

SUSTAINABILITY REPORT

2022-2023



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CREATING KNOWLEDGE

This year, our sustainability efforts have focused on enhancing our approach to calculating Scope 1, 2, and 3 emissions. Notably, we have made significant improvements. Scope 3 emissions, for instance, now encompass a wider array of emission sources, for which we now have data that we did not previously possess. Additionally, all emissions are now accounted for in terms of CO₂e. This same rigor applies to how we categorise the electricity we consume, whether it is market-based or locally sourced.

This methodological advancement is a natural progression in our sustainability work. Many more companies are now active in this field, sharing data, and various institutions are offering improved guidelines. Consequently, comparing our emissions development proves challenging. Nevertheless, compared to the previous year, our emissions levels remain impressively low. On a per-employee basis, we emit just 1.1 tonnes of CO₂e when considering comparable areas from last year. When incorporating new consumption areas, our emissions rise slightly to 1.4 tonnes of CO₂e.

Regarding Scope 2 emissions, we have achieved a 26% reduction in energy consumption compared to last year, thanks to the active participation of all our employees in an internal energy-saving campaign. Unfortunately, our overall emissions have increased by 0.6% due to higher environmentally declared emissions from our suppliers compared to last year.

We have also restructured our policies concerning the four Global Compact categories: **Anti-corruption, Environment, Human rights, and Labour rights.**

Additionally, this year, we present a materiality analysis covering environmental, social, and governance aspects.

From our consultancy work, we are pleased to share four cases this year, which we believe can serve as inspiration for our clients and partners. For instance, our work on the

transformation of Finansforbundets Hus, instead of merely updating at the elemental level, utilised the IED process to introduce numerous passive features, ensuring greater comfort and reduced energy consumption.

In our ongoing energy project in Ukraine, despite challenging circumstances, due to the Russian aggression, we are bolstering the Sustainable Development Goals (SDG) capacity. This involves establishing regional networks of energy auditors to enhance the participation of women in energy auditing. Our goal is to train 1,000 energy auditors, with a focus on increasing the proportion of female auditors.

In Denmark we also continue our commitment to supporting private companies that are either already part of, or will become part of, reporting under the EU Taxonomy. The EU Taxonomy serves as a classification system for economic activities, offering clarity on which activities are sustainable and can attract financing from third parties. Furthermore, we aim to actively engage in the development of national taxonomies in developing countries as part of our global procurement strategy. This endeavor will assist these countries in establishing a roadmap for targeted green financing in specific areas.



Jørn Lykou, CEO

WHO WE ARE AND WHAT WE DO



Danish Energy Management A/S (DEM) is an engineering and consultancy company providing services in Denmark and worldwide. DEM is part of the DMG Holding Group, which provides administrative and financial services. The average number of employees across our offices in Aarhus, Aalborg and Copenhagen is 38. Including holding company service providers and external consultants, the number is +50.

DEM's reporting covers 100% of DEM's emissions calculated using the control-based approach combined with financial control. The services are all related to strategic and technical sustainability assistance provided to our customers within the energy and building sector comprising:

- Technical design of new buildings
- Renovation of existing buildings
- Energy efficiency in buildings
- Energy management, asset management/action plans, feasibility studies, SDG/ESG transformation, EU Taxonomy, building certification, climate accounts, EPDs, LCA and LCC
- Monitoring and evaluations (OECD DAC criteria)
- Renewable energy
- Energy policy and energy regulation, feasibility studies, tariffs, and capacity building
- ESCO-concepts

The services span from overall strategic advice to detailed specifications of technical installations, tendering, contracting supervision and commissioning.

62% of our revenue is generated domestically and for this reporting period from May 1st 2022 to April 30th, 2023, almost all revenues can be attributed to projects integrating sustainable aspects.

Domestically, our clients are typically:

Pension funds, private property developers, real estate companies, private foundations, Small and Medium-sized Enterprises (SMEs), large corporations, institutions within the Danish state, municipalities, and regional authorities.

Internationally, our clients are typically:

The European Commission (EC), World Bank, Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), European Investment Bank, Rijksdienst voor Ondernemend Nederland (RVO), Nordic Environment Finance Corporation (NEFCO), Asian Development Bank (ADB), Danida Sustainable Infrastructure Finance (DSIF), UN Climate Technology Centre and Network (CTCN), Norwegian Agency for Development Cooperation (NORAD), and Investment Fund for Developing Countries (IFU).

SDGs REVISITED



This is our 8th sustainability report. We are continuously improving our internal accounting of CO₂ emissions resulting from our consultancy work by including other greenhouse gasses, and we are presenting our emission as CO₂e. In addition, we are in the process of signing up for the Science Based Targets Initiative (SBTi).

Although we are dedicated to reducing our Scope 1, 2 and 3 emissions, the most significant impact DEM can make is through our consultancy work. Last year, our emissions were approx. 1 tonnes of CO₂ per employee, and for 22/23 the emissions will be approx. 1.4 tonnes of CO₂e per employee, which are significantly lower compared to our clients within the industrial and real estate sectors.

