ESG Report 2022

as included in the
Annual Report 2022

tomtom

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TomTom ESG Report 2022

Annual Report 2022 and ESG Report 2022
This ESG Report 2022 is based on the Annual Report 2022 of TomTom N.V. and has been prepared for ease of accessibility. In case of discrepancies between this ESG Report 2022 and the Annual Report 2022, the latter prevails.

OUR IMPACT

Making impact across TomTom

Our ambition is to create a better world and help people and businesses find their way in it, through our products and services, business practices, and community involvement.

We are committed to maximizing our positive impact, reporting on how we are doing so, and inspiring and activating others to do the same. Our values and vision come through in our people and communities, products and services, and business operations.

As a global business, we embrace our responsibility to not only minimize our negative impact, but also maximize the positive one.

Our data helps local governments to manage traffic, businesses to plan smarter working hours, and drivers to avoid congested roads, enabling a reduction in emissions.

TomTom's impact on improving road safety and reducing congestion and emissions started with the launch of the world's first route-planning software for mobile devices. We have since come a long way thanks to constant innovation.

We recognize that our impact extends beyond our technologies and also strive to inspire the next generation of tech talent and innovators. Further, we organize initiatives to give back to the communities in which we are present.

We recognize the challenges associated with climate change, and are committed to ensuring we operate a sustainable business. Based on our Environmental Policy, we are continually taking steps to reduce our environmental impact through responsible business practices.

For instance, we are operating more sustainably through our Go Green office programs, sustainable practices around materials and energy, and waste recycling efforts, while also driving a responsible supply chain outside of our direct domain of influence.

Over the past years, we have continuously evolved the ways we assess and boost our positive impact as an organization.

We have made good progress on our ESG efforts in 2022, and set a global ESG strategy. In the upcoming sections, we describe more about our efforts and how we are making an impact across TomTom. In the Risk Management and Control section of the Annual Report 2022, we touch upon the impact of social and environmental matters to our overall risk profile.

Our company impact activities are currently centered around the four United Nations Sustainable Development Goals (SDG) that best align with TomTom's vision. These are SDG 4 Quality education, SDG 5 Gender equality, SDG 11 Sustainable cities and communities, and SDG 17 Partnerships for the goals. The latter was newly added this year to reflect the increased role of collaboration in our business strategy.

EVOLVING OUR ESG STRATEGY

Supported by both the Management Board and the Supervisory Board, we continue to strengthen our commitment to conducting business responsibly. In 2022, we conducted a materiality assessment, which allowed us to identify the ESG themes that our stakeholders deem material to TomTom. This enabled us to set clear and measurable KPIs that align with our business and reflect our values, and formulate a well-informed ESG strategy.

The improved understanding of our stakeholders' interests, introduction of relevant KPIs, and progress on adequate ESG reporting practices, will further enable us to move toward a fully integrated ESG strategy. We will continue improving and expanding our ESG reporting initiatives in 2023.

Our stakeholders

A continuous dialogue with our stakeholders is an important part of our day-to-day business, helping us to understand how we can best add value that aligns with their interests. In this context, our stakeholders can be broken down into five groups: customers, employees, investors, suppliers, and society as a whole.

To further develop our understanding of stakeholders' perspectives on ESG, we engaged with a selected sample of stakeholders in a structural manner throughout the year, on top of our regular engagement as displayed on this page. Amongst others, this additional engagement on ESG included virtual and in-person interviews, various surveys, and in-depth discussions.

Stakeholder	Engagement	Themes
Customers	• Continuous communication through account and product management, as well as engineering and customer support • Collecting market intelligence to better understand customer needs	• Secure products • Data privacy • Products and technologies that reduce emissions and increase road safety • Ease of use of products
Employees	• Constant dialogue between employees and management about contribution and development • Biannual Glint engagement survey to gather employee feedback • Regular consultations with the Works Council	• Employee engagement • Diversity and inclusion • Opportunities for training and development • Flexibility at work • Creation of an innovative environment
Investors	• Several recurring events, such as the Annual General Meeting and Capital Markets Day • Regular meetings with investors, analysts, proxy organizations (e.g., VEB, Eumedion, ISS) and regular attendance at investor conferences	• Our commitment to create value • Timely and accurate updates on how we track against our goals
Suppliers	• Contracting discussions handled by our centralized procurement and legal organizations, which engage with suppliers on their CSR policies.	• Long-term commitments • Acceptable payment terms • Compliance with the core principles of data protection and cyber security
Society as a whole	• Monitoring of public perception of TomTom, on social media for example • Discussions with local governments • Participation in discussions and initiatives where our technologies have a role to play	• Responsible remuneration • No tax avoidance • Ethical business practices • Products and technologies that reduce emissions and increase road safety

Identifying material themes

The KPIs and targets we have set touch on all axes of ESG, and are derived from the input of our most important stakeholders.

Together with representatives from each of the stakeholder groups, we identified the ESG themes that are most material to TomTom. These might include themes that have a notable impact on TomTom, or themes on which TomTom is perceived to have a substantial impact.

The materiality assessment contained interviews with external and internal stakeholders, supported by surveys collected from additional stakeholders. This led to the identification of a range of important themes. After careful analysis, the themes that were most frequently cited were selected, and internal representatives of stakeholder groups were asked to rank them. Subsequently, the outcome was presented to and discussed with the Management Board and Supervisory Board.

The outcome of the materiality assessment covered a broad number of themes, ranging from TomTom's ability to attract and retain talent and foster a diverse and inclusive workplace, to enabling others to reduce their environmental footprints. Other themes, such as security and data privacy, also ranked highly amongst our stakeholders.

For further details on the performed materiality assessment and selection of themes, please see the Non-financial reporting information section.

Setting clear targets

Progress on the identified themes is key to achieving our shared value ambition and is directly linked to our objectives. As such, the Management Board was able to set relevant KPIs and accompanying targets.

At the same time, we have bolstered our reporting efforts, enabling us to achieve limited assurance on the KPIs stated in the above table. Each theme's KPI and target is discussed in the remainder of this chapter.

	Theme	KPI	Target
MT1	Employer of choice	Employee Engagement Score	Top-in-class employer with 4th quartile benchmark score by 2025
MT2	Diversity and inclusion	Gender diversity ratio	30% female representation at company level and 20% for senior management by 2025
MT3	Technologies that reduce emissions and improve road safety	CO_2 reduction enabled by our Traffic services	To be set in 2023
MT4	CO_2 emissions	Scope 1 and 2 CO_2e emissions and Scope 3 CO_2e cloud emissions	Carbon neutral on Scope 1 and 2 by 2030
MT5	Security and data privacy	Percentage of engineers certifiably trained on security	75% of engineers trained on security by 2025

Reporting on our impact

With our ESG strategy aligned with our stakeholders' perspectives and interests, we are also further improving our reporting.

The identified themes provide a useful framework to discuss our impact. First, our people and their positive impact on society are discussed, after which our efforts in operating a responsible business are highlighted.

For more details on our ESG reporting practices in relation to the outlined themes and the related KPIs, reference is made to Non-financial reporting information section.

Assurance

To formalize our ESG strategy, we requested our auditors to provide independent assurance on certain KPIs and the disclosures relating to the materiality assessment. As a result, EY provided limited assurance on the performance for 2022 of the KPIs related to MT1 (Employer of choice), MT2 (Diversity and inclusion), MT4 (CO_2 emissions) and MT5 (Security and data privacy). For theme MT3 (Technologies that reduce emissions and improve road safety) we aim to obtain limited assurance in 2023 as the related KPI is more complex in nature.

Having assurance from an independent external assurance provider reinforces our commitment to making a positive impact.

TomTom helps people find their place in the world through their impact

MT1 EMPLOYER OF CHOICE

KPI

Employee Engagement Score

TARGET

Top-in-class employer with a 4th quartile benchmark score by 2025

PERFORMANCE

Employee Engagement Score of 75 in 2022, as compared to the Glint Technology industry benchmark score of 82

LINK TO STRATEGY

TomTom's success depends on its talented workforce. To attract and retain the right talent, advancing TomTom'ers' well-being is essential to achieving the company's strategy.

In 2022, we took significant steps to make it easy for TomTom'ers to make an impact, through their role at TomTom and in the broader community.

Impact is defined by the technology that TomTom'ers create, saving people precious time while travelling, enabling the next level of automated driving, and more. TomTom'ers' impact is also found in their growth, development, and ownership of their career. We enable all of the above for a single reason – so that TomTom is known as the place where impact seekers can achieve more.

We continue to evolve our way of working to foster an agile, inclusive, and innovative work environment, with a competitive rewards program and meaningful learning and development opportunities. We are focused on being the employer of choice – attracting, retaining, and developing the right talent. Our employee engagement score provides a useful indicator of our achievements, and we have set out to increase our score to be top-in-class.

Like last year, we ran two surveys, one in April and one in November. For the former, we received a response rate of 83% and an engagement score of 77. For the latter, we received a response rate of 86% and an engagement score of 73. This resulted in an achieved average score of 75, which is 7 points lower than the Glint Technology industry benchmark in 2022. As a result, we have not achieved our target of scoring in the 4th quartile of the benchmark. The year-on-year decrease in engagement score (2021: 78) can largely be explained by the realignment of our Maps unit, which impacted approximately 500 employees worldwide, equivalent to around 10% of our total global headcount.

Attracting impact seekers

The labor market is more competitive than ever. We aim to deliver what current and future TomTom'ers want and need – workplace flexibility, an impactful and stimulating role, and the opportunity to contribute to innovative technologies. This is inherent to the TomTom experience.

As a result, the pull to TomTom is strong. We remain able to hire the right talent and have even seen several TomTom'ers "boomerang," returning to TomTom. Additionally, we attracted senior leaders from leading tech companies worldwide. This success stems from our approach – emphasizing TomTom's impact-focused and flexible culture.

Internal changes at TomTom

With our constant emphasis on impact, we also aim to continuously improve our mapmaking processes. By integrating a wider array of digital sources and increasing our automation levels this year, we can now create a smarter and more impactful map in a more efficient way. These innovations have, however, altered the skill mix required to update and maintain the map. As a result, we realigned our Maps organization in 2022, to ensure our competitiveness going forward.

