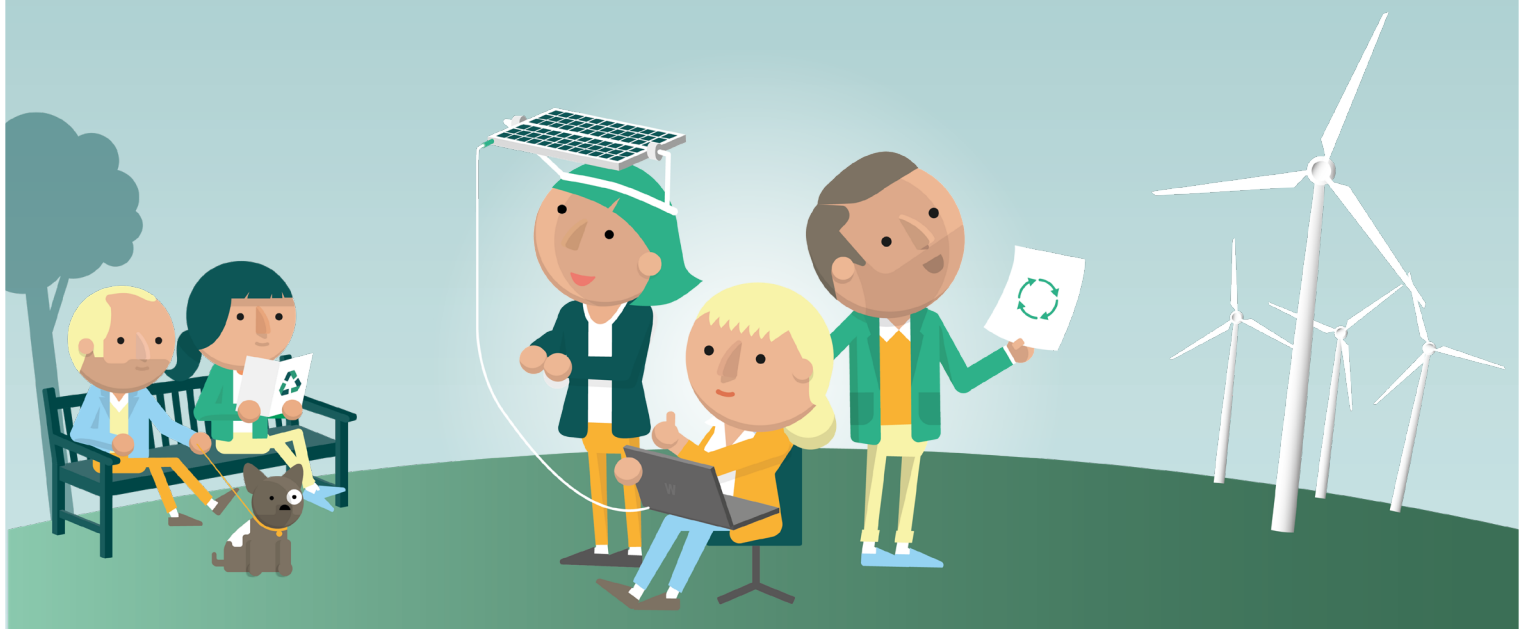


ENVIRONMENTAL REPORT 2022



ENVIRONMENTAL REPORT 2022

Environmental sustainability is an important topic at Workz. We want to contribute to the EU ambition of cutting greenhouse gas emissions by at least 55% in 2030 and of becoming climate-neutral in 2050 (The European Green Deal 2021). In addition, we want to support our clients and partners in their efforts to reduce and compensate their CO2 footprint both upstream and downstream.

To support reduction of greenhouse gas emission, we are ISO 14001 certified, thus addressing our impact on climate through an environmental management system.

A carbon footprint analysis of our business, conducted in 2019, revealed our three biggest, measurable sources of CO2 emissions; travel (air and land), print, and in-office power use. This is accordingly where we have focused our ambitions and commitments in 2022, actively reducing and compensating our carbon footprint through 5 ambitions and 14 adjacent commitments. Our ambitions were to:

1. Help our clients become more sustainable.
2. Establish sustainable operations.
3. Reduce our CO2 footprint.
4. Compensating for all CO2 emitted.
5. Transparency in communication of our environmental efforts.



AMBITIONS REALISATION IN 2022

In 2022 we realised a great number of goals within our ambitions, and results show that we have succeeded in:

- Buying electricity for the office from renewable resources 100%.
- Compensated for CO2 emissions from plane and taxi trips, as well as print for Danish projects.
- Collaborating only with ISO 14001 certified printing places.
- Optimising shipping procedures and standards for packing, and courier choice.
- Attaching recycling instructions to print products.
- Establishing procedures for balancing longevity and recyclability of our products.
- Minimising food waste.
- Lowering distance flown and driven with combustion engine vehicles respectively by 89% and 73%.
- Lowering office power use by 16%.