When we provide sustainability advice to real estate developers, pension funds or public building owners, we present several options, leaving the final decision to our clients. Our clients have the best understanding of achievable outcomes within their business areas in terms of competitiveness, internal resources, strategies, finances, etc. Our role is to present scenarios highlighting the synergy between optimal financial and environmental solutions. Ultimately, our clients' insights and decisions drive the successful support of the SDGs.

Our work is founded on the Global Compact's four categories and ten principles. Last year we revisited the SDGs on which we base our work and measure our impact. This year, we have refined our approach by integrating as many of the SDG targets into our services as possible. Some SDG targets are primarily relevant to our global work, while others pertain to our domestic work. This distinction enables a more precise assessment of project impacts. We have discussed and interpreted the goals in DEM's business context. The results are presented in the table on page 8 and compared to last year, we have also integrated our four overall SDGs: 7, 11, 13 and 17; These are the goals we initially identified in 2017 as pivotal for our positive contributions.

This development excellently demonstrates the journey that we in DEM have undertaken since 2017, and it very well reflects the trend we are encountering with many of our customers – namely, that they have become significantly more focused on the impact of their activities on the SDG goals. The range of services provided by DEM is also becoming more comprehensive and advanced. Our customers rely on their subcontractors, as they influence the value chain. Within the construction industry, for instance, pension funds rely greatly on the synergies they can achieve with their tenants. Sustainable and financially sound investments in renovating rental properties can reduce tenants' energy consumption emissions, consequently affecting Scope 3 reporting for pension funds. However, the benefit that tenants gain from reduced consumption and lower electricity and heating bills does not immediately contribute to the pension funds' revenue.

Projects related to properties might have good internal rates of return, but unless owners and tenants can establish a mutually beneficial model, there might be hesitation in pursuing evident green investments.

The same complexity can be applied to certain projects abroad. When we in DEM deal with endeavours such as off-grid renewable energy in developing countries, these projects encompass more than just straightforward feasibility studies aimed at showcasing financial viability. They also encompass aspects related to job creation, empowerment of women, health, and education.

The incorporation of additional SDGs aligns with our vision of providing holistic guidance to our customers and advice on sustainability in a strategic way. Handling investment plans, costings, savings, and internal rate of return is not sufficient; we must also consider and encompass other environmentally oriented SDGs, such as resource utilisation, biodiversity, water consumption and wastewater management. Similarly, we need to embrace the 'leave no one behind' approach and keep the more socially oriented SDGs in mind when implementing our projects. This includes aspects like gender equality and diversity, as well as health and well-being connected to indoor climate and the physical and psychological work environment at the building site.



Photo: Domi Bolig

DEM's SELECTED TARGETS FOR DANISH AND GLOBAL PROJECTS:

GOAL & TARGET		DK	Global
 3.9	Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination		
 4.7	Ensure that all learners acquire the knowledge and skills needed to promote sustainable development		
 5.A	Undertake reforms to give women equal rights to economic resources, as well as access to ownership		
 5.B	Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women		
 6.4	Significantly increase the efficiency of water use across all sectors and ensure sustainable diversion and supply of fresh water		
 7.1	Ensure universal access to reliable and modern energy supply at an affordable price		
 7.2	Significantly increase the share of renewable energy in the global energy mix		
 7.3	Double the global rate of improvement in energy efficiency		
 8.2*	Achieve higher economic productivity		
 8.4	Progressively improve global resource efficiency in consumption and production		
 8.5*	Achieve full and productive employment and decent work for all		
 8.6*	Significantly reduce the proportion of young people who are not in employment, education or vocational training		
 8.8*	Protect labour rights and promote safe and secure work environments for all workers		
 9.1	Develop reliable, sustainable, robust and quality infrastructure		
 9.A	Facilitate sustainable and resilient infrastructure development in developing countries		
 9.B	Support national technology development, research and innovation in developing countries		
 11.1	Ensure access to suitable and safe housing with access to basic services at an affordable price		
 11.3	Make urban development more inclusive and sustainable, and ensure the capacity for inclusive, integrated and sustainable planning and management of housing		
 11.6	Reduce the negative environmental impact per population, i.e. by placing particular emphasis on air quality and waste management		

GOAL & TARGET		DK	Global
 12.2	Achieve the sustainable management and efficient use of natural resources		
 12.4*	Achieve environmentally correct handling of chemicals and all waste throughout the product's life cycle		
 12.6	Encourage companies, especially large and transnational companies, to adopt sustainable practices		
 12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities		
 12.8	Ensure that people have the relevant information and awareness for sustainable development and lifestyles		
 12A	Support developing countries to strengthen their scientific and technological capacity		
 13.1	Strengthen resilience and adaptability to climate-related risks and natural disasters in all countries		
 13.2	Integrate measures against climate change into national policies, strategies and planning		
 13.3	Improve education and information in relation to countermeasures, adaptation, damage limitation and early warning of climate change		
 15.5*	Take significant and rapid action to reduce the degradation of natural habitats and halt the loss of biodiversity		
 16.5	Substantially reduce corruption and bribery in all their forms		
 17.5	Invest in least developed countries		
 17.6	Knowledge sharing and cooperation for access to science, technology and innovation		
 17.7	Promote sustainable technologies to developing countries		
 17.8	Strengthen the science, technology and innovation capacity for least developed countries		
 17.14	Strengthen policy coherence for sustainable development.		

