 2014. Now that we have achieved this goal, we want to raise the bar and accomplish net-zero emission from now on.

Another element of this report that we are proud of is the increased focus on Diversity, Equity, and Inclusion (DE&I). Since we believe that inclusive behavior is a key enabler for better results, we are confident that our DE&I team will help us in our journey towards a more diverse and inclusive environment.

Empowering our customers and partners

Even though it is important to improve our own footprint, the impact we create together with our customers and partners is much more significant. This report shows how our products and services enable our customers to reduce CO₂-emissions, use less resources and improve job satisfaction levels. We also provide our solutions, knowledge and experience at no cost in our partnership with AMREF Flying Doctors and 510 – the data initiative of the Red Cross. This is another way to leverage our passion for mathematics for a better world.

Looking ahead

I am really inspired by the drive and motivation of people at ORTEC. Besides being passionate, they are ambitious to grow their impact on the world. This positive drive is key to boosting the environmental and social performance of ORTEC. For the coming months, I am looking forward to working together with colleagues, customers, and partners to bring the impact of ORTEC to the next level.

Best regards,
Joost Hamelink

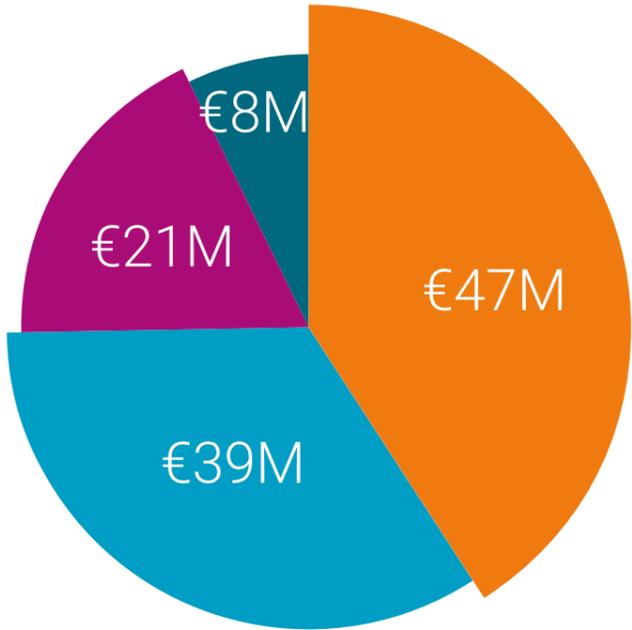




Facts and figures



Revenues
€115M



- Netherlands
- Rest of Europe
- North America
- Rest of the world



EBITDA

EBIT



903.000

PEOPLE



663kton CO₂

PLANET



Employees
948 FTE



Nationalities
37



€954M*

PROFIT

*The impact KPI calculation is based on a combination of customer monitoring, product measurements plus externally validated rules of thumb and estimations.



Our Commitment

ORTEC endorses the UN Sustainable Development Goals (SDG's). Working together with our customers and partners we want to optimize our contribution to these goals. This chapter describes our commitment to the SDG's and our journey towards positive impact.

ORTEC and the Sustainable Development goals

In 2020, ORTEC and many other organizations have raised the flag to create awareness for the Sustainable Development Goals (SDGs) of the United Nations. Exactly five years ago the world embraced these 17 goals that guide us to a more inclusive, fair, and sustainable society by 2030.

The SDGs are the blueprint to achieve a better and more sustainable future for all and address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice. To help support in achieving these SDGs, ORTEC joined the United Nations Global Compact - the largest sustainability initiative in the world - in 2017. It is a voluntary pact to encourage businesses worldwide to adopt sustainable and socially responsible policies, based on ten principles linked strongly to the SDGs.

Cornerstone in the COVID-19 recovery plans

Also, last year the Dutch Sustainable Growth Coalition issued a Green Recovery Statement, uniting a broad coalition of companies that pledge support to take sustainability as the cornerstone in the COVID-19 recovery plans. "The coronavirus pandemic has hit our society during its transition to a greener, more inclusive and fair economy", states Michael van Duijn, CEO at ORTEC. "At the same time, people and organizations are uniting on the road to recovery. The SDGs are vital for a recovery that leads to a more sustainability-driven economy. It's important we stand together and commit to achieving these 17 goals on our road to a better world. The DSGC will continue to embed sustainability as a leading principle in their business models."