These goals were realised through an environmental policy and a set of operational procedures applied across the entire operation. To have greater control over our environmental efforts' progression, we logged all major deviations from established procedures and planned corrective actions. However, the analysis of the non-conformities logged in 2022 revealed surprisingly small number of reported issues, what could be caused by unclear standards, not user-friendly reporting system or fear of reporting mistakes. This calls for follow-up on colleagues' understanding of the standards and processes, and their purpose, as well as optimisation of the reporting system.

AMBITIONS IN 2022

The following sections (1-5) describe the ambitions and goals in 2022 and how they were managed and how data was conducted.

1. SUPPORTING SUSTAINABLE DEVELOPMENT OF OUR CLIENTS

The ambition is activated through sales templates and relevant colleagues are informed through oral and written communication. We do not keep a record of this ambition. This makes it difficult to assess to what extent this ambition has an impact on environmental sustainability.

2. ESTABLISHING SUSTAINABLE OPERATIONS

Analysis of the CO2 footprint report was the beginning of a lengthy process of identifying measures we can undertake to decrease our impact on the environment without jeopardizing our business. As a result, the following commitments were implemented:

- Buying electricity for the office from renewable energy.
- Compensating for business travel; taxi and plane
- Working with printing houses which work according to high environmental standards, like ISO 14001, FSC, Svanemærket and that can provide us with calculations of our footprint.
- Compensating for all the CO2 emitted from printing our projects in Denmark.
- Producing materials in the most recyclable way, balancing concerns of longevity and recyclability.
- Marking all our products with recycling instructions.

Long term commitments:

- We will work on identifying and setting standards for shipping and courier services.
- The goal is for our print and production in Estonia to live up to the ambitions of the Danish production.

OUR RESULTS

The use of power at the office is increasing as the Workz team is growing, hence, it has become one of our main CO2 emissions. Therefore, since 2021, we continuously invest in renewable energy coming from Danish windmills, sourcing our power at Vindstød.

Regarding compensation for both the print for Danish projects and travel, the assumption was to do it directly through our vendors. However, it wasn't always possible. Therefore, we had to calculate emissions, that weren't directly compensated by the vendor ourselves, to make sure they were offset. All the compensation calculations can be found in section 4: Compensation for all the CO2 emitted.

It's important to us that our vendors care for the environment, thus are ISO 14001 certified and can offset, or at least calculate the greenhouse gas emissions. Because we also work with international suppliers, it is our long-term ambition to get them on board with climate calculations. As we have rather limited influence on their decisions, we try to do what is possible from our side, by requesting project materials specification to adjust our recycling instructions, and to be able to estimate the print-related emissions ourselves. The footprint of projects produced at Danish print houses, were mostly compensated directly by the vendor, however, one of the printing places didn't offer such a service, therefore we had to do it ourselves, using the footprint calculations provided by the vendor. *(See calculations p. 7,8)*

In 2022 we also optimised our shipping procedures, set standards for packing and courier choice

and contracted an additional shipping company, providing us with the carbon footprint report. Additionally, we have purchased an electrical bike, which lowers the environmental impact of shipments within Copenhagen. The bike also serves our consultants to transport workshop materials to the customers based in the inner city.

Since we outsource the production of most of our printed materials, we need to be extra cautious about the methods and materials used. Therefore, as part of our sustainable operations we have formulated procedures for selecting materials for projects and our own products, which are part of the project negotiations and proposals. The main principle of the procedures is balancing longevity and recyclability; thus, we broke down the printing procedures into two categories; one-time-use and reusable materials. For the non-reusable materials, we primarily use materials that can be easily recycled, therefore pure paper, heavy cardboard and wood are always the first choice. We try to avoid the use of coating, plastics, and acrylics in disposable materials. However, for reusable products it is advantageous to use recyclable plastics, which are more durable and long-lasting. Additionally, we advise our customers on possible, more sustainable materials and methods provided by our vendors.

The last standard, namely marking products with recycling instructions, is an attempt to handle products' end-of-life. Since we do not have a direct influence on the disposing of the products by our customers, we want to help them to do it correctly, attaching information about materials used in production and how they should be recycled

ADDITIONAL EFFORTS WITHIN SUSTAINABLE OPERATIONS

In 2021, seeking to decrease our carbon foot print we decided to change our lunch buffet to a fully vegetarian option. Additionally, to prevent food waste, we started encouraging our employees to take the leftovers home, by organising a "Food waste" competition, rewarding monthly one of the colleagues who helped to save the food.

