IntechOpen

WHITEPAPER

2021 ESG Due Diligence Report

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INTECHOPEN ESG
DUE DILIGENCE REPORT 2021

This summary paper highlights the main findings of a comprehensive ESG Due Diligence Report for IntechOpen performed for the fiscal year 2021.

The ESG Due Diligence Report was prepared in accordance with multiple standards, frameworks and guidelines. The initial ESG due diligence screening was performed following the Invest Europe ESG Due Diligence Guidelines and Questionnaire. The in-depth ESG due diligence applied the recommended ESG key performance indicators (KPIs) developed as part of the ESG Data Convergence Initiative spearheaded by the Institutional Limited Partners Association (ILPA). The due diligence process and the present report have been conducted in collaboration with sustainability experts from VentureXchange Ltd.

The **materiality assessment** was conducted using the Global Reporting Initiative (GRI) and recommended sector-specific KPIs by the Sustainability Accounting Standards Board (SASB) guidelines resulting in the ESG Sector-Specific KPIs.

The **United Nations Sustainable Development Goals (SDGs)** were considered to analyze the sustainability objectives of IntechOpen.

ESG CORE KPIs

ESG core KPIs proposed by the ESG Data Convergence Initiative, formerly known as the ESG Data Convergence Project - spearheaded by the Institutional Limited Partners Association (ILPA) are **GHG emissions, Renewable energy, Diversity of board members (and employees), Work-related injuries, Net new hires, and Employee engagement.**

Employee engagement

GHG emissions

Net new hires

ESG CORE KPIs

Renewable energy

Diversity of board members

Work-related injuries

MATERIALITY MAP OF INTECHOPEN

The Materiality assessment for IntechOpen follows the approach described by the SASB, with the accompanying Materiality Map research tool, which is sector specific. However, IntechOpen's specific niche activity does not precisely correspond to SICS categories, with two possible alternative industries considered as a partial match each: **"Software & Information Technology (IT) Services"** and **"Media & Entertainment."**

SASB industry-specific standards for "Software & Information Technology (IT) Services are:

1. Environmental footprint of hardware infrastructure
2. Data privacy & freedom of expression
3. Data security
4. Managing systemic risks from technology disruption
5. Recruiting & managing a global, diverse, & skilled workforce

SASB industry-specific standards for "Media & Entertainment" industry-specific KPIs that were considered for IntechOpen include:

6. Intellectual property protection & media piracy

Furthermore, it was decided to include the following material topics:

7. Resource efficiency (decarbonising the supply-chain)
8. Open Access & Open Science
9. Research integrity & publication ethics
10. Sustainability strategy to contribute to UN Sustainable Development Goals (SDGs)

A graphic visualization of the key concepts of materiality is represented below:

Influence of stakeholders assessment and decision — *High*

1. Environmental footprint of hardware infrastructure
2. Data privacy & freedom of expression
3. Data security
4. Managing systematic risks from technology disruption
5. Recruiting & managing a global, diverse & skilled workforce
6. Intellectual property protection & media piracy
7. Resource efficiency (decarbonising supply-chain)
8. Open Access & Open Science
9. Research integrity & publication ethics
10. Sustainability strategy to contribute to UN Sustainable Development Goals (SDGs)

Significance of ESG impact

Figure 1: Material topics with high reporting priority in case of IntechOpen

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ESG Core KPIs
Snapshot of Performance

REDUCING OUR ENVIRONMENTAL IMPACT

Results 2021	tCO$_2$eq	Intensity tCO$_2$eq/m€	Total GHG emissions
Scope 1			
Hybrid	0,410		
Gasoline	0,797		
Total	**1,21**	**0,34**	
Scope 2	tCO$_2$eq	tCO$_2$eq/m€	
Purchased Electricity - Market Based	2,383		**3,59** tCO$_2$eq
Total	**2,383**	**0,66**	

Total Water withdrawn	329,38 m³		Renewable energy	31%

GHG emissions

With reference to the GHG Protocol Corporate Accounting and Reporting Standard, IntechOpen's carbon footprint was calculated to account for direct and indirect emissions within the defined system's boundaries **(Scope 1 and Scope 2) amounting to 3,59 tCO$_2$eq for the reporting year. The emission intensity (per unit of revenue) equals 1 tCO$_2$eq/ m€.**

Considering a lack of clear guidance on to what extent the companies should track their business activities and what methodology to apply, scope 3 emissions are partially included in this report. IntechOpen decided to focus on decarbonising its supply chain as a measure to reduce its indirect emissions. A special focus was placed on printing, packaging, and shipping service.