About DSGC

The DSGC is a CEO-led coalition of eight Dutch multinational corporations, including ORTEC, that aims to drive sustainable growth business models that combine economic profitability with environmental and social progress and in that way contribute to the achievement of the UN Sustainable Development Goals.

Our journey to increased impact

Our vision

We consider it our responsibility to make applied mathematics available in a transparent, safe and sustainable way, so organizations can improve their impact on the world.

Our purpose

We want to improve the world using our passion for mathematics.

STEP 1. Strategic direction

We want to continuously increase our impact on the world with our data driven decision support. Focusing on three strategic pillars:



Broaden our impact at customers



Drive high employee quality and engagement



Create a future-proof portfolio

STEP 2. Underpinned by our values

Expertise With a true passion for our profession, we bring our solutions to life for our customers.

Explorative minds We are open, curious, versatile, eager, and creative. We challenge ourselves to solve complex problems and deliver innovative solutions with measurable impact.

Extra mile We leverage a performance-driven culture with a strong dedication and responsibility to our customers, colleagues, organization, and the world around us.

Connected to each other We embrace authenticity. By being honest and fun to work with, we give each other the freedom to excel and to use our unique strengths and talents.

STEP 3. For the benefit of our stakeholders

Our People



Customers



Stakeholders



Society



Planet

STEP 4. Leading to impact in 2020 on



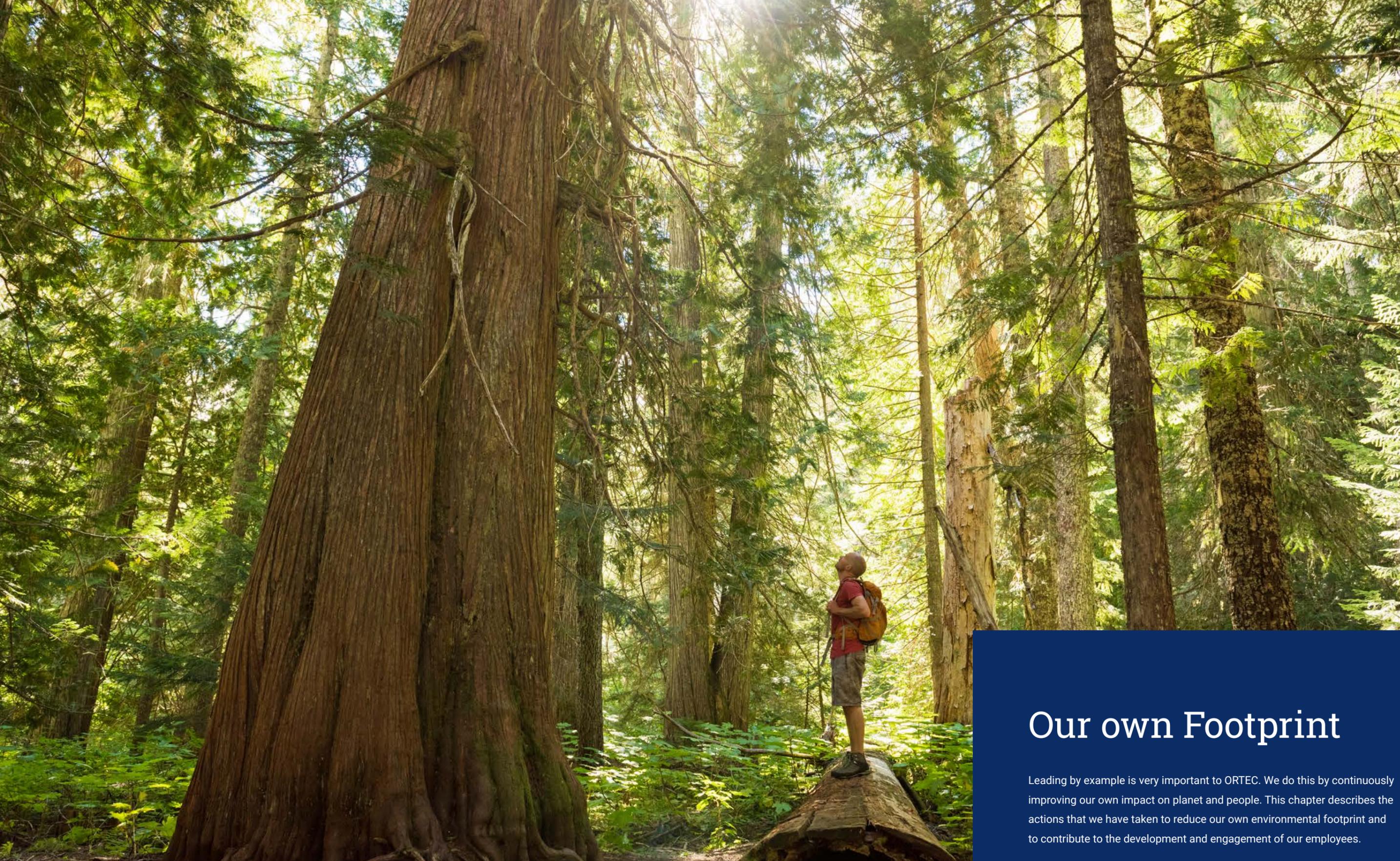
People Across our customer base, we increased the satisfaction of 903.000 people