In 2022 however, we have gone one step further to minimise food waste at our office, sharing the food, which was not taken by our employees, with the vulnerable people in Copenhagen. Throughout the year, we have shared the food with a women's shelter on Amager (Bocentret Sundholm), a communal fridge in Nørrebro and Café Dugnad for marginalised people in Vesterbro. We are also continuously trying to implement the circular economy model into our operations, having a series of procedures for disposing of waste, emphasising re-use or upcycling of things which otherwise would be thrown away.

3. REDUCTION OF OUR CO2 FOOTPRINT

This ambition assumes the following commitments:

- We want to lower the distance travelled by airplanes (compensated or not) relative to our turnover.
- We want to lower the distance traveled by combustion engine-driven cars (gas, diesel and/or hybrid) relative to our turnover.
- We want to keep the power usage at our office at the same level or lower, relative to our turnover.

To measure our reduction rates of respectively: combustion engine car distance, in-office power use and flight distance, we decided to compare 2022 numbers with pre-Covid19 numbers, as they portray Workz's 'ordinary' activity more accurately. Comparing the years when the business activities were greatly affected by the pandemic would not give us valid results.

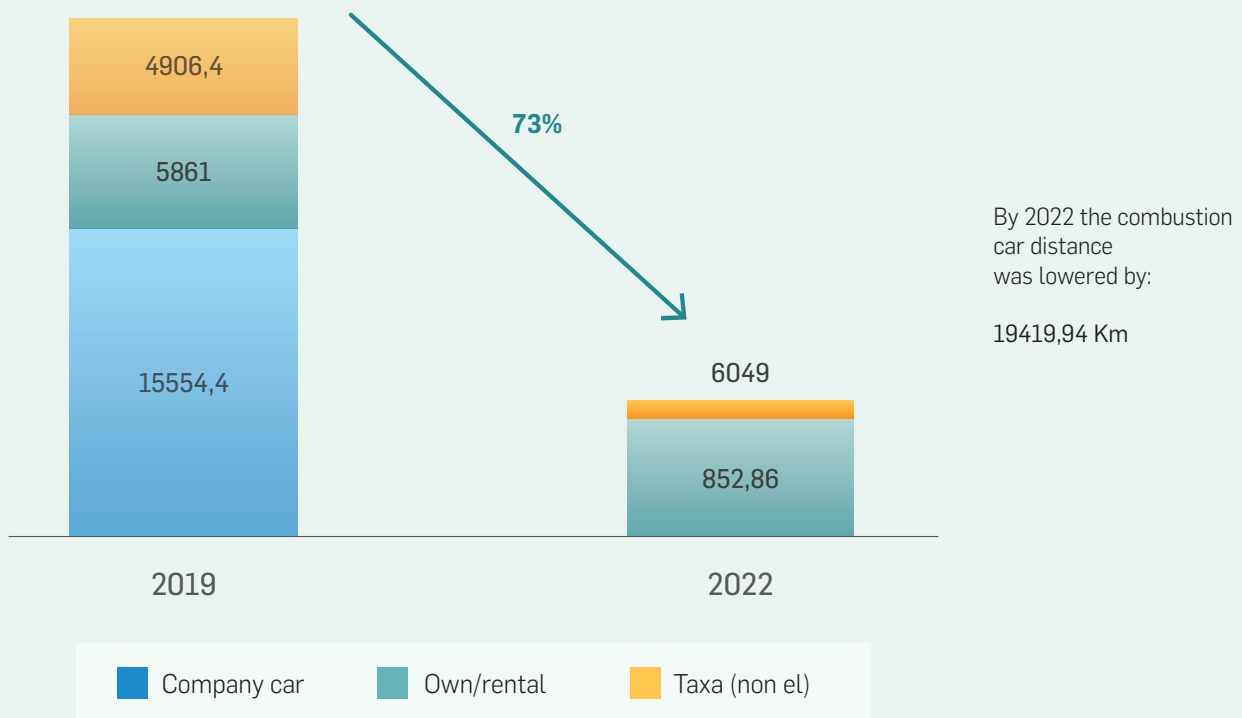
COMMITMENT A: DECREASED COMBUSTION ENGINE CAR DISTANCE

We have achieved a 73% decrease in distance driven by cars, largely because we have resigned from the company car but also due to a reduction in the use of combustion engine taxis. That was possible by establishing several procedures incl. preferred mode of transport, where the order suggests choosing first a bicycle, then public transport, then taxi provider Viggo - offering zero emissions vehicles and as a last choice, combustion engine vehicle.

DATA

Vehicle distance numbers in 2019 were the sum of registered distances of: company car, rental/own car and taxi excl. electric vehicles. Since the company car emission numbers were registered both in kilometers driven and in liters of purchased fuel, the total distance was a sum of the kilometers driven and average consumption of fuel, converted into kilometers. Conversion was done by dividing the total amount of fuel purchased by the average consumption of the company car. The main consumption number was determined using the biggest online car dealership, where consumption of the car model owned by Workz, was derived by comparing multiple, independent announcements.