* When it comes to these targets, we often bring in relevant business partners to ensure that the selected goals are always implemented in the best possible way.

To ensure that the selected goals are always consistently and professionally implemented, we work closely together with business partners that can add more value to the solutions.

Our main focus is always to consider the embedded CO₂e when we recommend new equipment to our clients, especially drafting technical specifications, when designing new buildings, renovation projects, renewable energy (RE) and energy efficiency (EE) projects.



DEM AROUND THE WORLD

During the reporting period, DEM has had the privilege of executing 165 assignments with activities in Denmark and internationally.

EU MEMBER:

Denmark – Romania

ENLARGEMENT:

Ukraine

LATIN AMERICA:

Honduras – Nicaragua – Peru

MENA:

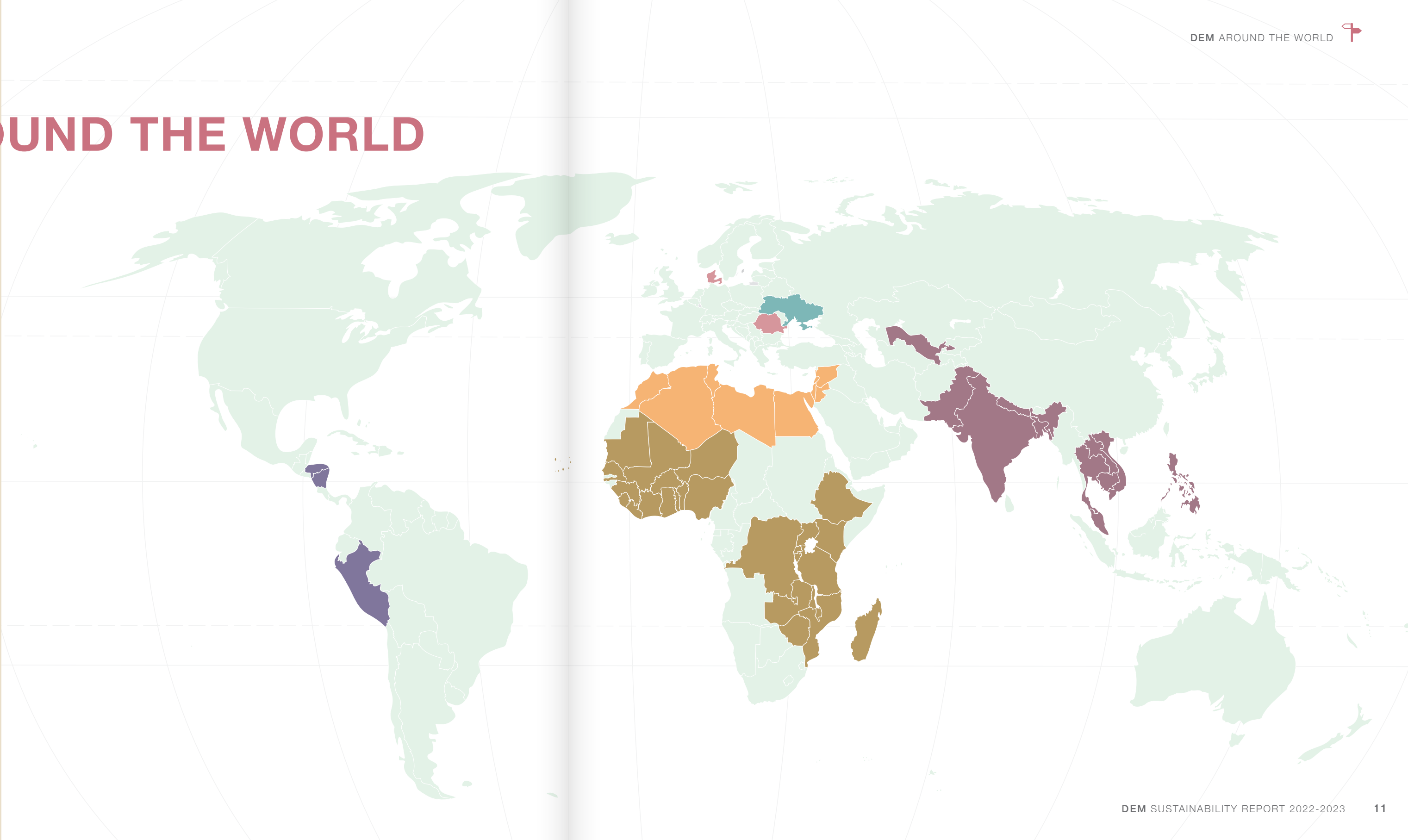
Algeria – Egypt – Israel – Jordan –
Lebanon – Libya – Morocco –
Palestinian Territory – Syria – Tunisia

ASIA:

Bangladesh – Cambodia – India –
Laos – Malaysia – Nepal – Pakistan –
Thailand – The Philippines –
Uzbekistan – Vietnam

SUB-SAHARAN AFRICA:

Benin – Burkina Faso – Burundi –
Cabo Verde – DRC – Ethiopia –
Ghana – Guinea – Ivory Coast – Kenya –
Liberia – Madagascar – Malawi – Mali –
Mauritania – Mozambique – Niger –
Nigeria – Rwanda – Senegal –
Sierra Leone – Togo – Uganda





CASE STUDIES

In the following section, we have compiled four projects that showcase the range of our work contributing to various SDG goals. While some of these projects have generated significant energy savings or have the potential to do so, we do not quantitatively measure these outcomes due to methodological considerations; they remain part of our customers' records.