We supported affected TomTom'ers in several ways. We communicated with our various sites regularly and transparently, with several live Q&As for TomTom'ers to share their questions and concerns with TomTom's leadership team. We prioritized redeployment, with a dedicated Talent Acquisition team looking for vacancies that matched the skills and experiences of affected TomTom'ers. If this was not possible, we also provided outplacement support to optimize TomTom'ers' chances of finding the right opportunity. And for everyone involved, we organized resilience workshops to help TomTom'ers identify different types of stress and practical ways of coping with it.

Choosing to lead

Leadership refers to how TomTom’ers act, contribute, view themselves, and are perceived by others. It means looking at situations positively, taking initiative, and driving solutions – closing the gap between aspiration and reality.

We believe leadership is for everyone. Being a leader is a choice. We introduced the Leadership Foundation in 2021 to show TomTom’ers how to be a leader at any level. During 2022, we rolled out the Leadership Foundation and further reinforced the set of behaviors, principles, and values that, if embodied, will lead to outstanding leadership in 2023.

TomTom’ers take ownership of their growth and success. They create opportunities for more significant impact, increase their knowledge, raise their performance levels, and use their expertise to influence and inspire others.

Performance that inspires

The next step was operationalizing the Leadership Foundation, embedding it within our performance management and hiring processes.

With our new approach to performance management, we wanted to ensure that all TomTom’ers feel that their performance and development are recognized and prioritized across the company. To do this, we introduced three performance pillars. Based on these pillars, TomTom’ers co-create and shape their performance expectations with their manager throughout the year.

PERFORMANCE PILLARS

Impact

The consequences of what TomTom'ers do.

Leadership

How TomTom'ers work, by applying the behaviors and principles from the Leadership Foundation.

Capabilities and development

How TomTom'ers improve, building those capabilities that ensure they have the right skills for their role.

Through these performance pillars, TomTom’ers can emphasize what matters most and leverage their full potential. Our role is to make it easier for our TomTom’ers to do this. We hosted multiple trainings and interactive sessions, and provided a variety of guides and tools.

Similarly, we want to integrate the Leadership Foundation in the hiring process, helping candidates understand how they can be successful at TomTom. We will continue our efforts on this front in the coming year.

These initiatives are essential to our strategy. Not only do we want to attract the best talent, we also want to give them the tools to build on their successes and become even stronger.

Guiding our engineers to excel

As our TomTom’ers grow stronger, we want them to recognize and seize the opportunities available to them. To facilitate this, we updated our engineering career ladders to clarify the impact TomTom’ers can have in their role. We have also extended our career tracks so TomTom’ers can continue to exceed their expectations.

The Leadership Foundation enables TomTom'ers to achieve the high levels of quality that are required to create TomTom's technologies.

TomTom'ers grow with the company, developing their skills to meet new challenges and spreading their knowledge among their colleagues. This cultivates a culture of excellence.

Opportunities to innovate

Impact seekers thrive on the chance to bring ideas to life – TomTom’ers are no different. As such, TomTom Lab, our global innovation program, continues to be as popular as ever. The program enables people to innovate outside their daily activities and offers an opportunity to make an impact. The program's goal is to create new solutions or improve pre-existing TomTom products, helping TomTom achieve its ambitions. To maximize the impact of TomTom'ers' ideas, we introduced “idea themes” – each tied to a business priority.

IDEA THEMES

Ecosystem growth

Enabling developers and customers to use our map features, APIs, and SDKs, to build on top of our map or customize it for their specific use cases.

Data-driven decision-making

Finding new ways of gaining insight into how we can improve our products.

Vertical focus

Increasing value for our Enterprise customers while accelerating the transition to electric vehicles.

Customer use cases

Discovering a unique solution to a common problem faced by our existing or potential new customers.

With these idea themes, we can ensure that TomTom'ers' ideas immediately affect what we want to achieve as a company. They inspire ideation and development, improving our products to solve complex problems for millions of people worldwide.

Rewards and benefits to empower

Our rewards approach will continue to focus on offering compensation packages that attract and retain talent, and drive performance and engagement. We provide competitive rewards that motivate high performance levels. In addition, we offer the work flexibility TomTom'ers need to perform on those levels consistently. We support TomTom'ers to reach and sustain those high performance levels by investing in training and development plans.

We have also fully integrated our flexible working program, Working @ TomTom (W@TT). This gives TomTom'ers the freedom to work from home or the office, depending on their activities and personal preference. Whether undertaking a focused exercise or joining colleagues for a social catch-up, TomTom'ers choose the location.

Now, we are extending our commitment to flexible working by redesigning our offices. We want to transform them into new, modern locations with workspaces suited to all activities. We have already redesigned our office in Pune and intend to continue this process in Amsterdam, developing a single center of operations that is fully equipped for all TomTom'ers' needs.

Finally, our new Extended Location Flexibility benefit gives TomTom'ers the possibility to work abroad for a period of time. Whether our people return to their families or work in an entirely new environment, they are given the freedom to decide from where they will have the most impact.

Listening and responding to our TomTom'ers

We are continuously searching for ways to improve the TomTom experience. This is why engagement surveys are essential – TomTom'ers can share their honest feedback on the strengths of life at TomTom, and areas of improvement.

Through TomTom'ers' feedback, we know what our workforce needs to continue succeeding and we act on it accordingly, as we have done on previous surveys' results. For example, the aforementioned Extended Location Flexibility is an initiative introduced following TomTom'ers' previous survey responses.

Supporting well-being

We care about TomTom'ers' well-being. All TomTom'ers have access to professional counseling to support them through difficult times. Additionally, we regularly organize and host sessions to raise awareness around mental health.

We are proud and thankful for our TomTom'ers' resilience and strength, looking out for one another in times of need. As a company, we will continue to nurture a working environment where TomTom'ers feel safe and comfortable being open with us.

TomTom is a great place to work

Our workforce is empowered to make impact in their lives and through their work. We create leaders at every level and support TomTom'ers through benefits that reward their high performance and support their learning and growth. We ensure our people can make our shared ambitions a reality.

A culture of inclusion that powers a more impactful TomTom

MT2 **DIVERSITY AND INCLUSION**

KPI

Gender diversity ratio

TARGET

30% female representation at company level and 20% for senior management (director and above) by 2025

PERFORMANCE

Female representation in 2022 of 27% at company level; and 17% for senior management.

LINK TO STRATEGY

TomTom's diverse and inclusive culture enables enhanced value creation for all stakeholders and supports TomTom'ers to deliver on key strategic goals.

Our diversity makes us stronger, more innovative and creative, and brings us closer to our customers. We are committed to ensuring people from all backgrounds feel welcome at TomTom and are able to find their impact.

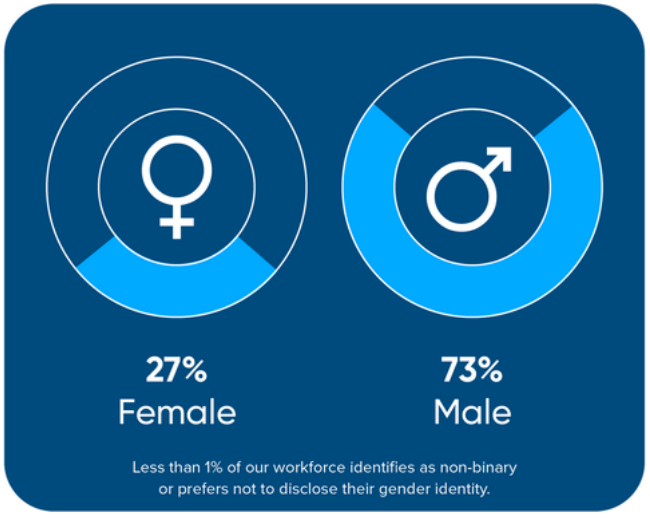
At TomTom, we are 3,800 passionate problem solvers from 80+ nationalities, spread across the globe. We know it is important to embed diversity and inclusion in our company through inclusive, equitable processes. Our diverse and inclusive culture makes us a more impactful organization. For instance, by grouping together TomTom'ers from 15 different locations and 26 product units, the TomTom Lab initiative delivered 67 innovative ideas to address location technology challenges.

Our commitment, goals, and progress

In accordance with our Diversity and Inclusion Policy, we continued driving progress towards better representation of all backgrounds in the company in 2022.

To source diverse talent and stimulate inclusion, we continued our partnership with myGwork, the global recruitment and networking hub for LGBTQIA+ professionals. In addition, we extended our collaboration with the Refugee Talent Hub in the Netherlands to support the integration and development of newcomers. The collaboration focuses on sourcing refugee talent and providing relevant trainings.

To improve gender diversity, we are guided by our goal to reach 30% female representation at company level by 2025, and 20% female representation at senior management level. Our targets for diversity were adjusted from last year, to account for industry averages. We believe the target remains ambitious, as the industry average female representation for engineers is 23%.



In 2022, women accounted for 26% of new hires (2021: 24%). Looking specifically at tech and leadership, women accounted for 17% of tech hires (2021: 17%) and 14% of hires in director level and above positions in 2022 (2021: 27%).

Female representation at company level decreased marginally to 27% (2021: 28%). For senior management, female representation is 17%, which translates into 27 women and 131 men. Due to our increased focus on hiring for tech roles over the years, for which gender diversity is lower than non-tech roles, we experience challenges in moving the needle on female representation.

We believe that transparency and accountability in our actions are key in order to learn, improve and ultimately reach our level of ambition, and will continue our efforts on diversity in 2023.

The diversity policy of our Management Board is included in the Management Board section of the Annual Report 2022.

Fostering a culture of inclusion

We aim to foster a diverse, open, and inclusive company culture and workplace, where all TomTom'ers feel connected and valued. We stand up for each other and for equal opportunities by celebrating our accomplishments, calling out problematic behavior, and being mindful of our cultural differences.

The role of allyship is crucial here. By being allies, we help everyone feel accepted and valued. Our relationships become stronger as a result, particularly with marginalized groups that need our support.