Planet 419 customers have been able to reduce their ecological footprint by saving 663 kiloton CO₂



Profit Our customers improved their financial performance by € 954 million



Our own Footprint

Leading by example is very important to ORTEC. We do this by continuously improving our own impact on planet and people. This chapter describes the actions that we have taken to reduce our own environmental footprint and to contribute to the development and engagement of our employees.



Planet

When it comes to our impact on the planet, we want to walk the talk. Sustainability starts with having a look at our own actions and impact on the climate. This chapter describes our efforts to reduce our own CO₂-emissions, water consumption and waste generation.

Achieving our CO₂-reduction target

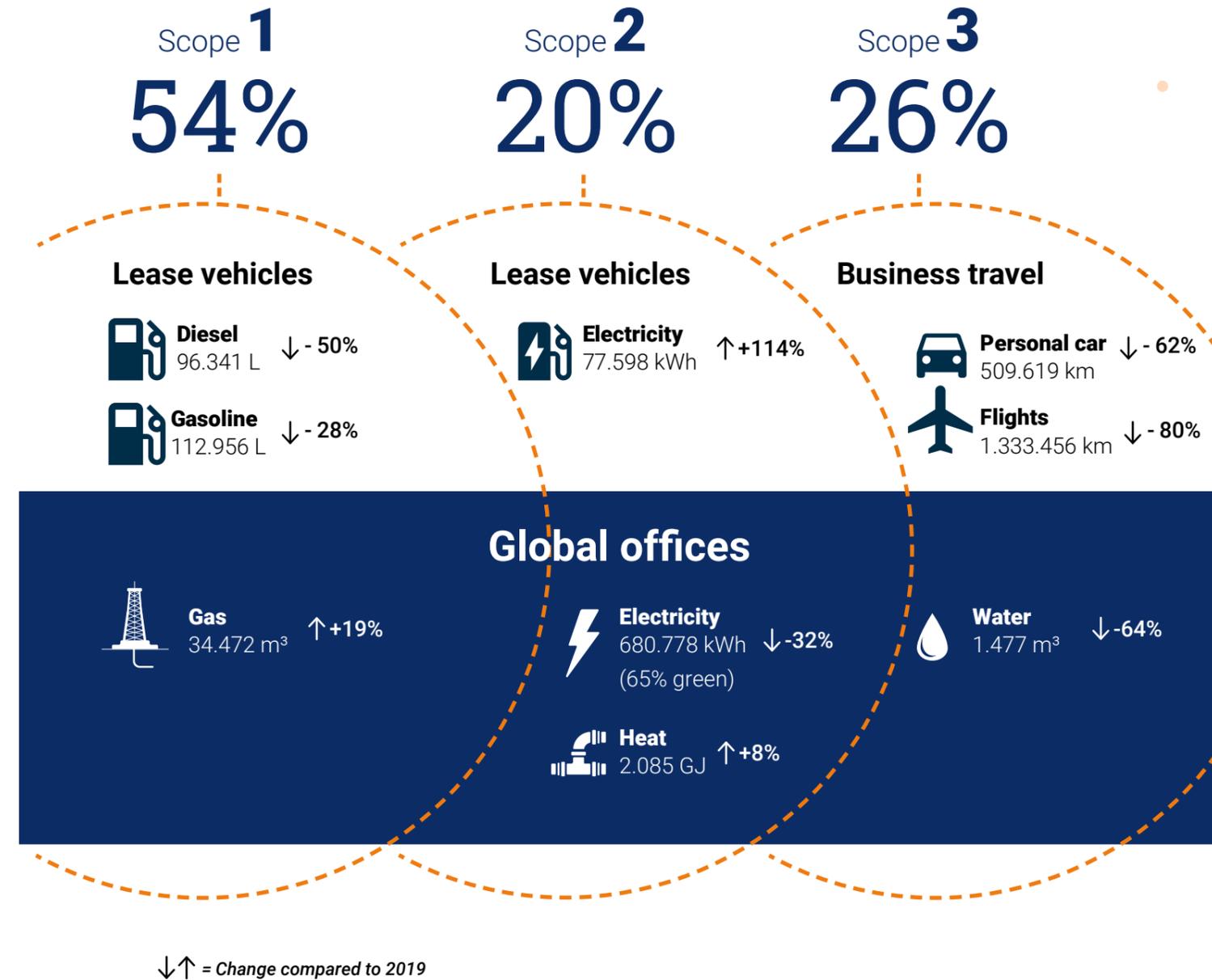
Achieving our CO₂-reduction target

In 2014, ORTEC published its first environmental report and we committed ourselves to reduce our CO₂-footprint by 20% in 2020. We are satisfied that we have achieved this target one year ahead of time. This achievement is the result of many changes and developments over the past years. From purchasing green electricity to upgrading facilities to stimulate cycling, many improvements were made at our offices. In addition, efforts were made to reduce our CO₂ emissions caused by business travel. This enabled us to reduce air travel, switch to electric or hybrid vehicles and promote the use of public transportation.

Global greenhouse gas emissions progress



2020 Environmental Indicators





New ways of working