COMBUSTION ENGINES DISTANCE



*Assumption: the car consumed 1l per 20 km
(ref. https://www.bilbasen.dk/brugt/bil/ps-ford_s_mac_2,0_tdc)

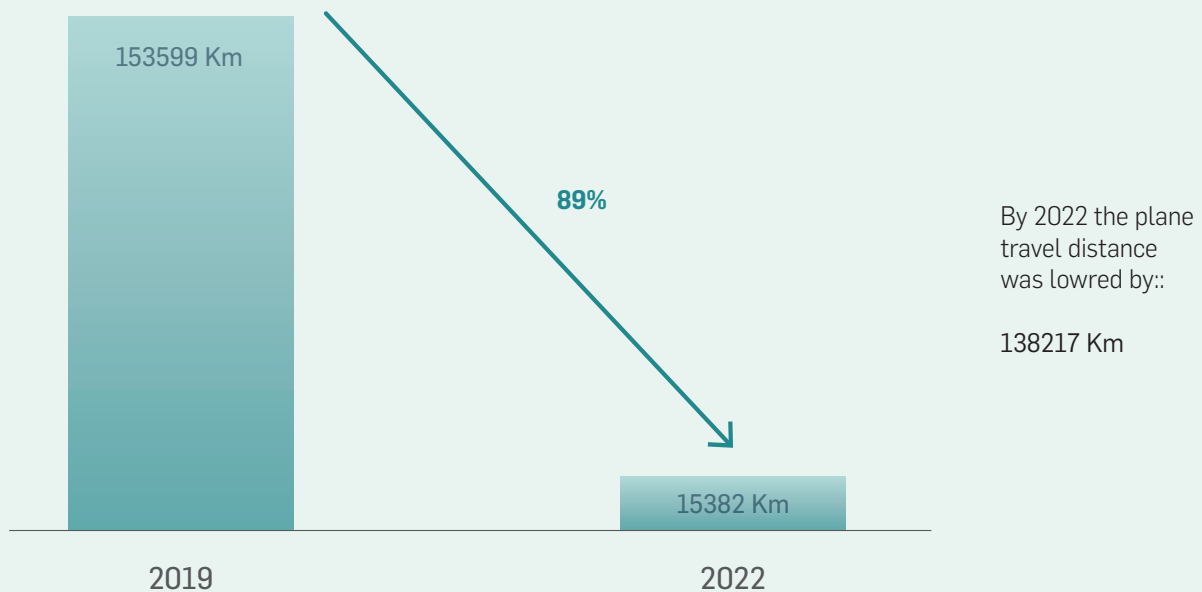
COMMITMENT B: DECREASED PLANE TRAVELS DISTANCE

The 89% decrease in distance travelled by plane could be achieved through established travelling procedures, favoring other modes of transport, as well as a constant development of virtual facilitation.

DATA

To calculate the flights' distance, we kept a log of all the business trips. Trying to make the estimate as precise as possible, we registered not only the country of departure/arrival but also the airport. To determine the distance for each flight, we've used two different platforms providing distance calculations between airports and compared their results to obtain the most valid number.
(<https://www.greatcirclemapper.net/> ,
<https://www.airmilescalculator.com/>)

PLANE DISTANCE



2019	2022
153599 Km	15382 Km

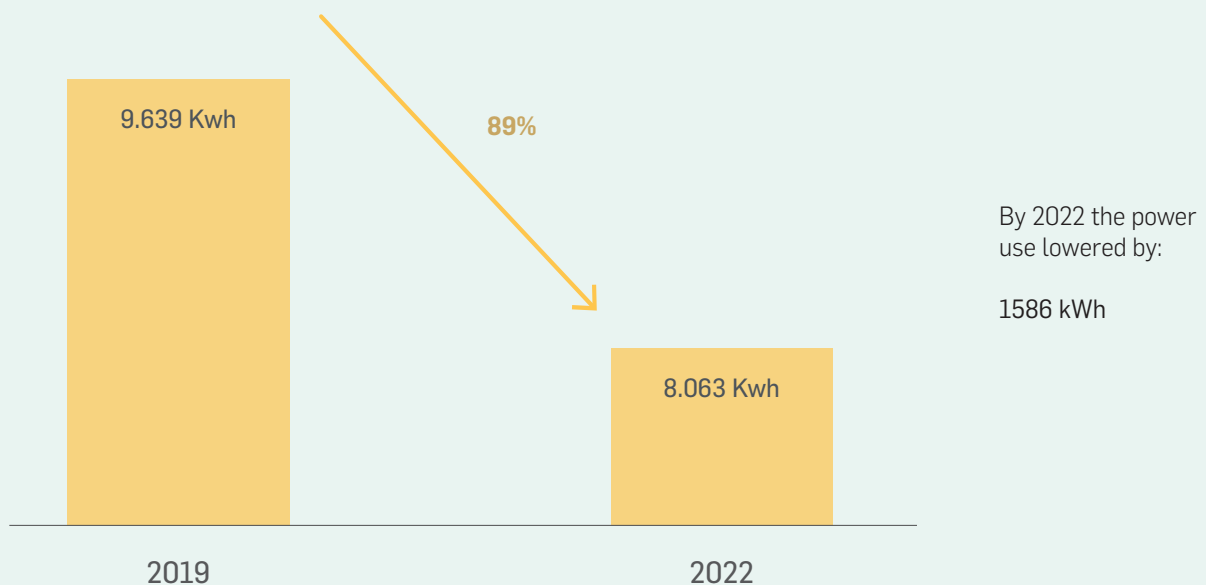
*Distance between airports was based on comparison of 2 online calculators:
<https://www.greatcirclemapper.net/> and <https://www.airmilescalculator.com/distance/cph-to-cdg/>