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TRANSFORMATION OF FINANSFORBUNDETS HUS (FINANCIAL SERVICES UNION)

A new Finansforbundets Hus with a good acoustically regulated working environment and improved thermal indoor climate.



Client: Finansforbundet
Services provided: Sustainability strategy, design, supervision, etc.
Timeframe: 2021-2024

Finansforbundets Hus, located in Christianshavn, Copenhagen, is under construction and renovation. The main objective of the project is to create an open and inviting house for members with easy access to the different functions, a good acoustically regulated working environment and improved thermal indoor climate.

Based on a preliminary screening of the existing building, it was decided to proceed with a transformation rather than a renovation of individual building components. In a renovation, the geometry of the building and the room layout remain unchanged, while a transformation involves relocating functions and altering the facade geometry. A strategic plan was developed, identifying the elements which should be transformed.

DEM has been responsible for the planning and supervision of technical installations, energy design, and optimisation of thermal and visual indoor climate.

The overall sustainability strategy is directly focused on the distinction between rational, functional improvements and purely aesthetic transformations with the objective that all transformations in the project include both elements. This means that necessary, functional improvements and characterful, aesthetic updates are equally prioritised in the architectural concept.

As the new glass façade in the existing atrium is a very central element in the building, a thorough design optimisation process has been carried out. To ensure coherence between form, function, architecture, indoor climate, and energy, we have applied the methodology Integrated Energy Design (IED) for optimisation of the façade design to respect all of the above-mentioned parameters.

Through the IED-process, DEM has contributed to ensuring that as many passive features as possible (optimised window and façade design and geometry, well-insulated climate shield, passive solar heat utilisation, daylight optimisation etc.) are optimally utilised to ensure good comfort and reduced energy needs.

The improved indoor climate is achieved through automatic demand-controlled ventilation with heat recovery, improved daylight supply, automatic daylight-regulated lighting control, minimisation of overheating risks and use of allergy-free indoor materials.

The following benefits are obtained by optimising daylight conditions:

- Attractive working conditions for the users of the house
- Increased well-being, job satisfaction, increased concentration leading to higher productivity
- Minimised sickness leave

Sustainable buildings with a good indoor climate add to the list of soft values that are typically more significant than the savings from hard values (energy and water consumption).

In this project, a constant focus on the daily dialogue between all parties involved has been and is always the key to successful results.

DEM works together with the following companies:
Christensen og Co Arkitekter A/S, ABC A/S, Elindco A/S, Gert Carstensen A/S.



Photo: CCO Arkitekter – Illustration from the project proposal



3.9

REDUCE ILLNESSES AND MORTALITY FROM
INDOOR AND OUTDOOR AIR POLLUTION

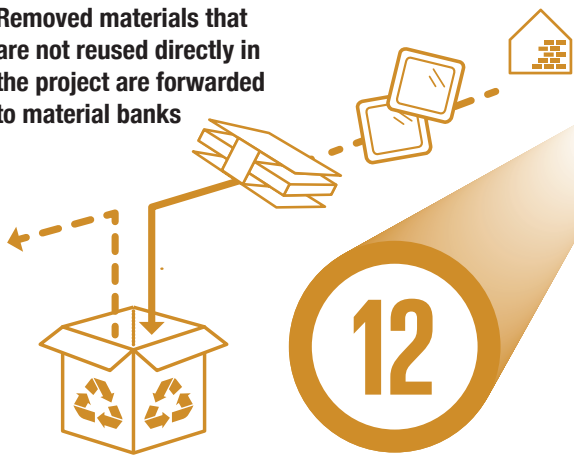
Services provided

Design of new, balanced, mechanical ventilation systems with heat recovery and demand control. Replacement of old, outdated ventilation systems with new up-to-date ventilation systems.

Swan-labelled materials minimise off-gassing to the surroundings and support the good indoor climate



Removed materials that are not reused directly in the project are forwarded to material banks



Services provided

DEM has contributed to the preparation of an outline proposal with the purpose of assessing the recycling of materials for the technical installations.



12.5

SUBSTANTIALLY REDUCE
WASTE GENERATION

INCREASE THE NUMBER OF YOUTH AND
ADULTS WHO HAVE RELEVANT SKILLS

4.4



Services provided

Simulation of thermal indoor climate and daylight in selected, specifically critical rooms (office premises, meeting rooms, and teaching rooms) to ensure an attractive indoor climate creating a good working and training environment for the users of the house, guests, and course participants.