The COVID-19 crisis has had a major impact on our CO₂-footprint in 2020. Travel restrictions caused a significant reduction in business travel and with many colleagues working from home, our offices consumed less electricity. Altogether, this resulted in a 50% reduction of our CO₂-emissions in 2020.

Whenever restrictions are lifted and business travel resumes, we expect our CO₂-emissions to bounce back to a certain degree. However, we do not expect our CO₂-emissions to return to the 2019 level. Building on the lessons learned while working remotely during the COVID-19 crisis, we are now developing different ideas and policies to promote hybrid and remote working. This will help us to reduce the need for business travel and office commute in the future.

Net-zero in 2021

After achieving the reduction goal that we set back in 2014, it is now time for the next step in our climate ambitions. We are excited to announce that our next short-term goal is to achieve net-zero CO₂-emissions from 2021 on. To reach this goal, we are further reducing our own footprint and have set up a partnership to offset any remaining CO₂-emissions by planting trees. To compensate for our CO₂ emissions, we are collaborating with Trees for All: a supplier of carbon offsets with reforestation projects around the globe. Through our collaboration with Trees for All, we will be supporting a tree planting project in Bolivia, which supports local communities to restore and preserve forests. We are very excited about this collaboration, as the project in Bolivia will help to capture CO₂ from the atmosphere, prevent soil erosion and preserve a unique ecosystem.