We introduced a global Allyship Workshop to start familiarizing TomTom'ers with the principles of allyship and enable them to correctly apply it in various social scenarios. This workshop will continue to be rolled out to more TomTom'ers in 2023 and be integrated in our onboarding processes.

In addition, we drive inclusion through moments of awareness or celebration, such as our International Women's Day, Pride Month and Mental Health Day initiatives. In 2023, we will continue our efforts to make an impact through important cultural moments.

International Women's Day Week of Learning

Inspired by the global #BreakTheBias campaign, our annual global Week of Learning returned for the third year in a row and put female-identifying experts in the spotlight. The week provided an opportunity to learn, become a stronger ally, and get inspired to be 'Bigger than Bias'.

We are proud that our global and local initiatives were recognized by the Great Place to Work® Institute (India), as we were named one of India's Best Workplaces for Women 2022.

From mentorships and sponsorships to executive leadership programs, we will continue to support women in accelerating their careers in tech while creating a workplace where they feel welcomed and empowered.

Pride Month

At TomTom, we encourage everyone to "Be you, be proud". For us, Pride is a global celebration of the LGBTQIA+ community, recognizing the value and impact that LGBTQIA+ members have in our world.

We want TomTom'ers to feel comfortable being their true and authentic selves, and learn from each other's experiences. During Pride Month, we celebrated our amazing TomTom LGBTQIA+ community and its allies.

Mental Health Day

Supporting our people's well-being is a key priority for us. That means raising awareness around neurodiversity and mental health stigmas, and providing useful resources through our Mental Health Day educational content.

Our people make social impact where it matters most

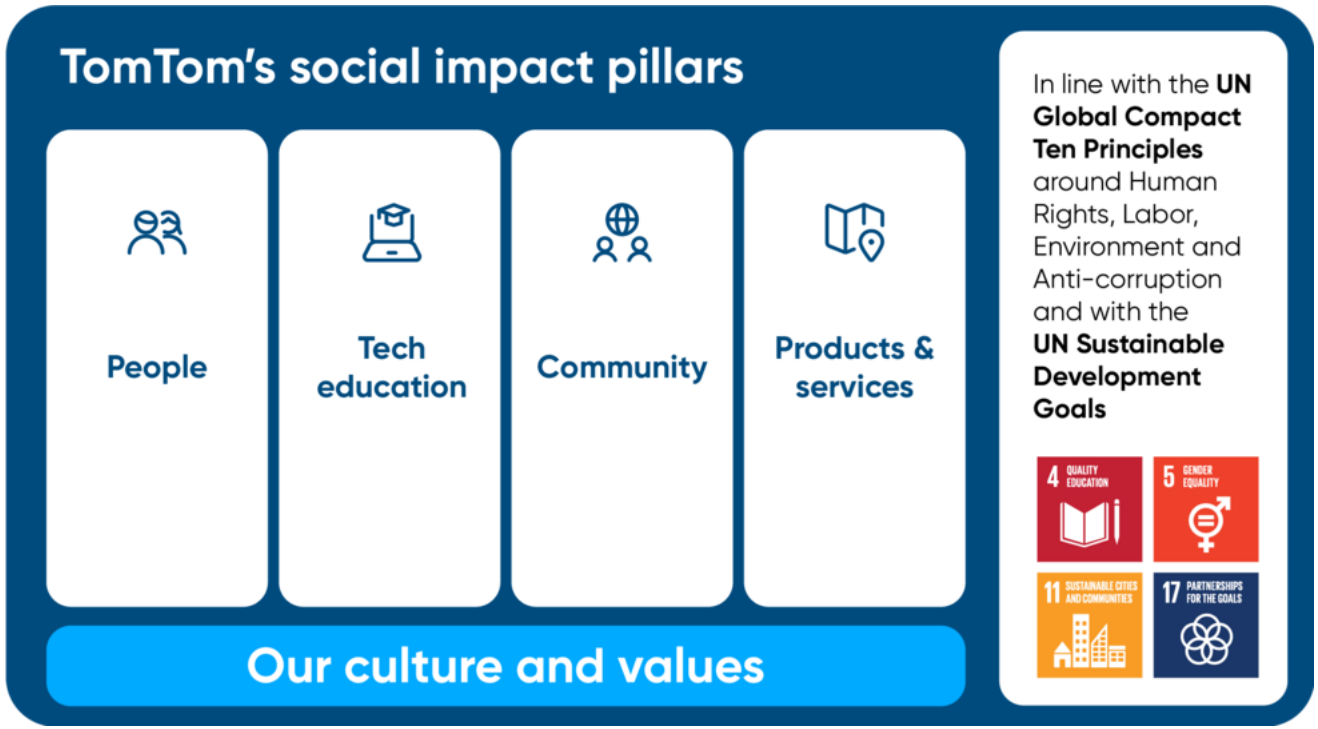
We exist to help people and businesses find their way in a better world. A better world in our view is a world of equal opportunities, high-quality education, and sustainable communities and cities.

In 2022, we created an impact framework to align our efforts with our idea of a better world. The framework spans four pillars. Its foundation is our culture and values. The framework is intended to drive support toward the four SDGs that best align with TomTom's vision.

OUR PEOPLE AND CULTURE

Our people and culture are key to powering a more impactful TomTom. We aim to attract impact seekers, support them to take charge of their potential, and enable them to innovate. In addition, we feel strongly about our inclusive and diverse culture, in which everyone can be their authentic selves.

In 2022, TomTom'ers actively contributed their skills, time, and resources to support universal access to quality tech education and their local communities more broadly.



TECH EDUCATION FOR ALL

We are passionate about bringing more talent into tech. As such, we believe tech education should be accessible to everyone. We engaged in several initiatives to support this, including organizing the TomTom NEXT Global Student Hackathon.

TomTom NEXT Global Student Hackathon

The second edition of the student hackathon provided 129 students from six locations and eight tech institutions with the opportunity to try their skills at three real-life cases.

This edition introduced multiple difficulty levels to provide a meaningful learning experience to a broader group of students. On top of prizes of more than €20,000, students received mentoring and feedback from TomTom experts.

One of our technology education partners for the hackathon, Codam Coding College, offers tuition-free software engineering education to a diverse group of students. As part of the partnership, TomTom'ers provided mentoring and masterclasses to these students in 2022, thereby helping to bridge the gap between their personal goals, skills, and the job market.

STRONGER LOCAL COMMUNITIES

We aim to make a positive impact in all the communities we are present in. For instance, TomTom'ers in the Netherlands have volunteered more than 1,000 hours as part of the paid volunteering time-off benefit introduced in 2019. TomTom'ers made impact by mentoring students, giving talks on road safety in local schools, and participating in World Cleanup Day, amongst others.

Furthermore, in India, we partnered up with Katalyst, a local NGO that supports the economic empowerment of young women and prepares them for leadership roles, driving stronger female representation in the tech industry. TomTom India has committed to sponsor multiple internships over the coming years.

Lastly, to provide aid to those impacted by the war in Ukraine, TomTom'ers donated around €50,000 to the Red Cross. This total was matched by TomTom. Additionally, all TomTom'ers, received paid volunteering days to help those in need.

Our community in Poland, KoguTT (Kulturalno Oświatowa GrUpa TomTomowa), worked tirelessly to ensure the safety of affected people, and supported by handing out groceries and medicines, providing transportation and verbal translation help, and much more.

Supporting refugee integration and inclusion

In 2022, we continued our partnership with the Refugee Talent Hub in the Netherlands. The Refugee Talent Hub connects employers with newcomers, with the goal of providing paid employment as well as training opportunities.

To boost our efforts in supporting refugees, TomTom joined the TENT Partnership for Refugees in April 2022. As part of this partnership, we intend to hire refugees in technology roles and provide them with relevant training. Through these efforts, we not only give back to a community of people in great need, but also tap into a diverse pool of talent.

In addition, our teams in Poland and Germany took time to understand local refugee needs and explore partnerships to provide training and hiring opportunities. In 2023, we aim to formally partner up with organizations in Poland and Germany to start shaping up our impact initiatives locally.

TAX PRINCIPLES

TomTom's approach to tax is published on our website. TomTom has committed to the Dutch Tax Governance Code for multinational companies, as coordinated and published by VNO-NCW in 2022. TomTom complies with the requirements of this Code, with the exception of reporting on a legal entity basis. Instead, TomTom voluntarily reports its tax payments on a regional basis.

TomTom views taxation as an important contribution to a sustainable society, as they are a source of funding for public services in the countries where we operate.

Corporate income taxes are paid based on taxable profits and borne by TomTom as a taxpayer. TomTom's taxable profits are calculated in accordance with TomTom's OECD-based transfer pricing model and local tax rules. Corporate income taxes include withholding taxes deducted by customers on TomTom's invoices and withholding taxes on distribution of dividends.

In addition to income taxes, which are due by TomTom as a taxpayer, our local business activities also create a responsibility to collect and pay other types of taxes like payroll taxes and indirect taxes. By collecting and paying these taxes to local authorities, TomTom provides a meaningful contribution to the countries in which it operates.

Payroll taxes are paid by TomTom to authorities in the form of wage taxes and social security contributions, for example. These payments partly consist of employer's contributions, but the majority is withheld from wages paid to employees and are as such remitted on behalf of TomTom's employees.

Indirect taxes such as value added tax (VAT) are consumption taxes which are levied on the added value and have an output and input element. Below overview shows TomTom's net VAT amounts paid, being the balance between output VAT and input VAT.

In addition to the taxes mentioned above, TomTom also contributes to society by means of other types of taxes such as customs duties, packaging taxes, environmental taxes, and batteries taxes. These other taxes are not included in below overview, as they are not material for TomTom.

The following table provides an overview of TomTom's net payments of taxes. As is reflected, taxation is an important part of our business and is paid in the regions in which we operate.

(€ in thousands)	2022	2021
Europe[1]	1,999	6,171
North America	1,244	475
Rest of world	1,840	923
Total corporate income taxes	**5,083**	**7,569**
Europe	99,762	88,352
North America	9,170	7,758
Rest of world	8,434	8,129
Total payroll taxes	**117,366**	**104,239**
Europe	15,748	16,767
North America	1,160	847
Rest of world	94	546
Total value added taxes (net)	**17,002**	**18,160**

[1] Amount includes withholding tax paid in jurisdictions outside Europe. The lower 2022 amount is mainly due to refunds.