Upgrade facilities for adult education



Promote life long learning

Create visibility about activities



Solar shading reduces excess temperature and thus the need for cooling



Services provided

Design of a roof-integrated solar cell system for local electricity production for the building operations and the charging of electric cars. Implementation of: daylight simulations as a basis for automatic control of artificial light taking into consideration the daylight level, indoor climate simulations for control of heating systems and minimisation of the cooling demand, overall energy calculations as a basis for dimensioning of new radiators to optimise the space heating system.

UNIVERSAL ACCESS TO
MODERN ENERGY

7.1



HIGH AMBITIONS FOR SUSTAINABILITY AT DRAGSHOLM SLOT

With a sharp focus on the cultural-historical perspective, Dragsholm Slot prepares for a green future.



Client: Dragsholm Slot
Services provided: Energy screening and green action plan
Timeframe: 2022-2023



Dragsholm Slot is continuously working on different sustainable initiatives and energy optimisations with the aim to develop its position within the green transition and to contribute to a greener, future industry. Specifically, Dragsholm Slot would like to highlight its sustainable transformation by achieving the Green Key environmental certification. Green Key is the international environmental label achieved by establishments within the tourism industry that make an extra effort to protect the environment.

THE GREEN KEY

The Green Key is an environmental label from the association Horesta based on 13 criteria within i.e. CSR, food, waste, energy, cleaning agents and water.

All Green Key members are evaluated, approved, and audited on a regular basis by a jury consisting of Friluftsrådet (The Danish Outdoor Council) and HORESTA, while Miljøstyrelsen (the Danish Environmental Protection Agency) participates as an observer and has influence on procedures and criteria.

With its long history, Dragsholm Slot has managed to preserve the aesthetics and authenticity of the castle while at the same time contributing actively to the green transition without compromising the integrity of the building. The castle is

preserved and was in 2018 included in the prestigious hotel and restaurant guide; Relais and Châteaux.

Dragsholm Slot has come a long way in its sustainability journey. But in 2022, it decided to collaborate with DEM to take the final steps needed to obtain the Green Key certification. This decision was made to increase the visibility of its green transition efforts within the tourism and hotel industry, amongst other reasons.

DEM has developed a green action plan for Dragsholm Slot to ensure that it can achieve the Green Key certification. DEM has investigated what Dragsholm Slot needs to do to meet the requirements of the Green Key certification and has elaborated a specific plan to achieve this; an energy screening is for example a requirement for applying for the Green Key. DEM has conducted a thorough energy screening followed by an energy screening report, including all viable energy-efficiency measures. Furthermore, DEM has examined the potential of solar cells for the castle's own production of electricity and battery storage.

The above process has provided Dragsholm Slot with the final basis for the future strategy in relation to achieving a Green Key certification plan for promoting sustainability both nationally and internationally. Additionally, the strategy encompasses both internal and external behavioural regulation tactics aimed at enhancing sustainability and seamlessly integrating it into everyday operations.



7.2

INCREASE THE SHARE OF RENEWABLE ENERGY

INCREASE WATER USE EFFICIENCY AND ENSURE FRESHWATER SUPPLIES

6.4



Services provided

Dragsholm Slot aspires to achieve a sustainable electricity production. DEM has mapped and investigated the optimum dimension of a solar cell plant and battery solution.

Services provided

Dragsholm Slot is committed to avoiding water spillage. Therefore, water-saving faucets will be installed as well as 2-flush toilets in places where these are not already installed. DEM has mapped the extent of this process.



Services provided

Dragsholm Slot has great ambitions in terms of contributing to increased sustainability and aims at engaging in the local environment. With a Green Key certification, the castle commits to an ongoing engagement and can consequently offer more sustainable workplaces and tourist attractions.

Services provided

Dragsholm Slot will ensure it avoids unnecessary energy losses. As part of the Green Key certification, Dragsholm Slot commits to ongoing energy screenings with a view to reducing the energy consumption. DEM has facilitated the first round of the process and has developed the relevant operational tools.



8.9

PROMOTE BENEFICIAL AND SUSTAINABLE TOURISM

DOUBLE THE IMPROVEMENT IN ENERGY EFFICIENCY

7.3



IMPROVING THE QUALITY OF ENERGY AUDITS IN UKRAINE

TEAD, Training for Energy Auditors & Technical Designers in Ukraine.



Client: EU
Services provided: TEAD: Training for Energy Auditors & Technical Designers
Timeframe: 2022-2024



Inefficient energy use, combined with heavily subsidised energy prices and ongoing political challenges, have demonstrated the need for a rapid and stable reform of the energy sector in Ukraine to support increased energy efficiency and enforce the country's energy policy.

The TEAD programme, financed by the EU for a 2-year period, started on February 1, 2022, but already after 3 weeks from kick-off, project conditions changed as Russia invaded Ukraine. The war poses serious risks to lives and health for the people in Ukraine, entails serious, environmental health risks and impacts Ukraine's biodiversity, ecosystems, and natural resources.