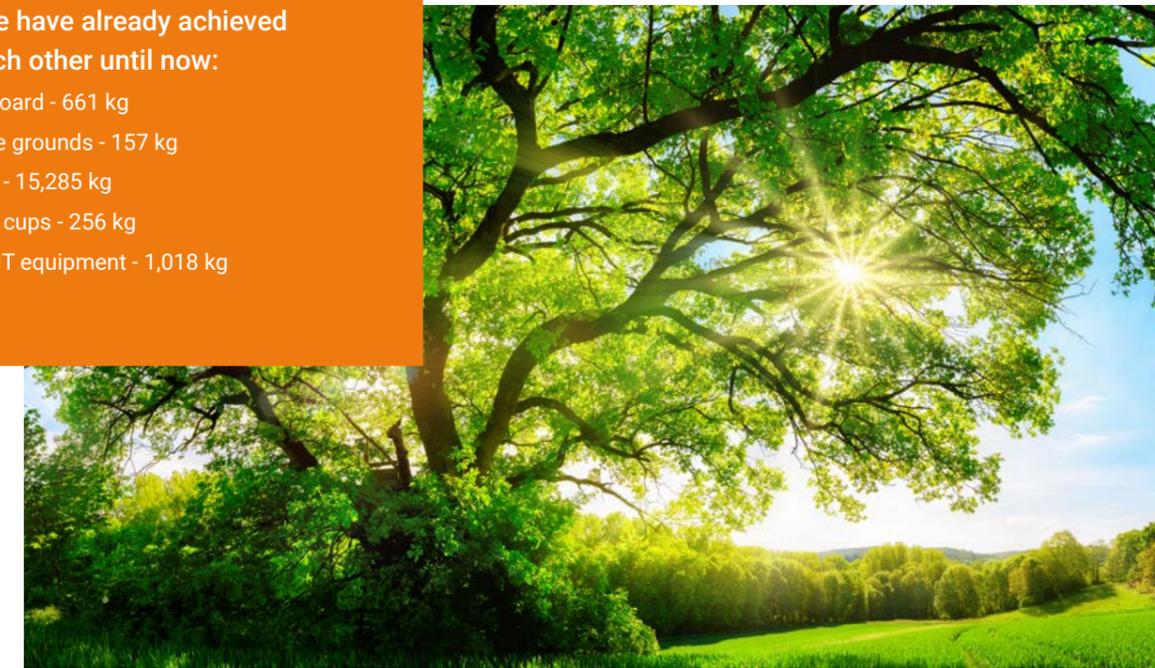
Recycling at our Dutch office locations

Within ORTEC, good steps have been taken in the last year regarding sustainability. Since we have started the waste separation at all NL locations in 2018, all our collected paper and cardboard is being recycled into hygiene paper and also bought back by ORTEC. This paper-for-paper process is a good example of the circular economy. Besides paper and cardboard, we also reduce our plastic with the use of Doppers instead of using plastic cups. Before the start with the Doppers, we used over 21,000 plastic cups yearly.

In addition to the existent waste separation project, we have expanded the contract with Paper for Paper with collecting coffee grounds in Zoetermeer since April 2019. The residual product from coffee is valuable breeding ground for oyster mushrooms. Vegetarian snacks are made from these harvests.

What we have already achieved with each other until now:

- Cardboard - 661 kg
- Coffee grounds - 157 kg
- Paper - 15,285 kg
- Paper cups - 256 kg
- Used IT equipment - 1,018 kg



CO₂ emissions lease cars

Due to unforeseen WLTP testing results on the CO₂ emission of new lease cars as of 1st of July this year, we'll switch back to our old parameters from now on. The maximum CO₂ emission allowed on new lease cars is 138 gram/km and/or the lease car has an A or B energy label.