COMMITMENT C: POWER USE AT THE OFFICE WILL BE AT THE SAME LEVEL OR LOWER

Even though we source our energy from renewable sources, we still have an ambition to lower its usage in our office. In 2022 we managed to reduce the use by 16% compared to 2019. The decrease was possible to achieve through a collective commitment to reduce the use of both power and heat, encouraged by the management, who provided the team with a few suggestions on small changes which, implemented daily, help reduce the office power consumption.

The data was derived from a yearly overview of electricity consumption provided by the vendor.

ELECTRICITY USE



2019	2022
9.649 kWh	8.063 kWh

*Distance between airports was based on comparison of 2 online calculators:
<https://www.greatcirclemapper.net/> and <https://www.airmilescalculator.com/distance/cph-to-cdg/>

COMPENSATION FOR ALL THE CO2 EMITTED

The assumptions of this ambition were first to compensate for the three main emission sources of our operations; taxi, air travel, and print for Danish projects.

The second assumption was to offset the rest of our operational footprint determined by adjusting the numbers derived from the 2019 climate report to our turnover. The last assumption was to offset the emissions in local, certified climate projects.

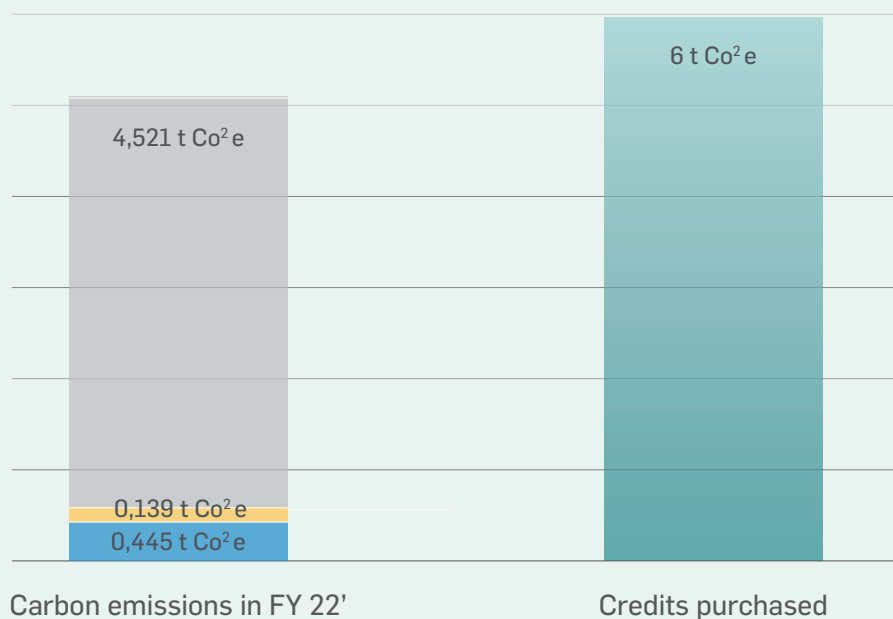
Therefore, in 2022 we calculated and offset our operational emissions twice. First at the end of fiscal year (FY), which runs from the beginning of July to the end of June, of course excluding emissions from 2021. And second time to determine whether we have compensated for all print for Danish projects, all taxi and air travel, for the remaining part of calendar year (CY) from July to December.

Estimation of the fiscal year emissions is illustrated below and juxtaposed with the number of carbon credits we have purchased.

DATA

As shown on the graph, most of our footprint is related to Scope 3 emissions, being indirect emissions of both upstream and downstream activities of our company, including flights and taxi rides among others. Under Scope 1, we calculated diesel usage for the company car, which was sold in November 2021, and under Scope 2 emissions related to power and heat use at our office. Total emissions, in FY 2022 were 5,105 tons and we have purchased 6 tons offset credits.