Further projects are oriented towards achieving carbon neutrality. IntechOpens reduction strategy first relies on the optimisation of its operations and services to achieve the highest possible emission reduction, while for unavoidable emissions IntechOpen will invest into projects with a positive environmental impact (an offsetting scheme).

Renewable energy

IntechOpen's use of renewable energy corresponds to 31% in 2021, including 13% coming from nuclear power.

Further projects are oriented towards switching to 100% renewable resources.
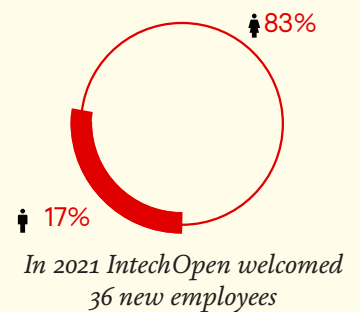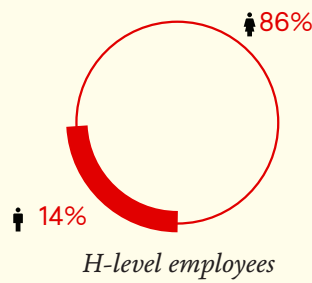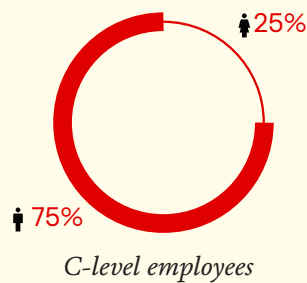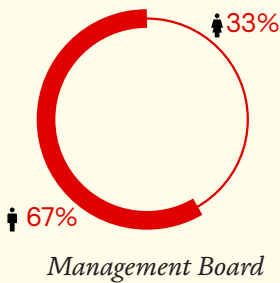
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OUR EMPLOYEES

IntechOpen is a dynamic, vibrant company where exceptional people achieve great things. IntechOpen offers a creative, dedicated, committed, and passionate environment and constantly strives to ensure that members of its community can work, travel, meet world-renowned researchers, grow their careers, and develop their own experiences. Employee satisfaction is imperative for IntechOpen to ensure a productive workplace for its employees to reach their full potential.

75%   **25%**

Employee Diversity

33%   25%   86%   83%

67%   75%   14%   17%

Management Board   *C-level employees*   *H-level employees*   *In 2021 IntechOpen welcomed 36 new employees*

Diversity of board members

In 2021, 33% of the IntechOpen Management Board was female. IntechOpen is a non-biased and equal-opportunity employer and strives to create a diverse team - **75% of employees are female**.

Net new hires

In 2021, IntechOpen's net hire included 30 female and 6 male employees, with an attrition rate of 11,26 for female employees and 4,23 for male employees. Special effort is made to attract global talent.

Employee engagement

IntechOpen runs an employee satisfaction survey to ensure each opinion and suggestion is heard and acted upon. For 2021, employee satisfaction was measured with Net Promoter Score (eNPS). **The average eNPS score awarded by 74% of IntechOpen's employees was in the category "Great."**

Work-related injuries

In 2021, IntechOpen, did not have any work-related injuries and IntechOpen fully respects its employees by applying and enforcing the internal Protection at Work Policy principles.