Creating a better world through our products and technologies

MT3

TECHNOLOGIES THAT REDUCE EMISSIONS AND IMPROVE ROAD SAFETY

KPI

CO_2 reduction enabled by our Traffic Services

TARGET

To be set in 2023

PERFORMANCE

TomTom is working on assessing and reporting on the reduction in emissions its product and technologies enable and expects to provide further insights in 2023.

LINK TO STRATEGY

TomTom's products and technologies add value by enabling others to make smarter mobility decisions, thereby also increasing efficiencies.

Our products and technologies enable everyone, from individuals to governments and businesses, to make smarter mobility decisions. This enables us to make a positive impact with our products and services.

Beyond the social impact TomTom'ers make by contributing their skills, time, and resources to worthy causes, they also make an impact through their work – through the products and technologies they help create.

Our offerings are focused on helping others make better decisions, be that while driving to work or scheduling a multi-stop route for a delivery driver. In doing so, our offerings enable reductions in emissions and increases in road safety.

We are committed to maximizing the positive impact of our products and technologies, and encourage our people to innovate to create a better world. This makes our people's work more enticing, and our products and technologies more valuable for our customers.

INCREASING ROAD SAFETY

Our location technology is relied upon by millions of people day in, day out. They make use of our technologies to navigate to work, hail a ride to an appointment, or look up the location of a restaurant. By streamlining our services, we are creating a more comfortable experience for our users.

Especially in mobility-related use cases, we are able to make a meaningful social impact as well. For instance, by providing timely warnings on what is happening on the road ahead, we can improve road safety and decrease the number of road casualties. As an example, our jam tail warnings alert drivers that a traffic jam might be approaching. Even though the traffic jam may only start just around a bend, drivers using our technology will be able to already let off the gas, avoiding harsh braking, diminishing risks of rear-end collisions, and smoothening traffic waves.

REDUCING EMISSIONS

At TomTom, we see climate change as an important environmental risk and strive to limit emissions. As such, we offer products to enable others to move towards a world with less emissions, together with us. Accurate traffic data, dynamic routing, up-to-date information on charging stations, and much more, all help to reduce our collective environmental footprint.

Better routes, less emissions

Our offerings, and especially those that service mobility-related use cases, incorporate options for users to opt for a more ecological route. In addition, our traffic service enables millions of users to navigate around efficiency-diminishing traffic jams, leading to a material effect driven by lower emissions from mobility.

Supporting the move toward electrification

Interest in electric vehicles (EVs) is soaring, yet their adoption is held back by doubts around practical feasibility. Drivers experience range anxiety, as they are unsure of their vehicle's range and the charging availability along their route. Our products turn range anxiety into range accuracy, offering peace of mind to drivers and accelerating the transition towards a cleaner, more sustainable future.

An EV's range depends on much more than its current battery level. Driving speed, traffic, road type and elevation all impact how far a vehicle can go. TomTom EV Routing and Range takes such factors into account to plan efficient routes, provide precise range predictions and calculate reliable estimated times of arrival – making every drive enjoyable and effortless. That includes long-distance EV routing that shows drivers where and when to charge on long journeys, as well as how long the stop will take. We also help drivers choose the best time and place for charging, based on availability, charging speed and user preferences.

ESTIMATING OUR IMPACT

We are working on estimating the positive impact of our products and services on people's lives and the environment.

Our traffic services enable our users to avoid traffic jams and drive at a more fuel-efficient, constant speed. The gross effect of driving at a more optimal speed, is partially offset by having to drive an alternative, and potentially longer, route to avoid traffic congestion. Even so, our traffic services enable a net reduction in CO_2 emissions.

We are developing a methodology to determine the total CO_2 emission savings enabled by our traffic services. The preliminary estimates indicate that the overall CO_2 savings from our traffic services exceed our combined Scope 1 and Scope 2 emissions.

However, these calculations are complex and are based on a wide variety of assumptions. As such, we will not report in detail on the net CO_2 reduction enabled by our traffic product in 2022. Over the course of 2023, we will further strengthen our methodology and reporting.

In addition to environmental benefits, we estimate that TomTom's traffic services users who encounter a traffic jam will benefit from an improved driving experience. Users save up to 12 seconds per trip kilometer driven, while their average speed is improved by 4.5 kilometers per hour.

We are committed to conducting our business responsibly

At TomTom, we are committed to make the most impact for all stakeholders in a responsible manner. Our governance structure supports this commitment, through long-term value creation, ethical business practices, and a values-driven culture.

ETHICAL BUSINESS PRACTICES

TomTom is dedicated to conducting business in a transparent, ethical, and accountable manner. Our ethical business practices reflect our commitment to transparency and accountability, allowing us to build a relationship of trust with our stakeholders. As a data-driven company, these practices include an unwavering commitment to personal data privacy and a high degree of transparency.

Code of Conduct

Our Code of Conduct describes our business principles, guiding our employees in their work and their interactions with external stakeholders.

Our Code of Conduct training and awareness program and control mechanisms play a pivotal role in preventing bribery, corruption, and other misconduct at TomTom. The program is designed to instill an awareness of everyone's responsibility to uphold TomTom's business principles and to speak up in case of misconduct. The program includes gamified trainings, interactive refresher sessions, tailored communication, and custom-made campaigns on specific topics like human rights, safe working environments, anti-bribery and corruption, security, confidential information, and our Open Ears Procedure.

Through our Open Ears Procedure, our employees and stakeholders have the opportunity to anonymously speak up about any potential misconduct, without fear of retaliation. We received five reports through our Open Ears Procedure in 2022. The reports related to claims of breaches of internal procedures, harassment and bullying. All reports were duly investigated and all cases which we could substantiate were followed up on in accordance with our policies. Outside of the Open Ears Procedure, no cases of non-compliance with the company's principles and corporate policies were raised. Our business principles and corporate policies and procedures are an important and mandatory part of our global induction program for all employees, as well as for all existing employees. No anti- corruption or bribery-related KPIs were set for 2022.

Our labor principles outline our commitment to human rights and include, among others, freely chosen employment, respect for age requirements, non-discrimination, and freedom of association. The principles are reflected in the way we treat our employees and are included in our policies, employment agreements, and recruitment procedures. Our Slavery and Human Trafficking Statement under the UK Modern Slavery Act summarizes our actions to address the risk of modern slavery within our operations and those of our suppliers. No human rights-related KPIs were set for 2022.

Reducing our environmental footprint

Besides enabling others to reduce emissions, we also drive efficiencies in our own operations. This year, we set ourselves the goal to become carbon neutral by 2030. See the Environmental Footprint section for more information.

Data privacy and security

We are a data-driven company that separates itself from the competition through strict data privacy governance and practices. We remove identifiable elements from our data, using de-identified data solely to improve our products, and not to feed alternative business models. To enforce our beliefs, we provide a no-ad guarantee with our products. See the Privacy and Data Governance section for more details.

Continuous improvements

In our effort to continuously improve our practices, also as part of our Quality Management System, we will further develop policies, risk management processes, and KPIs in relation to matters such as our environmental impact, human rights and anti-corruption and -bribery.

Enabling a more sustainable future by maximizing our operational efficiency

MT4 CO_2 EMISSIONS

KPI

Scope 1 and 2 CO_2e emissions

Scope 3 CO_2e cloud emissions

TARGET

Carbon neutral on Scope 1 and 2 by 2030

PERFORMANCE

1,860 tCO_2e Scope 1 emissions;

1,305 tCO_2e Scope 2 emissions; and

187 tCO_2e Scope 3 cloud emissions in 2022

LINK TO STRATEGY

TomTom wants to ensure its growth ambitions are achieved in a sustainable manner, by minimizing its carbon emissions.

We recognize that climate change poses a significant risk to the environment, and we are dedicated to lowering emissions through both our products and enhanced operational sustainability.

We are committed to operational sustainability. We adhere to our Environmental Policy and are continually increasing our efforts to identify and minimize our impact on the environment through responsible business practices.

We report on our direct and indirect emissions in Scope 1 and 2, as per the Greenhouse Gas (GHG) Protocol. This year, we also started reporting on the emissions from our cloud computing usage, included in our Scope 3. A more detailed look at the GHG Protocol, the different Scopes, and our performance this year, is included below.

In 2022, our total emissions as a company decreased year on year. Our Scope 1 emissions decreased 8% year on year and our Scope 2 emissions decreased 29% year on year. The decrease can be partially explained by the ongoing initiatives we have in place to limit our environmental footprint. These initiatives include our Green Building Program, a Company Car Policy that prioritizes the use of electric vehicles, the careful management of resources and waste, and many others.

To raise awareness of our efforts to minimize our environmental footprint, ensure all TomTom'ers support us toward becoming a more sustainable company, and inspire them to make more sustainable decisions, we held the first global TomTom Earth Week in 2022.

Our growing community of #be-tomtom-green ambassadors provided useful insights, and we planted more than 4,000 trees with the help of OneTreePlanted, one for every TomTom'er.

Additionally, to encourage knowledge-sharing, we hosted an external panel discussion around “Partnerships for green change – how can we create more sustainable cities & communities?” We were joined by external experts and partners – the UN Global Compact Network Netherlands, CARIAD (a Volkswagen Group), PTV Group and the Municipality of Amsterdam to discuss our shared ambitions and how we can collaborate to create more sustainable cities.

To strengthen our commitment to becoming a more sustainable company, we have set ourselves the goal to become carbon neutral on Scope 1 and 2 by 2030. Scope 1 and 2 include the direct and indirect emissions we readily control. The remainder of this chapter includes a detailed look at how we are moving toward carbon neutrality, with our efforts to identify our emissions, and the initiatives we are taking to limit our footprint.