People

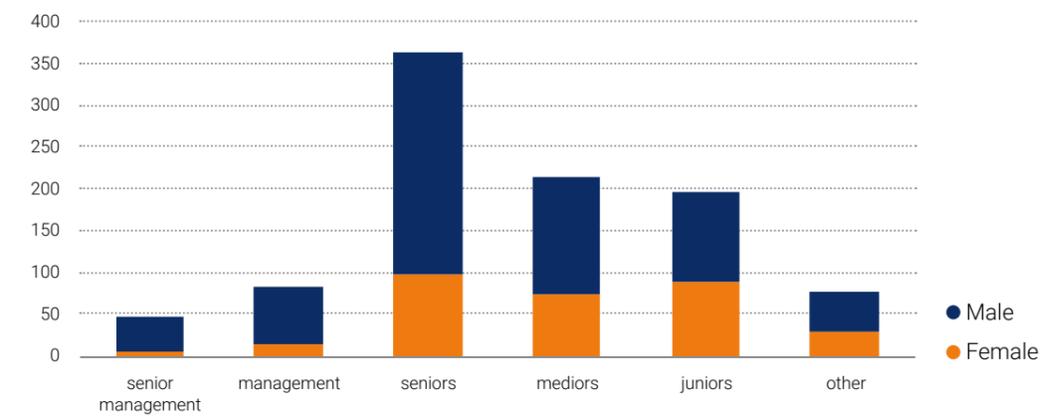
Driving high employee quality and engagement is a key theme in ORTEC's strategy. From an employee development perspective, this chapter illustrates a selection of the initiatives of 2020 to achieve our ambition.

HR update

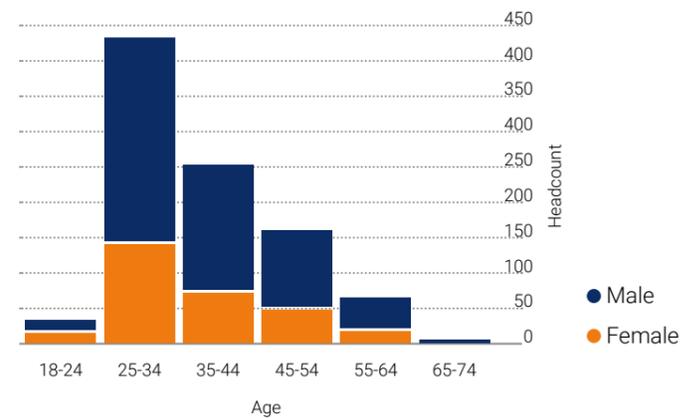
Our people make ORTEC unique and distinguish us from other companies. Naturally, we continuously do our best to maintain our people's happiness and health. We foster an open and informal culture, stimulate a healthy work-life balance, and ensure a solid remuneration with plenty of development opportunities.

Employees at ORTEC get access to the most passionate powerhouse in applied mathematics, with a drive to use our skills to improve the world. As a part of that last ambition, and because we have strong ties with the academic world, we welcome students by offering them supervision during their graduation project and a possibility to work as a student assistant next to that. In addition, young employees become part of an open and friendly culture with an active employee association (Young ORTEC).

Headcount per level and gender



Age overview



Since people are one of ORTEC's most important assets, we offer flexible ways of working. We actively stimulate employees to broaden their skills through (online) education and continuous development. Sports activities are regularly being organized to support healthy living, and healthy food. The results of our quarterly employee satisfaction surveys, and internal COVID-19 surveys, allow us to quickly adapt to any input from our employees and are a source for development of our educational offer.

We believe that diversity is essential to our success. Differences in gender, age, background, sexual orientation, physical ability, religion, family status, et cetera, bring different perspectives that fuel innovation and creativity, leading to more robust solutions, balanced decisions, and better results for our customers (see: Diversity & Inclusion, *red*).

100%
of employees receives
regular performance reviews

100%
of employees return to work
after parental leave

	2019	2020
% female of all employees	28,0	30,6
% female in management	7,4	7,4
% female at board level	16,7	16,7
% difference in salary	8	0*

37
nationalities

*There is no significant difference between the salaries of men and women.



One of the students' feedback captured exactly what we try to accomplish with the Education Factory:

“ I signed up because the materials are super interesting but also because my direct manager really recommended the Education Factory courses. ”

Education Factory goes global (and online)

Without doubt, 2020 was challenging. Both for trainers and students. However, with overall ratings being higher than in 2019, we concluded that the trainers and students have adapted greatly to these sudden changes. From empty classrooms to taking quantum leaps in online learning and having all classes online.