Attrition rate

17%

Satisfaction rate "Great" based on eNPS

ESG Sector-Specific KPIs
Snapshot of Performance

THE TECHNOLOGY ASPECT

IntechOpen is a company founded by roboticists and is rooted in technology. To support a novel publishing model and a product that we pioneered in a market that lacked the necessary solutions that were needed, IntechOpen developed its tools that support the operations

Environmental footprint of hardware infrastructure

The environmental footprint of hardware infrastructure contains the same environmental stewardship metrics as described under ESG Core KPIs (GHG Emissions, Renewable Energy).

One additional metric is the water consumption of IntechOpen. Total water withdrawn for the reporting year 2021 equals 329,38 m3. The amount accounts for consumed water; no water consumption is used in operation.

Data privacy & freedom of expression

IntechOpen has an effective data privacy management policy in place. IntechOpen Privacy Policy (issued on 29 April 2020) sets out how IntechOpen uses and protects any information provided by the user.

Additionally, IntechOpen inherits GDPR compliance security controls and safeguards from vendors compliant with expected security management standards. **All vendors comply with expected security management standards.**
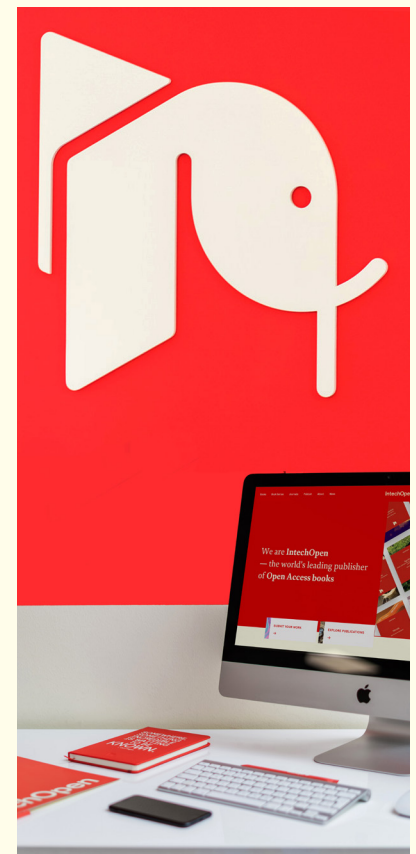
Data security

The data security safeguards procedures are aligned with "Intech's information security policy," an official document covering all aspects of the Company's information security.

Besides not identifying as a pure Software & Information Technology (IT) Services company, IntechOpen is in the process of fully aligning and implementing ISO certificates concerning information technology.

IntechOpen reported no cyber security incidents and data breaches in 2021. To further strengthen its security management, IntechOpen assessed its top 6 critical suppliers to address the adequacy of those suppliers' cyber security capabilities. **All vendors comply with expected security management standards.**

Managing systemic risks from technology disruption

IntechOpen is in the process of fully aligning and implementing ISO certificates concerning information technology.

Recruiting and managing a global, diverse and skilled workforce

IntechOpen puts significant effort into successfully recruiting and managing a global, diverse and skilled workforce.

Main sub-KPIs are already described in the ESG Core KPIs (Diversity, Employee Engagement), showing that IntechOpen is strong standing as a non-biased and equal opportunity employer.

IntechOpen offers a fully remote working opportunity, which significantly benefits employees.

Resource efficiency (decarbonising the supply chain)

IntechOpen's awareness of responsible consumption and resource efficiency is seen in the business strategy from the perspective of both the product and the production process.

Current sustainability solutions related to the print product include on-demand printing, sustainable printing paper, sustainable printing practice, sustainable packaging, sustainable shipping.

Print-on-demand
IntechOpen books are available online, and for its print products as of 2011, we offer only a print-on-demand option to avoid unnecessary waste.

Sustainability from forest to paper
The chosen paper and cardboard producers promote sustainable forestry by responsible sourcing of certified wood and paper.

Sustainability-aware printing services
IntechOpens printing partners are aligned with the following standards: FSC® CoC (Chain of Custody), ISO 14001:2004, and ISO 9001:2008.

Responsible shipping
IntechOpen is planning to switch to DHLs Go Green shipping service in the imminent future with the primary objective of reducing and avoiding the emission of greenhouse gasses and local air pollutants.