COMPENSATION FY 2022



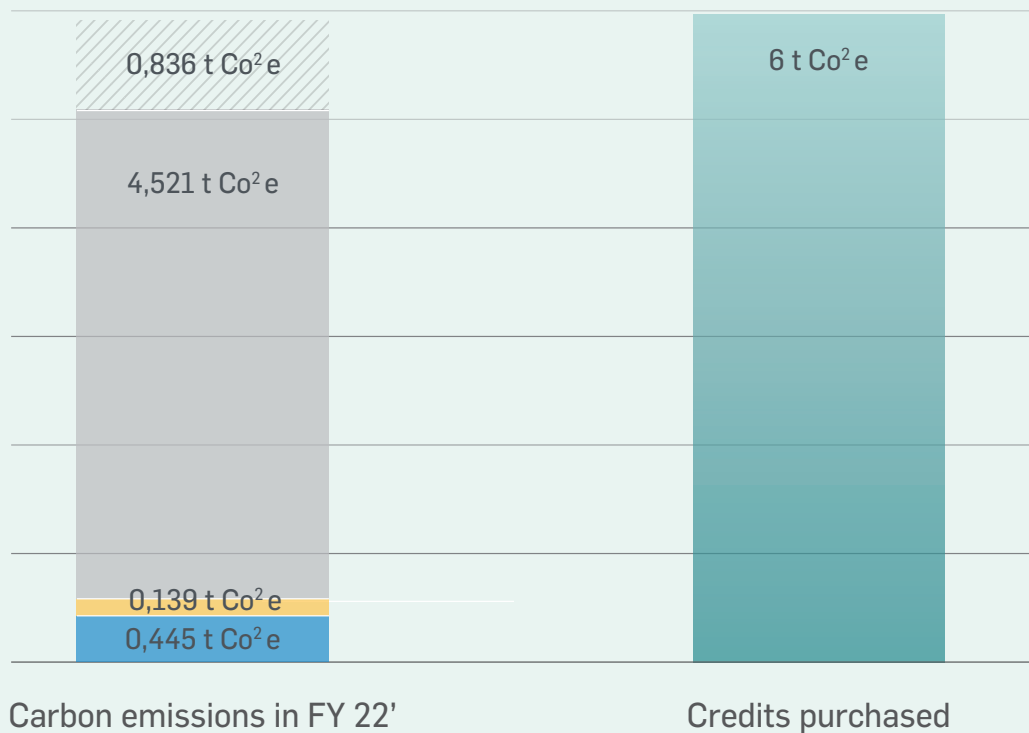
PRINT

Our policy assumption was to compensate for all CO₂ emitted during printing of materials for Danish projects, what was assumed to be done directly by collaborating with vendors that can help us with that. Most of the print projects had an additional climate surcharge, automatically added to each invoice. However, during the yearly climate accounting, it was discovered that one of our contractors was not including the compensation. Therefore, more calculations were needed to determine emissions of projects printed with that vendor.

DATA

The chart depicts emissions not compensated directly by the vendor which, according to the printing house climate calculations, were equal to 0,836 tons CO₂. We added those numbers to the FY scope 3 emissions and collated with the additional 6 tons of carbon credits purchased in FY 2022, to see if we have compensated for those projects or if we should buy additional carbon credits. The juxtaposition shows full offset.

COMPENSATION FY 2022



AIR TRAVEL

As the report from 2019 indicates, a dominating share of our footprint comes from air travel, hence reduction in air travel distance was not the only ambition we have committed ourselves to. We have additionally chosen to compensate for the trips through a third-party vendor, Goodwings, which not only calculates the emissions of each flight but of the entire trip, including hotel stays and meals. In FY 2022, we have flown approximately 15382 km, which we have offset both automatically via Goodwings platform and manually purchasing additional carbon credits. In the period from July to December we flown additional 2160 km which, according to our calculations, was equivalent to 0,66 tons CO₂ emitted.