Let's build on the success

This year's results strengthened our belief that the knowledge displayed by our very own ORTEC trainers should be available for everyone at ORTEC. In that respect, we've gained a lot of experience during the coronavirus pandemic with online learning; useful for an international organization like ORTEC. Taking into consideration the successful pilot of the Education Factory for ORTEC Central and Eastern Europe, from 2021 on the Education Factory will offer its trainings globally!

After the release of the 2021 Education Factory curriculum in January, ORTEC will tackle the time zone challenge by setting up two course schedules. One schedule covering USA, Brazil and Europe, the other providing courses for Central Eastern Europe, Australia and North Europe. Finally, based on the successes in 2020, we will host our courses online in 2021 as well. Our trainers have been very creative in alternating their training to an online form. We want to keep supporting them in this and create an even better experience next year.

Diversity, Equity & Inclusion

At ORTEC, we believe that diversity is essential to our success. Differences in gender, age, background, sexual orientation, physical ability, religion, family status, et cetera, bring different perspectives that fuel innovation and creativity, leading to more robust solutions, balanced decisions, and better results for our customers. To accelerate our progress in our non-ending journey toward a more diverse and inclusive environment, halfway 2020 the foundation of a global Diversity, Equity & Inclusion Team was announced.

People throughout ORTEC were asked to sign up for the new Diversity, Equity & Inclusion (DE&I) Team. Thirteen very motivated colleagues from around the world showed their interest to join. A kick-off meeting was organized in October, to get to know each other, define a shared ORTEC vision on DE&I and gather the most important topics to focus on in the coming years.

Solid and safe base for cooperation

Since the initiative is all about inclusivity, ORTEC decided to start the group with applicants from our offices around the globe. Except, maybe, for one. ORTEC CEO Michael van Duijn is very committed to the subject and really wants to go full speed ahead to make ORTEC an inclusive company. The kick-off meeting on October 6, which happened to be Diversity Day, created a really solid and safe base for a fruitful future cooperation.

The Executive Team has given the DE&I Team two goals:

1. First of all, we need to take inventory of the 'as is' situation. In other words, which processes, organizational aspects, cultural aspects at ORTEC are already inclusive and which are not? Which of these aspects apply to which ORTEC offices? Which are global issues? This is to first identify the really urgent matters, that have to be changed immediately.
2. The second goal is to define the 'to be' situation: what should ORTEC look like in 1, 5, 10 years from now? We can use these 'to be' situations to develop a strategy and roadmap.





PEOPLE



PLANET



PROFIT

Our impact at customers and partners

At ORTEC we do things for a reason. We are not only crazy about mathematics: we use our passion for it to improve the world of our customers and society. We add value to various businesses, directly contributing to the three pillars of sustainability: People, Planet and Profit. And, as mathematicians, we like to measure how well we are doing in the pursuit of our purpose.

Results

903.000 People

We contributed to increased satisfaction for 903.000 people (+15%) across our customer base;



€954M Profit

Our customers improved their financial performance by € 954 million (+7%);



663 kton CO₂ Planet

419 Customers have been able to reduce their ecological footprint by saving 663 kiloton CO₂ (+2%), which compensates for the ecological footprint of 200.000 world citizens.*



*The impact KPI calculation is based on a combination of customer monitoring, product measurements plus externally validated rules of thumb and estimations.



Impact stories

Together with our customers and partners, we apply our passion for mathematics for a better world. The following stories provide an example of how these collaborations are delivering results in terms of people and planet.



Amref Flying Doctors and ORTEC extend their partnership

Amref Flying Doctors and ORTEC decided to increase their impact together by extending their partnership in 2021. This partnership combines the expertise of both parties to improve the quality and efficiency of healthcare and stimulate innovation in Africa. Supporting Amref Flying Doctors in their mission to contribute to better health for especially girls and younger women in Africa is a valuable step for ORTEC in bringing to live our purpose to improve the world using our passion for mathematics.

Amref Flying Doctors is the biggest African healthcare organization. They focus on improving the healthcare in Africa by training medical personnel, improving the basic healthcare, and by making sure everyone has access to it.

