

THE FOOTPRINT FIRM™

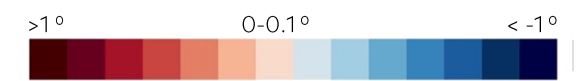
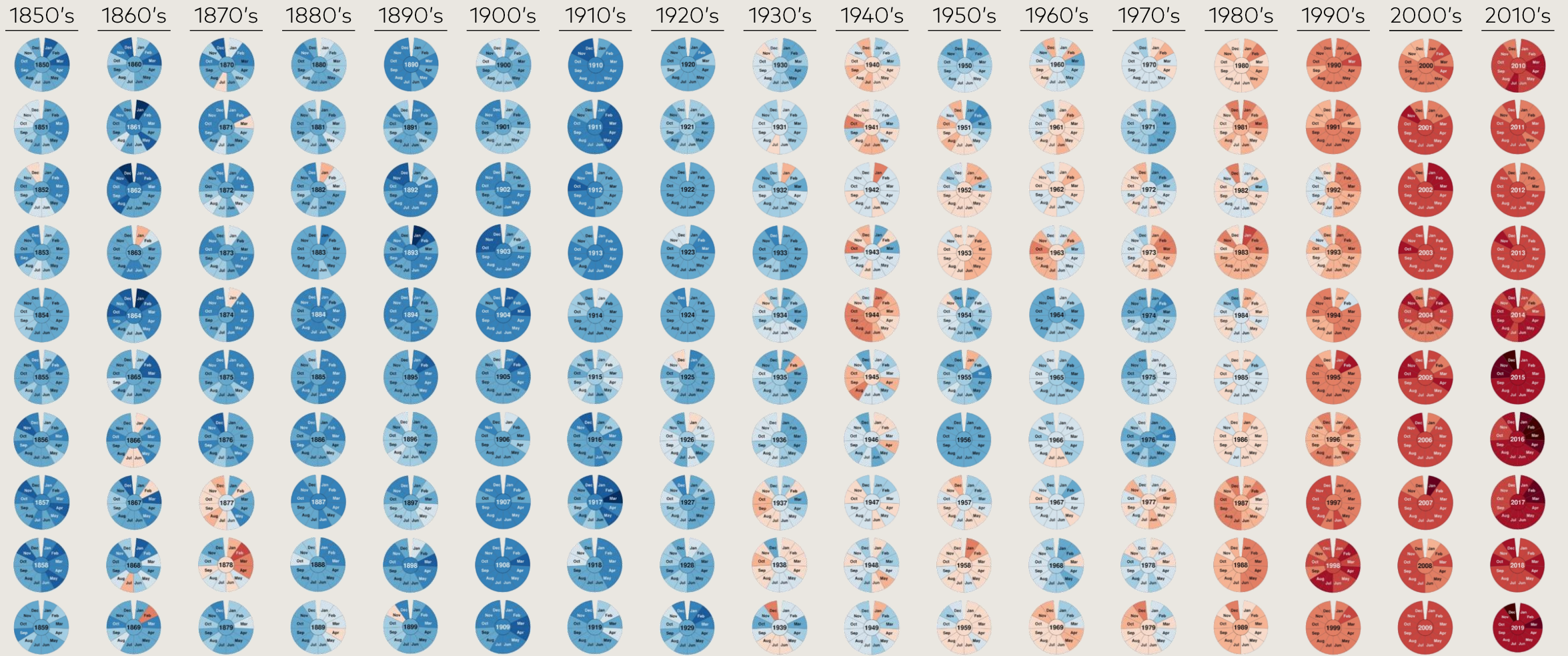
SUSTAINABILITY: AMBITIONS & ACTIONS

March, 2021

We invest **100%** of profit from our advisory into sustainability start-ups and scale-ups



Earth is becoming warmer **year by year** as a consequence of human-made emissions



Regulators & investors in the EU are accelerating the transition towards a more sustainable future

Customers

Consumer and public sentiment is strongly demanding more responsibility from companies in preserving the environment. "Greener" buying decision put pressure on existing businesses, products, and processes

57% of Danish consumers are willing to change consumption habits to support sustainable development



Employees

Today's workforce is focused on having a clear purpose in their day to day job. Companies able to sharpen their sustainability profile can attract the best talent for their needs

50% of 23 to 38 year old employees would consider quitting their job to work for a more environmentally friendly organisation



Regulators and supervisors

New legislation to combat climate change will continuously be added on a national and EU level. This will have significant impact on how all companies operate in the future

"We will continue to raise the bar to address these climate-related risks and "green" the financial system"