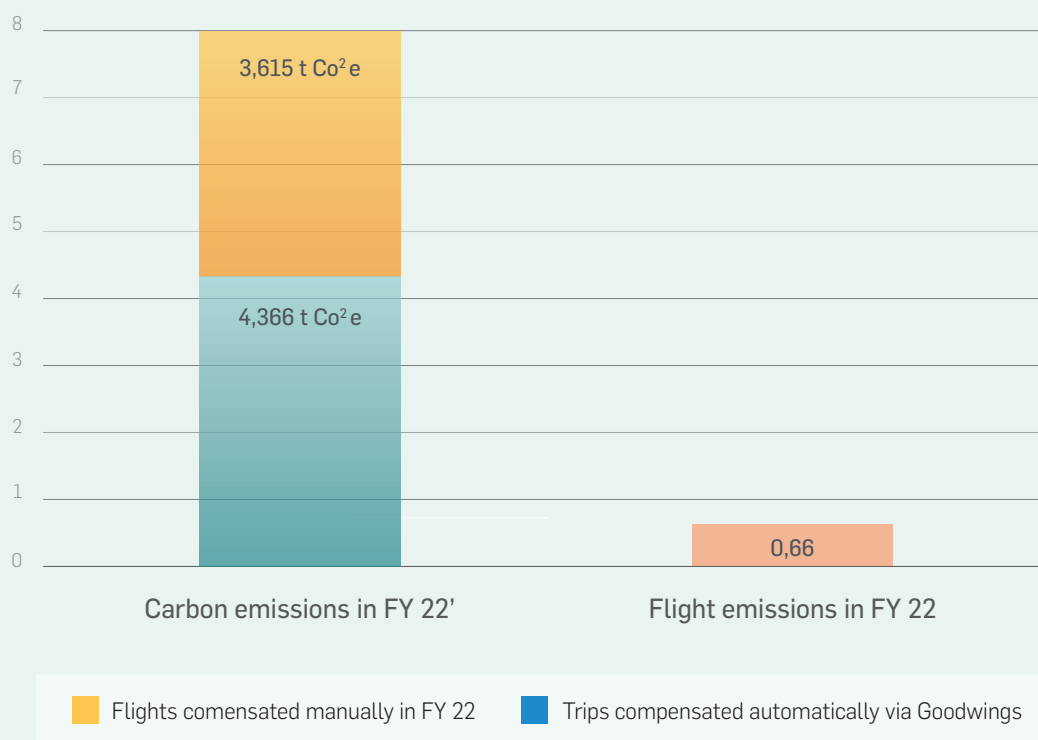
Because we were directly offsetting some of the flights via Goodwings platform, we have received an offer to buy additional carbon credits, equivalent to 6 tons of CO₂, from them, so that we could offset our other emissions in the fiscal year 2022. The carbon credit funds were invested by Goodwings in a removal project "Lumin/Eucapine" based in the rural areas of the center-east region of Uruguay. The project is focused on afforestation of the area of 23,000 hectares, that was previously

given over to livestock grazing. The project also aims at enhancing biodiversity conservation and generating job opportunities for the local communities.

DATA

The business flights were registered both as a log in our own system and at Goodwings platform, what gave us a clear overview of flights compensated directly and the remaining ones that needed to be offset. In the log we have registered exact departure and destination points, the trip type - round or one-way, and the number of passengers. The distance calculations were done using the aforementioned calculators, to assure greater accuracy of the numbers. Next step was to determine the number of passenger-kilometers, which is a unit of measurement equivalent to a person travelling over one kilometer. This conversion was crucial for emissions calculation, given the tool we have deployed, namely Klimakompasset. It is a tool developed by Erhvervsstyrelsen in collaboration with Energistyrelsen, based on the greenhouse gas protocol and designed to help Danish companies streamline the carbon footprint calculations of their operations.

FLIGHT EMISSIONS IN CY 22



TAXI

The fiscal year emissions and compensation for taxi transport were included in Scope 3 calculations. The second calculations of our operational footprint revealed that the total emissions of taxi rides, both electric and combustion engine, from July to December 2022 were 0,135 tons of CO₂.