Together for a stronger and healthier Africa

Since 2020, ORTEC supports Amref Flying Doctors in the 'Women with Impact'-project. In this project, Amref Flying Doctors conducts research into the health situation of women in Ethiopia. ORTEC contributes to this project by analyzing the research data, helping Amref Flying Doctors to gain insight into the impact of their projects on the lives of African women. In addition, ORTEC supports Amref Flying Doctors in improving the business processes (like HR) of their office in Ethiopia. In 2021, ORTEC will develop a dashboard for Amref Flying Doctor's program 'Microfinance for clean water and good hygiene'.

Innovation to increase impact

"We're eager to apply our expertise to improve the world", says Michael van Duijn, CEO at ORTEC. "Together with Amref Flying Doctors, we focus on efficiency, quality, and innovation in healthcare in Africa. To reach out to those that need it the most. ***"The collaboration between ORTEC and Amref Flying Doctors sparkles with energy and new initiatives"***, says Patricia Vermeulen, CEO of Amref Flying Doctors. "I love to see how ORTEC uses data and technology to improve the healthcare in Africa. Innovation is essential for our organization to increase our impact. We look forward to continuing our partnership with ORTEC to increase the impact of our projects."



Customer story Albert Heijn: Lower CO₂ emissions from miles travelled

Albert Heijn, the largest online supermarket in the Netherlands, has four fulfillment centers, from which they fulfill online orders six days per week for 86% of the households in the country, using 20 cross-dock hubs. They use over 800 vehicles to ensure timely deliveries, including bikes and vans. They currently process about 100,000+ orders per week.

Calculating the best routes for its 800 vehicles to deliver more than 100.000 orders a week, with little time available between order cut-off and start of deliveries, is not an easy task. Which is why Albert Heijn uses ORTEC's advanced cloud-based routing solutions, to compute the optimal routing plan for the coming period. The engine does this constantly for the coming weeks, based on all booked orders, which are entered in real-time.

Lower CO₂ emissions

The quality of the optimizer enabled Albert Heijn to achieve significant savings in costs, lower CO₂ emissions from logistics miles travelled and prepare for future e-commerce growth. Additionally, the result of the routing engine will be used for computing personalized time slots for a customer. When a customer enters the website, instantly the best available and feasible time slots will be computed, based on the customer profile. By steering the customer to efficient (and sustainable) time slots, considerable additional savings can be achieved compared to the current way of proposing time slots, which is less personalized and where prices for time slots are static.

Benefits

- Significant savings in costs.
- Lower CO₂ emissions from logistics miles travelled.
- Ready for future e-commerce growth.





“ Accelerating our efforts by stimulating collaboration on a national level now, will enable us to solve the most complex economic and social challenges of the future. ”

Joint forces to boost AI usage: Dutch AI-coalition

In 2020, ORTEC joined the Dutch AI Coalition. This Coalition of Dutch commercial, non-profit and governmental organizations commits to accelerating Artificial Intelligence (AI) initiatives to position The Netherlands as the frontrunner in the development and application of AI for economic and social value. The AI Coalition selected U-Prevent among its first three examples of AI related applications in Health. U-Prevent is an interactive mathematical model that indicates for each individual patient the effect of medicines on cardiovascular diseases. U-Prevent is an ORTEC solution based on a UMC Utrecht research initiative with contributions from many highly regarded universities and institutions across the world.

“Because of its generic character AI will have an impact on business and society at large. Accelerating our efforts by stimulating collaboration on a national level now, will enable us to solve the most complex economic and social challenges of the future”, says Gerrit Timmer, Chief Science Officer at ORTEC.

Value for both business and society at large

The purposes of ORTEC and the NL AIC fit like a glove. “It goes without saying that ORTEC is eager to contribute on a national level by applying our long-standing expertise on algorithms and automated decision-making. One of the most important objectives of the NL AIC is to realize impactful AI-innovations in at least ten economic and social industries within three years. To accelerate these initiatives, NL AIC has chosen several use cases in different industries it will stimulate. For the human capital and health care industry, one of these cases is U-Prevent. “Clinical decision support tools help to adapt medication and intervention to an individual patient”, says John Jacobs, Data Scientist at ORTEC. “U-Prevent is an example of such a support tool that combines data science with scientific research to improve our healthcare of the future.”