The war demonstrates the immense importance of energy efficiency and energy independency. Russia's invasion underlines the necessity to transform Europe's and Ukraine's energy systems: to end the EU's dependence on Russian fossil fuels used as an economic and political weapon and costs European taxpayers billions of euros every year.

The overall objective of the TEAD programme is to contribute to enhancing the quality of the energy audits for all end users through locally trained energy auditors. A specific focus in this project is to increase the number of female energy auditors in Ukraine.

The outcome of the completed energy audits should then be used by technical designers for the implementation of energy efficiency programmes for both residential and public buildings as well as for industries and SMEs. It is expected that approximately 1,000 energy auditors will be trained before the end of the project in 2024.

The TEAD programme is implemented in close collaboration with the Ministry for Communities, Territories and Infrastructure Development of Ukraine and a number of local actors and the EU.

DEM's role in the project is to establish a regional network of energy auditors who will be responsible for strengthening, among other things, the role of women in conducting energy audits. Furthermore, DEM is responsible for establishing partnerships with local authorities, professional organisations, NGOs, and women's associations.

The primary objectives of the TEAD programme are as follows:

- To provide technical assistance to the Energy Efficiency sector in Ukraine
- To improve the quality of energy audits for all end users
- To strengthen the role of women within energy auditing
- To increase the visibility of the energy auditors' profession, role, and efforts
- To kick-off communication and network activities specifically designed to support the successful implementation of TEAD.

TEAD Consortium

The project is carried out by a consortium led by Kommunalkredit Public Consulting GmbH (Austria), with partners: Danish Energy Management A/S (DEM Denmark), Integration Umwelt & Energy GmbH (Germany), E7 Energy Market Analyse GmbH (Austria), AENOR International SAU (Spain) and WECF e.V. (Germany).



4.3

EQUAL ACCESS TO AFFORDABLE, TECHNICAL, VOCATIONAL AND HIGHER EDUCATION

Services provided

Increasing the number of qualified energy auditors to cover all regions in Ukraine. Focus on promoting the inclusion of women within the energy audit sector, improving information, and understanding through advocacy and dissemination as well as handling gender-related issues in conflict situations.



Services provided

Capacity building and training of energy auditors and technical designers in Ukraine within the field of energy efficiency. The training includes EU legislation, energy audit standards, building components, energy-efficient technologies, and financial analysis. The purpose is to ensure high quality and sustainable capacity building.

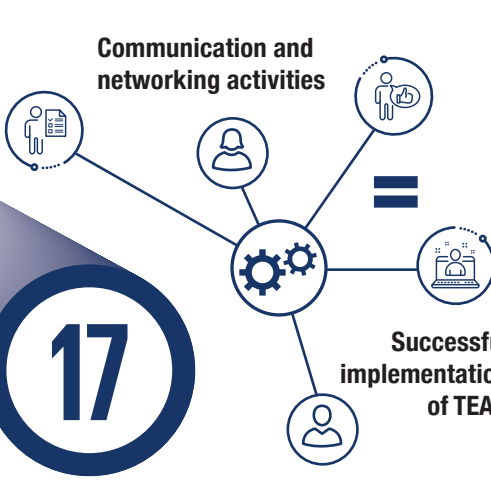
UNIVERSAL ACCESS TO MODERN ENERGY

7.1



Services provided

Development and facilitation of targeted training for energy auditors and technical designers within the construction sector and industries and specialised training for energy auditors in the industry. The objective is to train competent energy auditors with a high level of knowledge to ensure access to the latest knowledge about modern energy supply.



Services provided

Establishment of a regional network of energy auditors to strengthen the role of women within energy auditing. The project is working to establish partnerships with local authorities, professional organisations, NGOs, and women's associations. The objective is to train 1,000 energy auditors and to increase the proportion of female auditors.



13.3

BUILD KNOWLEDGE AND CAPACITY TO MEET CLIMATE CHANGE

ENHANCE CAPACITY IN DEVELOPING COUNTRIES

17.9



CERTIFICATIONS FOR BUILDINGS “IN USE”

Globally, the increased focus on sustainable buildings and housing, and in particular the EU Taxonomy requirement for new documentation for sustainable investments, have increased interest in providing sustainability performance reporting.



The fact that all buildings are to become carbon-neutral by 2050 is currently a challenge for the entire construction and real estate industry. This means that buildings need to be more energy-efficient, reduce resource consumption, and minimise climate and environmental impacts. This requires a targeted, holistic, yet building-specific approach, at the same time making it worthwhile to pursue the DGNB BIU certification and the tools that can contribute to more sustainable buildings.

The DGNB system for buildings in use (DGNB BIU) is designed as a transformation and management tool that supports building operators, owners, and users in the development of a sustainable real estate strategy. The system focuses on relevant topics within sustainable building operations. By systematically considering all relevant information about the building and its characteristics, usage, and actual consumption data, the system contributes to creating transparency and identifying optimisation potential. The DGNB certification for buildings in use is based on

nine criteria within the well-known sustainability model, describing the aspects of environmental quality, economical quality, and social quality. The nine criteria are implemented based on the recognised Plan-Do-Check-Act model.