IDENTIFYING OUR EMISSIONS

Reducing the environmental impact of our operations starts with identifying its sources and adequately reporting on them. We have adopted the Greenhouse Gas (GHG) Protocol as the underlying framework driving our GHG emissions reporting. The GHG Protocol was drawn up by the World Resources Institute and the World Business Council for Sustainable Development, and identifies three scopes in which emissions can be categorized.

Scope 1 focuses on direct emissions mainly caused by company facilities and vehicles. For TomTom, Scope 1 emissions originate from heating of our office facilities and company car usage.

Scope 2 captures indirect emissions resulting from purchased electricity, district heating and cooling.

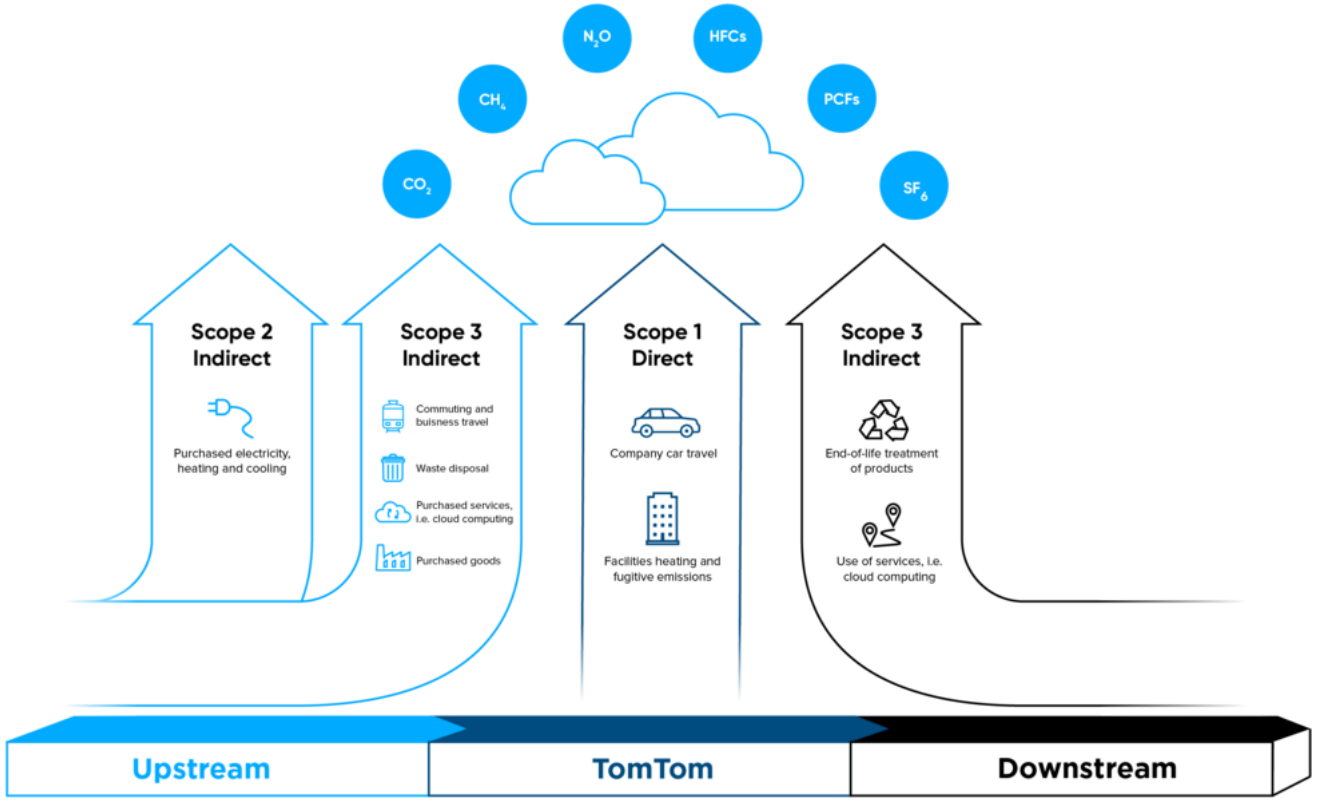
Lastly, Scope 3 focuses on all other indirect emissions that occur in a company's value chain. Importantly for TomTom, this scope includes emissions from purchased services including cloud computing, purchased goods, waste disposal and employee travel. Additionally, emissions from the end-of-life treatment of products and the use of our services are included here as well.

We report on Scope 1 and Scope 2 emissions from all entities over which we have operational control, as per the organizational boundary-setting methodology under the GHG Protocol. Consequently, our reporting includes emissions from owned as well as leased assets.

With regards to Scope 3 emissions, we have identified our cloud usage as an area of focus. Most of our processes and development activities involve use of cloud computing and storage services. As such, we are reporting on Scope 3 cloud emissions this year. In the future, we will reassess including Scope 3 emissions from other sources in our reporting as well.

In 2023, we will further assess how we can improve and expand our emissions reporting.

Aside from reporting on our emissions, this chapter also contains a detailed discussion of our initiatives to reduce our environmental footprint.



SCOPE 1 & 2 EMISSIONS PERFORMANCE

In discussing emissions performance, it should be noted that a greater amount of actual consumption data was available for 2022, where most 2021 figures, especially with regard to emissions from our facilities, were estimated using emission factors.

For 2022, we report a significant reduction of Scope 1 and 2 CO_2 emissions originating from our lease fleet, MoMa vehicles, and facilities.

Scope 1 emissions from our facilities exhibited a limited year-on-year decrease, which can mainly be explained by the reduced consumption of heating oil in our North American offices.

Scope 1 emissions related to our lease fleet increased in 2022. This increase resulted from an increase in vehicle travel as COVID-19-related restrictions were lifted.

Emissions associated with our MoMa vehicles decreased strongly in 2022, as compared to 2021. This decrease was caused by a reduction in the kilometers traveled by our MoMa vehicle fleet, driven by efficiencies gained in our mapmaking process.

In relation to Scope 2, we observe a strong decrease in market-based emissions related to our facilities. This decrease mainly resulted from the Asia-Pacific region, and specifically the emissions from our Pune, India office.

In 2022, an increased amount of actual consumption data was available for this office, leading to more accurate estimates. In addition, the decrease in Scope 2 emissions can be attributed to a reduction in office space in Eindhoven and Poland. Scope 2 location-based emission decreased for the same reasons.

SCOPE 3 EMISSIONS PERFORMANCE

As a first step toward capturing our Scope 3 emissions, we are reporting on the emissions from our cloud computing usage in 2022.

Dealing with big data to develop our products and services requires advanced, scalable, state-of-the-art technology, including secure, scalable data storage and hosting.

In recent years, we have moved the majority of our day-to-day activities to external cloud storage providers, from on-premise cloud storage. This has helped us manage our activities and their impact more efficiently, as our cloud providers are, on average, three to five times more energy efficient as compared to our in-house IT infrastructure.

For Scope 3, our reported emissions include the Scope 1 and 2 emissions of our cloud providers. Our reported Scope 3 emissions do not include the Scope 3 emissions of our cloud providers. Though we recognize that the Scope 3 emissions of our cloud providers might represent a significant part of their total emissions, we chose to exclude them due to a lack of available data for some suppliers and to avoid double-counting within Scope 3.

The year-on-year decrease in cloud emissions results from a focus on energy efficiency and continuous innovation by our cloud providers in order to reduce energy usage and increase operational excellence. The decrease is partly offset by increased cloud usage, driven by the growth of our Location Technology business and the transition to providing more cloud-based solutions for our customers.

In the upcoming years, we will strengthen our reporting on our cloud emissions by working together with our suppliers and engineering teams, with the ultimate objective of optimizing energy efficiency and limiting our emissions.

(tonnes CO_2-equivalent)	2022	2021	Method[3]
Facilities	419	449	Combination
EMEA	*326*	*340*	
NAM	*79*	*94*	
APAC	*14*	*15*	
Lease fleet	652	575	Asset-specific
EMEA	*652*	*575*	
MoMA vehicles[1]	789	1,006	Asset-specific
Scope 1	**1,860**	**2,030**	Combination
Facilities	1,305	1,844	Combination
EMEA	*604*	*644*	
NAM	*87*	*65*	
APAC[4]	*614*	*1,134*	
Scope 2 (Market)	**1,305**	**1,844**	Combination
Cloud[1 2]	187	208	
Scope 3	**187**	**208**	
Group sum	**3,352**	**4,082**	Combination
Per FTE	*0.81*	*0.93*	
Excl. MoMa	*2,563*	*3,076*	
Facilities	2,825	3,370	Combination
EMEA	*2,003*	*1,954*	
NAM	*208*	*281*	
APAC	*614*	*1,134*	
Scope 2 (Location)	**2,825**	**3,370**	

1 Includes global data.
2 Cloud emissions include the Scope 1 and 2 emissions of our cloud providers. Cloud providers' Scope 3 emissions are not included.
3 Calculation methods are derived from the GHG Protocol and are explained in the Non-financial reporting information section.
4 Calculation method changed for India Pune office from average-data to actual-data for 2022 figures effecting comparability.

INITIATIVES TO REDUCE OUR FOOTPRINT

We run various initiatives to limit our footprint, like optimizing office sustainability and improving resource management.

Green Building Program

We conduct building assessments, using rating methods like BREEAM (Building Research Establishment Environmental Assessment Method) and LEED (Leadership in Energy and Environmental Design), to achieve sustainable development. Topics addressed in these assessments are climate change, health, biodiversity, transport, water and material usage.

In 2022, we achieved BREEAM In Use certifications for one of our offices in Amsterdam and our Eindhoven office, both ranking Very Good. Our Dutch offices score, on average, 6% above the BREEAM benchmark, excelling in energy (+11%) and waste management (+18%). We also support biodiversity by providing shelter to bees and birds (+25%). Performance on indoor climate (-7%) will be addressed in refurbishments, integrating science-based concepts to support health, well-being, and productivity, per the WELL Building Standard.

Our office in Pune, India, obtained LEED Gold certification for its interior design and construction in 2022. It achieved reduction in water and energy consumption of 50% and 14% compared to the LEED baseline, respectively. Indoor air quality is monitored continuously to promote a healthy and productive workplace through high fresh-air ventilation rates.