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OPEN ACCESS & RESEARCH INTEGRITY

IntechOpen is a native Open Access publisher, an Open Access pioneer that grew to become the leading global publisher of Open Access books and is about to launch a portfolio of journals working towards fully Open Science. The publisher is a member of OASPA – the Open Access Scholarly Publishers Association.
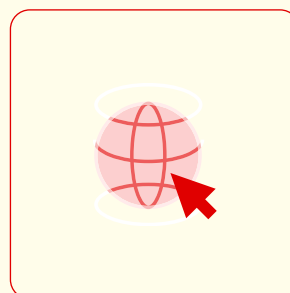
Open Access and Open Science

Open Access standards followed include: a flexible Copyright Policy with no copyright transfer to the publisher where Authors retain exclusive copyright to their works that are distributed under CC licences; all scientific works are peer-reviewed prior to publishing; a commitment to ensuring long-term preservation in CLOCKSS and availability of all scholarly research published; the implementation of the Open Access Initiative Protocol for Metadata Harvesting (OAI-PMH Version 2.0); dissemination of OA content, i.e., the partnership with Research4Life which provides institutions in low and middle-income countries with online access to academic and professional peer-reviewed content. There are five programs through which users can access content: Research for Health (Hinari), Research in Agriculture (AGORA), Research in the Environment (OARE), Research for Development and Innovation (ARDI), and Research for Global Justice (GOALI).

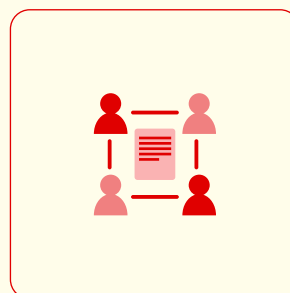### Research integrity and publication ethics

The publisher has a scientific review process in place for Open Access books and Open Science journals.

The practices put in place are of the highest standard. IntechOpen is a member of OASPA (Open Access Scholarly Publishers Association), COPE (Committee on Publication Ethics), the STM Association (International Association of Scientific, Technical and Medical Publishers), and ALPSP (Association of Learned and Professional Society Publishers). As a member of these recognized organizations, **the publisher ensures that the best publishing practices and standards are applied to achieve the utmost quality of scientific output.**

Intellectual property protection & media piracy

The publisher ensures the highest protection of its authors against any violation of their intellectual property.

UN SDGs

IntechOpen aims to contribute to the UN SDGs by actively promoting, acquiring, and publishing content that advocates for themes represented by the SDGs. In addition, it is also acting by raising awareness, promoting the SDGs, and taking action through company projects on sustainable development issues and company-wide commitments that support the Global Goals.

Sustainability strategy to contribute to UN Sustainable Development Goals (SDGs)

IntechOpen has a well-established sustainability strategy for achieving internally set goals aligned with the UN Sustainable Development Goals. IntechOpen has established 16 short-term goals and one long-term goal.

As the company recognizes that all 17 SDGs are essential for achieving a sustainable future, it focuses on those for which it can make the most positive impact. From 17 SDGs, IntechOpen chose six principal SDGs to focus on and several sub-targets from 169 sub-targets belonging to 17 main SGDs.

The perspectives from which IntechOpen considers and implements sustainability practices are the product, the social, and the societal dimensions of the business. The product perspective considers the value and impact of the scientific content that increases knowledge about the SDGs through all kinds of publishing formats (e.g., journals, books, book series, digital media, conferences, etc.).

With the product, the publisher encourages research in the area of sustainability and supports all 17 SDG and specifically contributes to SDG 4 - Quality education.

The product dimension also includes the production process perspective, which is analyzed through the value chain model, with product lifecycle and business processes emphasized. All the processes are oriented towards SDG 12 - Responsible Consumption and Production.

Furthermore, the publishing industry has united in calling for climate action as a priority, with the ambition to support SDG 13 - Climate action. In response to this call for climate action, IntechOpen also prioritized SDG 13 in its approach toward sustainability.