From 2022 to 2023, DEM has facilitated and implemented several DGNB BIU certifications of properties owned by large property investors and municipal property owners. The certification has a very large potential for significantly enhancing the sustainability in these properties.

DGNB in use supports the global goals below and the certification method aims at encouraging the construction sector to make specific and positive contributions to the achievement of these goals.

Selected cases within the DGNB (BiU) can be found on the following page.



MIKADO HOUSE Property Investor C.W. Obel Ejendomme

For the Property Investor C.W. Obel Ejendomme, we have facilitated and completed the DGNB BIU certification for the Mikado House property in 2022-2023. In this context, DEM provided all services related to the certification, including:

- Setting up a kick-off meeting
- Action plan for implementation measures
- Process facilitation
- Development of tools to meet criteria
- Providing documentation
- Implementing the final certification

The purpose of conducting a kick-off meeting was partly to establish a strong connection between DEM as consultant and the company's representatives, and partly to select the criteria from the DGNB BiU manual to be addressed for achieving certification. The criteria were chosen based on the property investor's (C.W. Obel Ejendomme) own priorities and focus areas. Throughout the project, tools to monitor and analyse the property's overall climate impact were developed together with a roadmap to achieve a carbon-neutral building operation.



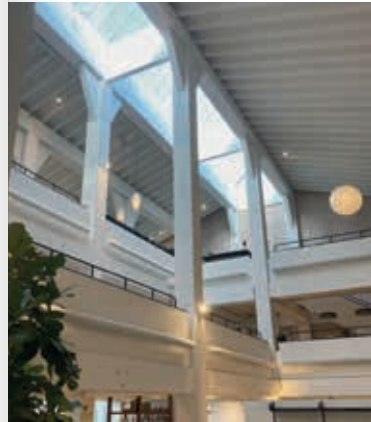
KLARUP SKOLE Aalborg Municipality

For Aalborg Municipality, DEM is the overall building advisor and DGNB auditor, and in early 2023 we facilitated a DGNB Building in Use (BiU) advisory process for the municipality, where the first step was a comprehensive introduction to the entire DGNB BIU process. The purpose of this introduction was to go through all the steps in the DGNB BIU certification to provide Aalborg Municipality with the best prerequisites for choosing the right direction, based on existing plans and available documentation for the municipality's buildings.

The conclusion of the initial process was the certification of a single building, Klarup Skole (Klarup School) as a test case. The focus criteria were chosen by Aalborg Municipality based on existing conditions, future goals for the school, and the municipality's overall objectives. Klarup School will be DGNB BiU certified in fall 2023.

Throughout the process, DEM has also conducted a kick-off meeting, developed documentation to meet criteria, conducted analyses of monitored data and the building's overall climate impact, and created a roadmap for achieving carbon-neutral building operations. During the certification process, DEM assists in collecting necessary data and documentation prior to the actual certification.





MATERIALITY ANALYSIS

In our strategic work within sustainability at DEM, we focus on understanding and prioritising the issues that not only affect our own organisation but also have significant implications for the society and the environment. This helps us target strategies and implement initiatives that promote a more sustainable practice.

Based on a materiality analysis, we have identified key areas within our work as consulting engineers and consultants that we consider essential for both our own organisation and our surroundings. Our analysis encompasses environmental, social, and economic aspects and focuses on risks, challenges, and opportunities in relation to the market and society.

COMMENTS ON THE MATERIALITY ANALYSIS

Many identified areas in the materiality analysis have been assessed as significantly impacting the society, the environment, the company, or a combination of these.