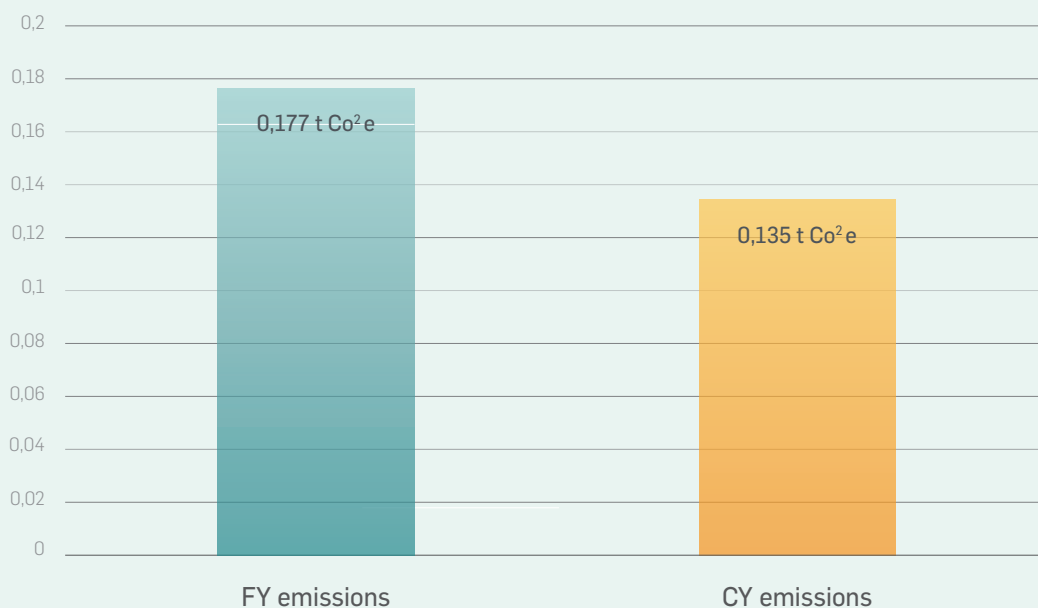
DATA

The calculations of the CY emissions were based on the travel log of both taxi and plane and were converted into tons of CO₂ emitted with help of aforementioned Klimakompasset. The registrations of taxi rides were divided into electric taxi rides and combustion engine rides. However, due to registration errors, some of the information was missing, thus we had to use some approximates.

In the calculations of electric taxi emissions, registration was missing:

- Distance of some of the Viggo rides, which was obtained by taking an average distance of all registered Viggo rides;
- The number of passengers per trip; therefore, to determine person kilometers driven, we took an average emission from a trip with one and two passengers;
- Information about the type of fuel used; Benzin/ Diesel, in case of combustion engine vehicles, thus, to obtain approximate emissions of non-electric taxi rides, we took an average of emissions if the fuel was Benzin and if it was Diesel.

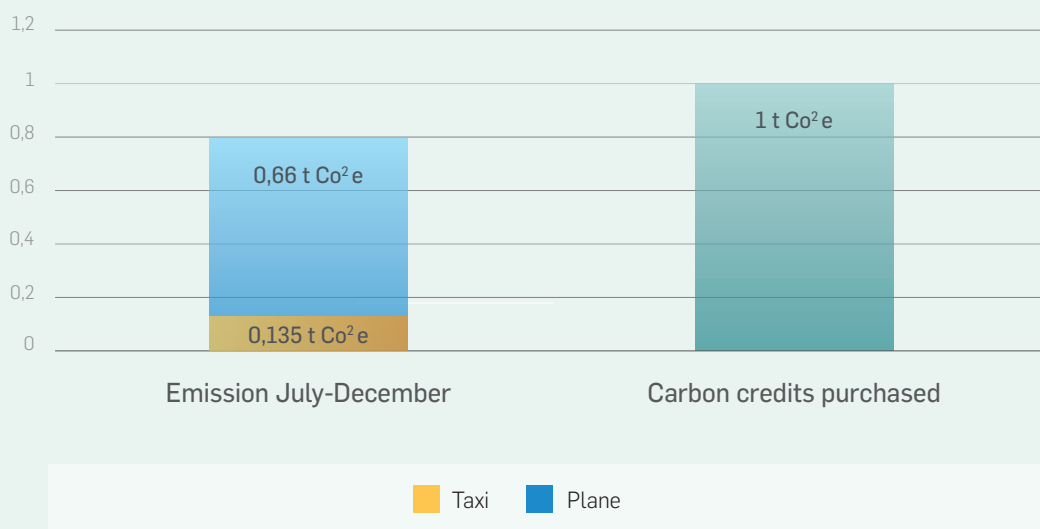
TAXI RIDES EMISSIONS CY 22



COMPENSATION IN THE REMAINING PART OF 2022

In the remaining part of 2022, our air travel emissions corresponded to 0,66 tons of CO₂ and the taxi trips to 0,135 tons. Therefore, in the period July-December the total emissions of taxi and air travel were 0,795 tons CO₂, which were offset by investing in a certified emission reductions project run by Klimaskov Fonden. The fund strives for reduction of Denmark's net emission of greenhouse gas through afforestation. Leaving some margin of error, we have purchased carbon credits equivalent to 1 ton CO₂ emitted, which contributes to planting of an approximately 29m² of forest on Danish land.

REMAINING COMPENSATION FOR CY 2022



4. TRANSPARENCY IN COMMUNICATION OF OUR ENVIRONMENTAL EFFORTS

The last goal of our policy was transparency of our counter-climate efforts. Therefore, from 2022 onwards we will communicate our environmental policy and the results of our endeavors, with stakeholders both internally and externally via our website and various communication platforms.

NEW AMBITIONS

The results of our efforts in 2022 and an evaluation hereof, including our processes and governance systems, are fundamental for our renewed ambitions and goals going forward. The aim for future ambitions is to optimize and further strengthen efforts and processes while keeping a focus on our main measurable sources of CO₂ emissions; travel (air and land), print, and in-office power use.