Besides evaluating existing offices, we consider sustainable performance in building selection. Our new offices in Berlin and Lodz are LEED Building Design and Construction Gold certified. Today, 36% of our offices have a valid green building certification.

Energy efficiency

In 2022, we purchased certified domestic renewable electricity for 26% of our office locations. At the same time, we monitor energy consumption in larger offices to identify efficiency opportunities. In 2023, we will work on developing a strategy that enables a climate neutral office portfolio.

Primary energy use

(GJ/m^2)	2022	2021
Netherlands	0.79	0.78

A cleaner company fleet

We introduced a new Company Car policy for Belgian employees in 2021 and expanded the policy to France in 2022. The policy prioritizes the use of fully electric and hybrid-electric vehicles wherever possible, and supports the installation of charging stations at the office and at home.

Today, 9% of our fleet consists of electrified vehicles (2021: 2%). We aim to expand this share, but delivery of new electrified vehicles, as part of lease renewals, was slowed by industry shortages in recent years. Most vehicles that are yet to be delivered to us will be electric or hybrid.

Driving a responsible supply chain

We believe it is imperative that our suppliers integrate fundamental human rights, safety, and sustainability in their operations. Suppliers should adhere to our Supplier Code of Conduct and are asked to acknowledge our Environmental Policy. We also work proactively with major suppliers, like our cloud providers, to identify and limit our footprint.

Specifically related to the manufacture and shipment of our navigation devices, we have a Corporate Environmental Product Compliance program in place. We monitor the legislative and regulatory developments that apply to our products, accessories, and packaging in order to establish our corporate and supplier requirements. This includes the constantly evolving environmental legislation on chemical substances, changes in which we communicate with the business to ensure we are current and compliant.

Management of resources, efficiency and consumption

We monitor our resource consumption and carefully select materials for consumption. We strive to use Forest Stewardship Council-certified (FSC) products wherever available, work with FSC-certified catering and sanitation product providers, and take sustainability into account when selecting furniture, construction, and stationary suppliers. Additionally, we actively monitor water usage in the Netherlands, covering around 28% of our workforce.

Water use

(m^3/FTE)	2022	2021
Netherlands	3.04	2.92

Waste management and recycling

We are committed to a proactive global take-back strategy, spanning both waste generated in our offices as well as across the supply chain. We have implemented waste recycling in all offices and try to prevent waste production by facilitating the reuse of stationary products of office furniture. We are working with our waste service partners to ensure waste is processed responsibly, within the country.

Office waste

(% of waste in the Netherlands)	2022	2021
Reused	0%	39%
Recycled	49%	29%
Composted	19%	11%
Energy recovery	32%	21%
Landfill	0%	0%
Total (in kg)	**39,865**	**33,239**

The volume of waste generated in our supply chain is decreasing with our navigation device sales. This is reflected in the absolute amount of waste recycled within the supply chain. We remain committed to recycling and a responsible end-of-life treatment of our sold products.

Recycled waste

(Tons, unless stated otherwise)	2022	2021
Electrical and electronic equipment (WEEE)	171	197
Battery waste	11	13
Packaging waste[1]	178	211

[1] Excludes data from the U.S., Australia and New Zealand.

Traveling

To decrease the impact of our travel, we have focused on substituting air travel with rail travel on routes between the Netherlands, Belgium, France, and the UK. We continue to revise our Travel Program and challenge our travelers to travel more smartly and sustainably. Initiatives such as the prioritization of direct and sustainable routes and use of certifiably sustainable hotels are points that are evaluated to be added to our Travel Program.

EU TAXONOMY

The EU Taxonomy establishes an EU-wide classification framework intended to provide businesses and investors with a common language to identify and report on, as of January 1, 2022, to what degree economic activities can be considered environmentally sustainable through the creation of activity-specific sustainability criteria.

Under the requirements of the EU Taxonomy, companies currently in scope of Directive 2014/95/EU on the disclosure of non-financial information, which has been implemented into Dutch law through the Decree disclosure on non-financial information ('Besluit bekendmaking niet-financiële informatie'), need to disclose for reporting period 2022 the proportion of Taxonomy-aligned and non-Taxonomy aligned economic activities in their total turnover, Capital Expenditures (CAPEX) and Operating Expenses (OPEX) including certain qualitative information.

Our assessment on the eligibility and alignment of our business activities with the Taxonomy is made based on EU Delegated Act. For the assessment of eligibility, we consider the NACE macro sectors and activities listed in the Annexes for Climate Change Mitigation and Climate Change Adaptation, as published by the EU.

As the list of activities under this Delegated Act currently applies to specific sectors with high CO_2 emissions, our revenue generating activities currently do not fall under any of the activities described those Annexes. Consequently, the proportion of our current revenue that can be considered as Taxonomy-eligible and Taxonomy-aligned is 0% for both 2022 and 2021. The applied denominator for EU taxonomy turnover is defined as Revenue as disclosed in note 6 to the consolidated financial statements. Further disclosures as well as the applied accounting policy can be found in the same note.

More information on our product offerings and their contribution in making a positive impact on the environment can be found in the Product impact section.

For the CAPEX and OPEX KPIs, our efforts to make our offices and facilities more sustainable through activities such as the implementation of energy management systems and energy efficient lighting, can be considered as eligible activities.

Based on our assessment we identified 0.2% of eligible CAPEX (2021: <1%) which all qualify as aligned CAPEX and 0.02% eligible (2021: <1%) and aligned OPEX. This assessment is in line with our assessment last year. In the Non-financial reporting section on pages 28 to 30, we present the outcome of our assessment in more detail.

For assessing the extent of alignment we reviewed the criteria in article 3 of the EU regulation 2022/852 and the associated technical screening criteria included in the Delegated Acts. We identified the portion of our eligible activities that meet all technical criteria, and can thus be considered as Taxonomy-aligned activities. Such activities are included as part of the numerators of the respective KPIs. We ensured that expenditures are not double-counted and are only allocated once to each of the KPIs.

The denominator for the CAPEX KPI includes additions in Intangible assets, Property, plant & equipment (PP&E) and Lease assets, including reassessment. Refer to note 14-16 of the financial statements for more information on the additions to the above-mentioned assets as well as the related accounting policies.

The denominator for the OPEX KPI is determined based the EU Taxonomy definition which covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets or property, plant and equipment. This differs from the total of operating expenses in our financial statements.

Our assessment is based on our interpretations on how the regulation applies to our business activities and the impact thereof on eligibility and alignment. We will continue to assess our eligibility and the extent of EU Taxonomy alignment in 2023. Future guidance could result in more accurate definitions and altered decision-making in meeting reporting obligations that may come into force, which could impact future EU Taxonomy reporting.

Data privacy and security are built into everything we do

MT5 **SECURITY AND DATA PRIVACY**

KPI

Percentage of engineers certifiably trained on security

TARGET

75% of engineers certifiably trained on security by 2025

PERFORMANCE

9% of our engineers were certifiably trained on security at the end of 2022.

LINK TO STRATEGY

Our customers demand products that meet high safety and security standards.

Safety, security, and privacy has always been a priority at TomTom. We focus on giving everyone the right to personal privacy when using our technology. To this end, we follow a safety, security, and privacy-by-design approach to ensure the full life cycle of our products and services is designed to enable user privacy, with security and control over their personal data. With this approach, we consider data privacy, security, and the proper management of data from the start of design through the entire engineering and operations process.

Our ISO27001 certified Information Security Management System (ISMS) ensures that we meet the security demands of our customers and regulators in a standardized and holistic manner. Our security capabilities protect the privacy of our customers and our products.

Data drives our business, but data privacy comes first. That means we use big data to drive continued innovation and product improvements, processing billions of anonymous, or 'de-identified', global data points every day. People using products and services based on our technology contribute to a continuous feedback loop that we use to improve our technology for users. We do not use any data for advertising purposes.

We apply the EU General Data Protection Regulation (GDPR) on a global scale. GDPR is considered to be the most extensive privacy regulation in the world. It supports us in offering a high level of protection to our users worldwide by allowing us to use their data only when strict regulations are met.

All employees at TomTom are conscious of data privacy and security. There are many initiatives to create the appropriate awareness, and training is provided to all employees on a continuous basis. These trainings include company-wide e-learnings as well as training sessions with specific departments. In addition to the generic training, dedicated in-depth training is provided to our engineers for an additional level of security.

Mid-2022, we started a new program named Security Journey, that provides in-depth training on security tailored to the engineers and the programs they are working on. The training is intended to help identify potential security vulnerabilities early and reduce the number of vulnerabilities in programs over time.

The program is still in its early stages. In 2022, we trained 9% of our engineers over the course of several months, and we aim to train over 75% of our engineers by 2025. With this training, we will first address all engineers that work on customer-facing and critical applications. If we reach 75% of our engineering population, we will have trained most of these engineers. This initiative is still new and the completion rate is expected to grow significantly in the coming years. More details on the training and how this is measured can be found in the Non-financial reporting section.

TOMTOM PRIVACY PRINCIPLES

Protecting personal identity

We embed aggregated location data in our products, protecting individual details.

User control

We enable people to remain in control of their data. At any time, people can opt-out or opt-in when using our technologies.

We never sell personal data

We only use personal data to improve our technology.

No ads

We design our products to guide people, with no intrusive or distracting ads.

TOMTOM SECURITY PRINCIPLES

Security mindset

We put security at the heart of everything we do. Security is part of everybody's daily work, ensuring safe and secure products for our customers and a safe and secure working environment within TomTom.

Security by design

We embrace doing the right things and doing things right from the start – whatever TomTom builds, buys, or does. We do risk-based protection of information together with our customers.

Transparency

We promise to be the responsible and trusted custodians of our customers' data. We will be transparent if our customers' data or products are ever at risk, and proactively inform and involve customers as early as possible to minimize any potential adverse impacts.

For more information

How we use our customers' data:

Privacy at TomTom

SUPPLEMENTARY INFORMATION

PURPOSE

This section includes certain contextual information related to TomTom's ESG disclosures, included in the Our Impact chapter and the sections contained therein.