The social perspective is considered through the company's business philosophy and organizational culture principles - equality, inclusiveness, responsibility, and employees' well-being, in support of SDG 5 and 8 - respectively, Gender Equality and Decent Work and Economic Growth.

The societal perspective is assessed through external initiatives that IntechOpen supports and implements, currently oriented towards supporting GOAL 2 - Zero Hunger.

The UN SDGs Publishers Compact Membership

The United Nations (UN) SDG Publishers Compact is a leading initiative among publishers to accelerate progress toward achieving the Sustainable Development Goals (SDGs) by 2030. Signatories to the Global Compact are committed to implementing various actions to support sustainable development. The Compact features ten action points that publishers, publishing associations, and others can commit to, accelerating progress toward achieving the SDGs.

As of December 2021, IntechOpen is a signatory of the UN SDG Publishers Compact as part of the ongoing commitment to increase awareness, publish, and promote scientific research in support of the global SDG program.

In 2022 the publisher plans to further support education and dissemination of relevant knowledge by launching new products and increasing the coverage of SDG-related topics throughout its publishing program.

As a signatory, the publisher has already undertaken various steps to comply with the Global SDG Publishers Compact's objectives. IntechOpen also shows its commitment to sustainability through Company projects, e.g., different internal and external education and communication programs.

Future activities include a publishing program dedicated to sustainability topics, developed throughout our portfolio of products.

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KEY DATA

Category	Sub-category	Metric	Definition	2021
Environment metrics	GHG emissions	Scope 1 (tCO$_2$e)	Direct emissions due to owned, controlled sources. Preferably accounted for using the GHG Protocol (see glossary for details)	1,211
		Scope 2 (tCO$_2$e)	Indirect emissions due to the purchase of electricity, heat, steam, etc. preferably accounted for using the GHG Protocol (see glossary for details)	2,381
		Scope 3 (tCO$_2$e)	All other indirect emissions. Preferably accounted for using the GHG Protocol (see glossary for details)	n/a
		Turnover (thousands of euros)		3,585
		Renewable energy consumption (% of total consumption)	= Total renewable energy consumption / Total energy consumption * 100 (see glossary for details)	31%
		Environmental Management System	The company has implemented an environmental management system to manage environmental matters (see glossary for details)	n/a
		External certification	The environmental management system has been externally certified to ISO 14001 or equivalent standard	n/a
		Net zero target	The company has announced a net zero carbon target	no
		Year by which the company intends to be net zero		n/a

Category	Sub-category	Metric	Definition	2021
Social & Governance metrics	Diversity	Total Full-Time Equivalent workers (FTEs)	Number of Full-Time Equivalent workers at the end of 2021	71
		Female Full-Time Equivalent workers (FTEs)	Number of Female Full-Time Equivalent workers at end of 2021	45
	Board	Total number of board members	Number of people on board of directors at the end of 2021. 'Board' means the administrative, management or supervisory body of a company	3
		Female board members	Number of women on board of directors at the end of 2021	1
		Independent board members	Number of independent board members at the end of 2021	0
	Policies	Anti-corruption & bribery policy	The Company has a policy on anti-corruption and anti-bribery	Yes
		Cyber security risks initiative	The Company has initiatives in place to protect against cyber security risks	Yes
		Privacy of employees & customers policy	The Company has a policy protecting the privacy of the employees and customers	Yes

1 The carbon footprint was calculated using the GHG Protocol Standards, including the GHG Protocol Corporate Accounting and Reporting Standard (by GHG Protocol); and the Global GHG Accounting and Reporting Standard for the Financial Industry (joint initiative of the Partnership for Carbon Accounting Financials (PCAF) and GHG Protocol).

2 Accounting and reporting on Scope 3 emissions is still optional according to the Standard. There is still a lack of clear guidance on which Scope 3 emissions to include, i.e., which activities are relevant and contribute to the company's GHG risk exposure. In the case of IntechOpen, activities that could classify as Scope 3, would require data that is not available and/ or cost-in-efficient to acquire while data estimation is not considered a good approach due to several uncertainties.

3 Data from the official website of HEP Opskrba d.o.o. - Izvori energije.

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