Mark Carney, Former Governor Bank of England



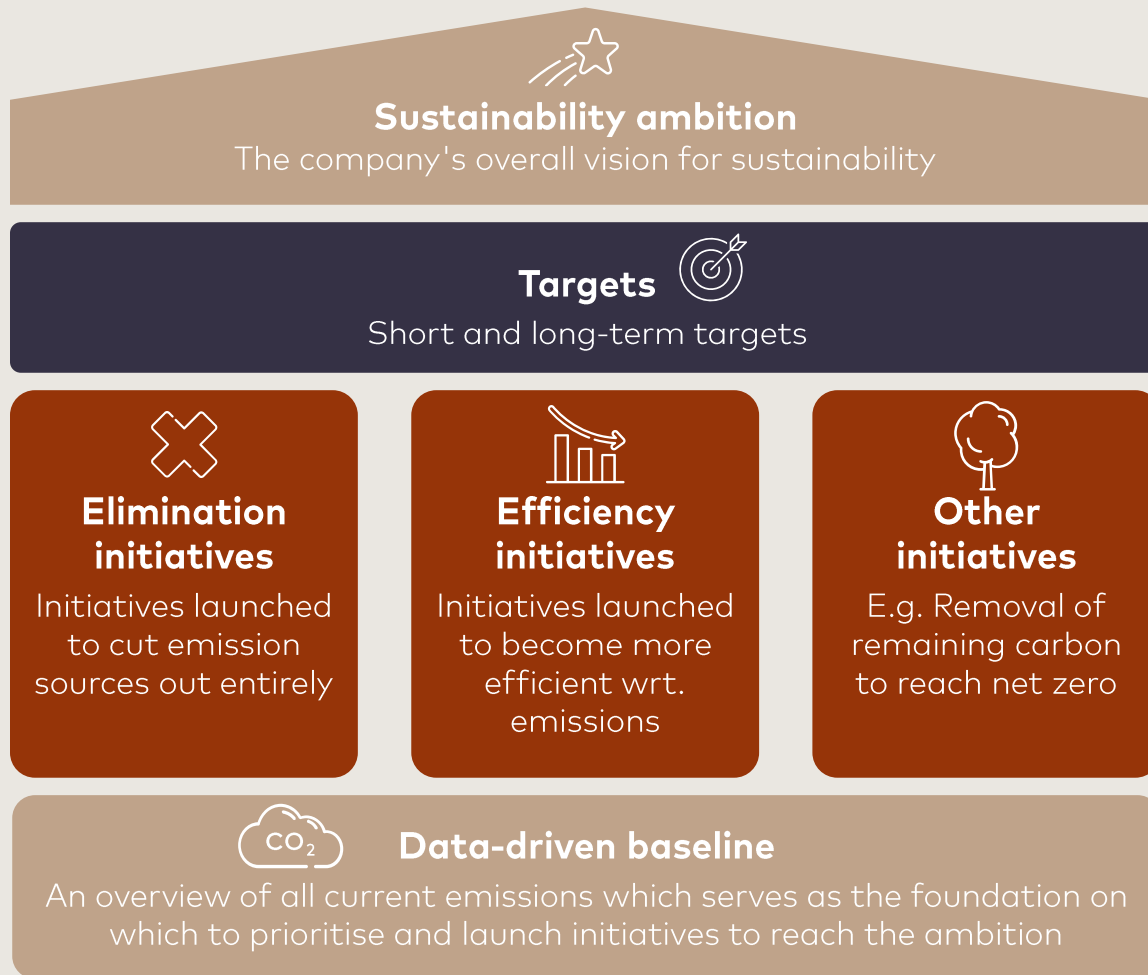
Investors

Investors increasingly demand transparency on ESG indicators (e.g. CO₂ emissions is becoming increasingly important) when making their capital allocation decisions.

Deutsche Bank expects that 95% of assets under management will have a responsible investment strategy by 2030 – up from 8% in 2015



Taking **ambition** to **action** requires understanding of point of departure, material issues & targets



... and 7 elements of a strong sustainability strategy

- 1 A clear, well-reasoned and relevant choice of **sustainability focus** in line with what is expected from the surrounding society
- 2 A thorough and **extensive understanding of the starting point and baseline** for the sustainability focus areas
- 3 Substantiated **target setting** – both long, mid and short-term
- 4 Detailed **initiatives and plan to realize targets** with substantiated levers and expected impact
- 5 **Capabilities and resources** (and potential systems) to execute on initiatives and plans
- 6 A **model for governance and involvement** to secure mandate, engagement and follow-up
- 7 Setup for data collection and **external and internal reporting** on progress to stakeholders

Sustainability reporting is typically **challenging** due to lack of common KPI's and third party data sources



Types of sustainability KPI's

Some ambitions are easy to translate into measurable KPI's – e.g. kWh consumed at a production site – whereas other ambitions are more diffuse

This often results in either a few KPI's being selected or in other cases that alternative solutions are used



Frequency of data collection & follow-up

Often amount of work in updating progress on sustainability KPI's for the annual report in relation to the defined targets

This introduces a time-lag effect where the outcome of a year is not tallied until the year has already passed, making corrective actions difficult



Data from 3rd party, e.g. suppliers

Most large companies are becoming increasingly reliant on third parties to provide data, as more targets are being set for the supply chain

However, it is not necessarily the case that suppliers in turn have their reporting set up to match the needs of the customer – at least not initially



Accuracy of data and approach

Due to the inherent difficulties in collecting data and reporting at a more frequent pace, some companies choose to use less accurate method for their quarterly statuses.

E.g. CO₂ emissions where it is possible to create a rapid proxy baseline based on average emissions per spend.