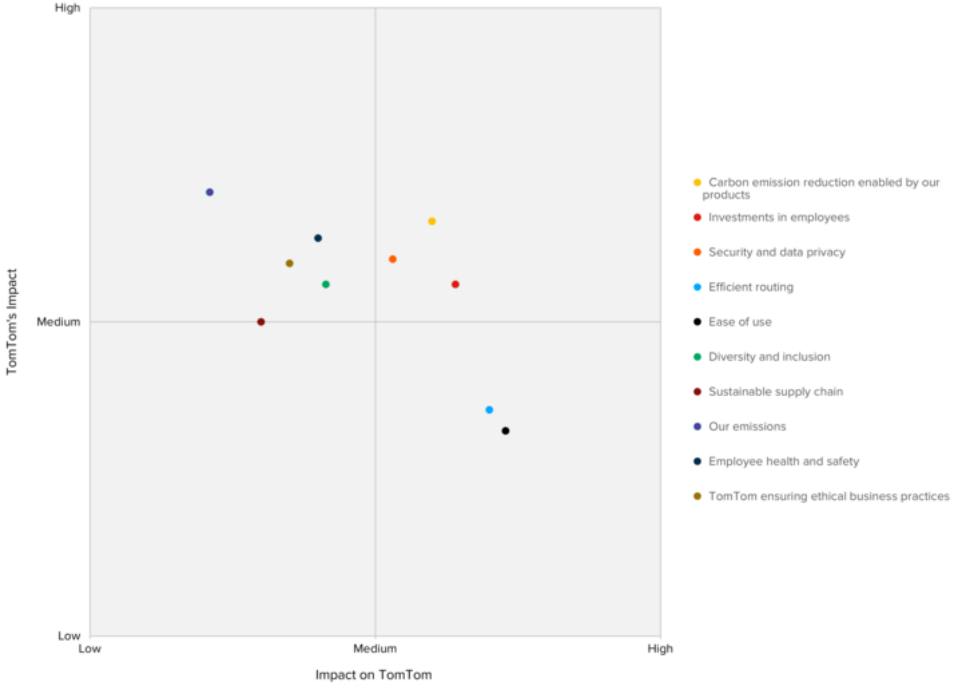
MATERIALITY ASSESSMENT

To ensure our efforts on ESG are aligned with our stakeholders' interests, we performed a materiality assessment. The annual materiality assessment ensures TomTom is aware of what is going on in the world, what is important for our stakeholders, where we can have an impact, and how we should increase our efforts. We conducted an extensive assessment in 2022, which consisted of several steps.

We started with a thorough process to identify our key stakeholders (both internal and external), followed by the interviewing or surveying of each of these stakeholders to receive their input on a broad range of themes that may be considered relevant for TomTom. This process resulted in a list of material topics. Our stakeholders were asked to rank these material topics by way of a broad survey, enabling us to create a materiality matrix.

Materiality matrix

Below is the materiality matrix that resulted from our stakeholder interactions.



The highest-ranking themes are related to our employees and our investments in them, our products and their potential to enable carbon emissions reductions, and data security and privacy governance.

Another important theme is the diversity and inclusion of our workforce, as it affects our employees' well-being and TomTom's attractiveness as an employer. Lastly, TomTom's own emissions are also considered a material theme, though stakeholders suggested emission-related themes to be less pertinent to TomTom throughout the materiality assessment.

Selection of themes

Based on our stakeholders' inputs, captured in the materiality matrix, we center our efforts around five themes. These themes are as captured from our stakeholders, with the exception of the pairs of product-related and emissions-related themes, which we both combined into one resulting in the following themes:

- Employer of choice;
- Diversity and inclusion;
- Technologies that reduce emissions and improve road safety;
- CO_2 emissions; and
- Security and data privacy.

KPI PERFORMANCE

For each of the material themes, we have defined a KPI which is discussed in detail in the Our Impact chapter. A summary of our performance is presented in the table below. The below table omits our performance on the KPI related to the material theme 'Technologies that reduce emissions and improve road safety' as this was outside of the assurance scope.

KPI	Target	Performance 2022
Employee Engagement Score	Top-in-class employer with 4th quartile benchmark score by 2025	Employee Engagement Score of 75 (average of two surveys)
Gender diversity ratio	30% female representation at company level; and 20% for senior management (director and above) by 2025	Female representation of 27% at company level; and 17% for senior management.
Scope 1 and 2 CO_2e emissions Scope 3 CO_2e cloud emissions	Carbon neutral on Scope 1 and 2 by 2030	1,860 tCO_2e Scope 1 emissions; 1,305 tCO_2e Scope 2 emissions; and 187 tCO_2e Scope 3 cloud emissions
Percentage of engineers certifiably trained on security	75% of engineers certifiably trained on security by 2025	8% of engineers certifiably trained on security in 2022 (9% cumulative by end of 2022)

Below, the methodology applied in measuring the performance on each of our KPIs is discussed in detail.

EMPLOYER OF CHOICE

This theme centers around TomTom's reputation as an employer of choice. This is an important determinant of success in attracting and retaining the right talent. This success is quantified by measuring employee engagement, which is selected as this theme's KPI. Our target for employee engagement is to be a top-in-class, scoring with 4th quartile benchmark to be reached by 2025

Measurement of employee engagement

Employee engagement is measured biannually, through an anonymous survey sent out to all employees (further referred to as 'the employees'). Contractors, as well as employees whom we know will be leaving the company, are excluded from the survey results.

For this survey, we use software called Glint, which is widely used and also provides the Technology industry benchmark scores against which we measure our performance. Controls are in place to ensure a complete list of employees is shared with Glint, so that all employees are given the opportunity to respond to the survey. The outcome of the survey can range between 0 and 100.

DIVERSITY AND INCLUSION

The diversity of our workforce and the level of inclusion our employees experience are the central points of this theme. We have chosen one axis of diversity, gender, as an indicator for company-wide diversity. This allows us to measure progress on this theme. We have set a target of 30% female representation within TomTom, and 20% female representation for senior management, to be reached by 2025.

Measurement of diversity and inclusion

Data on our workforce is captured in our HR tool, which includes gender data. For the measurement of this KPI, employees with both fixed as well as temporary contracts are considered. Our HR analytics department reports on the gender representation of our company.

Our employees can identify themselves as male, female, and non-binary, and have the option to withhold from disclosing their gender should they prefer so. Less than 1% of our workforce prefers not to disclose their gender identity or identifies as non-binary.

Senior management is defined as director and above (i.e., grade 19 and up) as administrated in our HR tool.

TECHNOLOGIES THAT REDUCE EMISSIONS AND IMPROVE ROAD SAFETY

This theme centers around the positive impact our products and services can have on reducing emissions and improving road safety. Even though we have set a KPI related to this theme, we are in the process of developing a methodology to determine the total CO_2 savings enabled by our traffic product. These calculations are complex and based on a wide variety of assumptions, and are yet to be matured. As such, we do not report in detail on the net CO_2 reduction enabled by our traffic product in 2022, and have not set a longer-term target yet.

Measurement of emission savings

Our traffic services enable our users to avoid traffic jams and drive at a more fuel-efficient, constant speed. To estimate the impact of our traffic services and the enabled reduction of carbon emissions, we randomly sampled 50,000 trips with different lengths. Throughout these anonymous calculations, a safety, security, and privacy-by-design approach is used to ensure user privacy, security, and safeguarding of personal data.

We combined the sampled trip data with the average consumption of trips independent of trip length or duration, or speed. Based on external research data, fuel efficiency for internal combustion engines is most efficient in the range between 50km/hour and 80km/hour. We can calculate the average trip distance and speed, both for drivers receiving our traffic services as well as drivers that do not use our traffic services. Subsequently, we can estimate the average CO_2 emission saved per driven kilometer.

This average figure is then upscaled by the observed total number of kilometers our traffic services users drive annually. In this calculation, we take into consideration the percentage of journeys that experience traffic congestion. As a result, the total savings are determined, under the assumption that users receiving our traffic services have also made use of these traffic services.

The preliminary estimates show that by using our traffic services, the CO_2 emissions per driven kilometer decrease. This gross effect of driving at a more optimal speed is partially offset by the driving of a potentially longer route. Even so, the preliminary estimates further indicate that the overall CO_2 savings from our traffic services exceeds our combined Scope 1 and Scope 2 emissions.

CO_2 EMISSIONS

This theme is centered around the emissions originating from our day-to-day operations. Based on the conducted materiality assessment, it appears stakeholders consider TomTom's own emissions a lesser material theme for TomTom. Nevertheless, we deem it our responsibility to minimize our environmental footprint and, therefore, consider our CO_2 emissions to be an important KPI. We have set a target to become carbon neutral in relation to our Scope 1 and Scope 2 emissions by 2030.

We started reporting on our emissions in 2021, which was a first step in disclosing the emissions computed in accordance with the methods set out in the GHG Protocol. Under the GHG Protocol, emissions are categorized into Scope 1, 2, and 3. Scope 1 focuses on direct emissions, mainly from company facilities and vehicles. Scope 2 captures indirect emissions resulting from purchased electricity, district heating, and cooling. Scope 3 focuses on all other indirect emissions that occur in a company's value chain, both upstream and downstream. As a first step toward capturing our Scope 3 emissions, we are reporting on the emissions from our cloud computing usage.

Aside from categorizing emissions into three scopes, the GHG Protocol also provides guidance on how to set organizational boundaries as regards to emissions reporting. We report on emissions from all entities over which we have operational control, as per the organizational boundary-setting methodology under the GHG Protocol. Consequently, our reporting includes emissions from owned as well as leased assets.

Measurement of Scope 1 emissions

The reported Scope 1 emission figures have been carefully computed. Due to limited real-time data availability, we have applied diverging methodologies per emission source.

Under the GHG Protocol, several calculation methods are given. The most accurate reporting is achieved by using the asset-specific method, which considers actual emissions from individual assets. This method requires detailed consumption data. Should these data not be available, the average-data method allows us to calculate emissions from assets using externally sourced emission factors and intensities. Figures for most sources of emissions are computed using a combination of the asset-specific and average-data method, as applicable.

Facilities

A portion of our Scope 1 emissions originate with fossil fuel consumption for office heating and fugitive refrigerant. These emissions are estimated using actual consumption data for all of our offices in the Netherlands, our Lebanon, NH, office, our offices in Lodz, and a few minor offices. During 2022, there were no leakages of refrigerants reported for these offices.

For offices and leased coworking spaces for which we do not have actual consumption data, we compute emissions using the average-data method. We use the most recent available figures from the U.S. Energy Information Administration's (EIA) Commercial Buildings Energy Consumption Survey (CBECS) as our main source of office energy intensity, adapting the figures to account for differing climates across our global footprint. Energy intensity figures are multiplied by gross leasable floor space, to arrive at emission estimates.

Vehicle fleet

Our vehicles also contribute to our Scope 1 emissions. We operate a fleet of leased passenger vehicles and an array of specialist MoMa vehicles.

We collected consumption data for all MoMa vehicles and the vast majority of leased passenger vehicles. Fuel consumption is converted to emissions using established emission factors per fuel source. For four of the 254 passenger vehicles, emissions were estimated using average vehicle emissions across our fleet, as consumption and mileage data was not available.

Emission factors and important other assumptions

As per the GHG Protocol, we have prioritized the asset-specific method of calculating our emissions over other methods. Data on our consumption was calculated from bills, invoices, and (smart) consumption meters, where applicable.

As previously indicated, where consumption data was not available, we extrapolated actual usage or worked with consumption intensities, reported per gross leasable floor space and corrected for applied heating and cooling methods, localized climate, and building use. These consumption intensities were gathered from the EIA's most recent CBECS study, while correcting for localized climate was mainly done using EIA data and data from European Climate Design.

To make the translation from consumption figures to emissions, we relied on emission factors for each type of consumed fuel as reported by the U.S. EIA. In applying the reported emission factor for natural gas, which was based on gigajoules, our natural gas consumption was translated to gigajoules using net calorific values per cubic meter as reported by the Netherlands Enterprise Agency.

Measurement of Scope 2 emissions

Scope 2 includes our indirect emissions from purchased electricity and district heating. These emissions center around our office locations, both owned and leased.

Facilities

Actual consumption data was available for our offices in the Netherlands, our Lebanon, NH, office, our offices in Lodz, and a few minor offices. For the offices for which we could not obtain actual data, we used average-data formulas to estimate energy consumption for other offices. Consumption was estimated by using energy intensity figures from EIA's CBECS and gross leasable floor area data. This is in line with the GHG Protocol. We aim to strengthen our data collection in 2023 to further improve data accuracy and consistency.

Having collected or estimated consumption figures, our emissions from purchased electricity and district heating are computed using grid average emission factors per location. Since we employ renewable energy certificates for our offices in the Netherlands, Belgium, Poland, and some other locations, the GHG Protocol demands us to report on Scope 2 emissions using two methods. Using the market-based method, we take these certificates into consideration, thereby lowering our overall footprint. Conversely, the location-based method does not allow for the consideration of contractual instruments.

Emission factors and important other assumptions

Data on the consumption of electricity, heating, and cooling, was collected from (smart) consumption meters, invoices, and bills, where applicable. For offices for which we were not able to collect actual consumption data, we made use of consumption intensities, corrected for applied heating and cooling methods, local climate, and building use, from the EIA's most recent CBECS study. Corrections for local climate where made using assumed climate regions gathered from the EIA and data from European Climate Design.

To convert consumption data to emissions, we apply grid average emission data from a multitude of local sources. For our offices in Europe, we leverage data from the European Environment Agency, while U.S. grid average emissions are gathered from the U.S. Environmental Protection Agency. Similarly, grid average emissions from local national bodies were used for other countries. In all, locale-specific grid average emissions were used for both emissions from purchased electricity as well as purchased heating and cooling.

Measurement of Scope 3 cloud emissions

Scope 3 cloud emissions include the Scope 1 and 2 emissions of our cloud providers. These emissions are measured via dashboards provided by our cloud providers in which we can monitor our emissions. In cases where emission data was not available for one or two months of the year, emission data were extrapolated based on current-year as well as previous years' usage trends.

SECURITY AND DATA PRIVACY

Security and data privacy are essential to our products and services. This theme centers around how we follow a safety, security, and privacy-by-design approach to ensure the full life cycle of our products and services is designed to enable user privacy, with security and control over their personal data.

We have established a Group Safety and Security function and implemented related processes and controls. Further, reporting is in place on relevant topics, such as the risk of security breaches in our information systems and our products and services. The Safety and Security Committee meets regularly and monitors the risks, required investments, and progress made to reduce safety and security risk.

It is very important for us that the safety and security of our products is of the highest standards, and security training is an important element to achieve this. We have several types of training available ranging from group-wide continuous security awareness trainings for all employees, to dedicated training for small groups. In 2022, we started a new program named Security Journey, that provides in-depth training on security tailored to the software engineers and the programs they are working on. The training is intended to help identify potential security vulnerabilities early and reduce the number of vulnerabilities in programs over time.

Measurement

The security training for our software engineers consists of several learning paths. Each learning path contains a variety of modules. For example, the white belt (foundational) training path contains 16 modules, and the yellow belt (in-depth security principles, attacks, tools and processes) training path consists of 20 modules. To obtain the belt, all these modules must be completed. As a minimum, our software engineers working on customer-facing applications have to complete the white and yellow belt path. Depending on the specific roles or types of code being used, our software engineers have to follow additional learning paths. For our KPI, we only track the training paths that are applicable to all software engineers. In case a belt is completed and the training path changes afterwards, the software engineers are still regarded as having successfully completed the training. The program that is relevant in assessing whether a software engineer completed the training is the program as it was at the time all modules were completed and approved.

The security training is online, and the platform offers dashboard capability that makes it possible to track which software engineers have completed their security training. Within TomTom, we split roles into software engineering versus non-software engineering roles, as administrated in our HR tooling. A software engineer at TomTom is defined as someone who designs, develops, tests, or deploys, and manages our software or services. For TomTom, software engineers are working in the clusters 'maps' and 'platform products'. For this KPI, we only include software engineers who are employed by TomTom. Contractors are excluded.

In order to calculate the percentage of software engineers that completed a white and yellow belt training path as per 31 December, we divide the number of software engineers that completed both belts by the employed software engineering workforce.

EXTERNAL ASSURANCE

EY has provided limited assurance on the section 'Materiality matrix' as included on page 126 of the Annual Report 2022, and on TomTom's performance on the KPIs, as listed in the 'Performance 2022' column in the table on page 126 of the Annual Report 2022. This covers the material themes:

- MT1 "Employer of choice";
- MT2 "Diversity and inclusion";
- MT4 "CO_2 emissions"; and
- MT5 " Security and Data Privacy".

The Limited Assurance report of the independent auditor has been based on and is included in the Annual Report 2022. Please refer to page 133 of the Annual Report 2022.

EU TAXONOMY ANALYSIS ON TURNOVER

Economic activities	Codes	Absolute Turnover (€ '000)	Proportion of Turnover	Substantial contribution criteria: Climate change mitigation	Substantial contribution criteria: Climate change adaptation	Do no significant harm criteria: Climate change mitigation	Do no significant harm criteria: Climate change adaptation	Do no significant harm criteria: Water and marine resources	Do no significant harm criteria: Circular economy	Do no significant harm criteria: Pollution	Do no significant harm criteria: Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of Turnover, 2022	Taxonomy aligned proportion of Turnover, 2021	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible																
A.1. Environmentally sustainable activities																
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	— %													
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)																
Turnover of Taxonomy eligible but not environmentally sustainable activities																
Total (A.1 + A.2)																
B. Taxonomy non eligible activities		0	— %													
Turnover of taxonomy non eligible activities		536,343	100 %													
Total (A + B)		536,343	100 %													

EU TAXONOMY ANALYSIS ON CAPEX

				Substantial contribution criteria		Do no significant harm criteria									
Economic activities	Codes	Absolute CAPEX[1] (€ '000)	Proportion of CAPEX	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of CAPEX, 2022	Taxonomy aligned proportion of CAPEX, 2021	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible																
A.1. Environmentally sustainable activities																
Installation, maintenance, and repair of energy efficient equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	23	0.10 %	100 %	—	Y	Y	Y	Y	Y	Y	Y	0.10 %			
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	22	0.10 %	100 %	—	Y	Y	Y	Y	Y	Y	Y	0.10 %			
CAPEX of environmentally sustainable activities (Taxonomy aligned) (A.1)		45	0.20 %													
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)		0	— %													
CAPEX of Taxonomy eligible but not environmentally sustainable activities		0	— %													
Total (A.1 + A.2)		45	0.20 %													
B. Taxonomy non eligible activities																
Turnover of taxonomy non eligible activities		28,056	99.80 %													
Total (A + B)		28,101	100.00 %													

1. Absolute CAPEX includes additions to Property, plant and equipment under IAS 16, Intangible assets under IAS 38, as well as additions (including reassessments) to Right-of-use assets under IFRS 16.

EU TAXONOMY ANALYSIS ON OPEX

				Substantial contribution criteria		Do no significant harm criteria									
Economic activities	Codes	Absolute OPEX[1] (€ '000)	Proportion of OPEX	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy aligned proportion of OPEX, 2022	Taxonomy aligned proportion of OPEX, 2021	Category (enabling category)	Category (transitional activity)
A. Taxonomy eligible																
A.1. Environmentally sustainable activities																
Installation, maintenance, and repair of energy efficient equipment	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	62	0.02 %	100 %		Y	Y	Y	Y	Y	Y	Y	0.02 %			
OPEX of environmentally sustainable activities (Taxonomy aligned) (A.1)		62	0.02 %													
A.2. Taxonomy eligible but not environmentally sustainable activities (non Taxonomy aligned activities)																
OPEX of Taxonomy eligible but not environmentally sustainable activities		0	— %													
Total (A.1 + A.2)		62	0.02 %													
B. Taxonomy non eligible activities																
Turnover of taxonomy non eligible activities		363,071	99.98 %													
Total (A + B)		363,133	100.00 %													

1. Absolute OPEX includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant, and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

tomtom

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