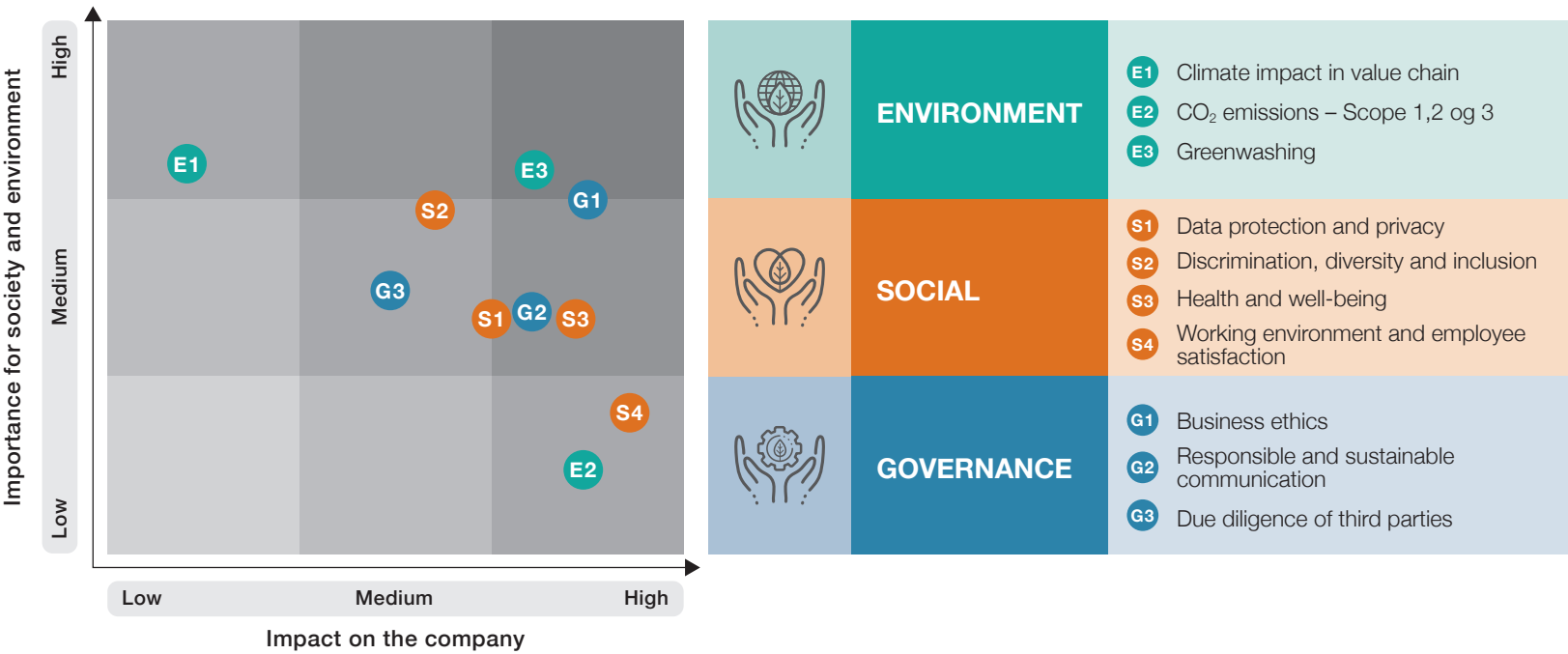
Within the environmental area, greenwashing is assessed as particularly significant. Greenwashing affects the credibility of our sustainability consultancy and might have potential consequences for society and the environment.

Within the social area, health and well-being are considered essential aspects. This is crucial for individual employees but also has implications for our company, as a focus on health and well-being fosters a positive work culture that can help attract both clients and employees. Within the governance area, ethical business conduct is a top priority. Good corporate governance enhances our reputation in the market and society and is critical for building trust with clients and partners.



DEM – climbing with colleagues

MATERIALITY MATRIX



RISK ASSESSMENT

Based on the materiality analysis, we have conducted a risk assessment addressing each key area. The risk assessment is intended to provide a deeper understanding of potential risks and challenges, forming the basis for setting goals and initiatives aimed at improving our services. Please refer to page 27, 37, 43 and 45 for more details.

FUTURE INITIATIVES

In the future, we aim to perform a materiality analysis to pinpoint critical issues by incorporating input from stakeholders and focusing on topics that drive public discussion. The findings from this analysis will be instrumental in advancing our sustainability and business strategy, fostering lasting, authentic, sustainable, and resilient solutions.

ENVIRONMENT

Environmental sustainability is a fundamental aspect of our work, both within our organisation and in our external consulting services. Through our internal initiatives and external advisory services, we are dedicated to following a distinct vision: facilitating the transition of our society towards greater sustainability.

By annually calculating our CO₂e emissions and assessing our current climate and environmental impact, we are committed to developing targeted strategies aimed at enhancing our internal environmental performance. We are continuously focusing on the initiatives and strategies we have implemented to drive progress across Scope 1, 2, and 3 emissions. Our objective is to employ internationally recognised, standardised methods for greenhouse gas emission categorisation to promote transparency. Presently, we are enrolled in the Science Based Targets initiatives (SBTi), aiming to establish ambitious climate goals aligned with a scientific climate framework.

Our core vision is to promote environmental sustainability through our consultancy services. This involves identifying and implementing a wide range of solutions to reduce environmental impacts, developing sustainability strategies, and preparing CO₂e reports. We help clients set ambitious sustainability goals, achieve them, mitigate environmental risks, and, most importantly, raise environmental awareness.



RISK ASSESSMENT – ENVIRONMENT

RISK	RISK DESCRIPTION	RISK BEFORE MITIGATING ACTIONS	MITIGATION ACTIONS TO REDUCE THE RISK
Greenwashing	Engaging in greenwashing practices while collaborating with companies on energy efficiency measures for production facilities, especially when their primary product has a negative environmental impact.	DEM's work is sometimes misused for deceptive marketing purposes. For instance, DEM might enhance the energy efficiency of a production facility, only to see it wrongly promoted as 'green' in the marketing of an environmentally harmful product.	We inform our clients about official guidelines regarding greenwashing, aiming to enhance their commitment to sustainability in alignment with their specific business activities.
CO ₂ emissions (Scope 1, 2 and 3)	Internal measures reducing CO ₂ emissions may not be enough to keep global temperature rises below 1.5/2 degrees.	We are a service-based SME with a low footprint. We may prioritise internal measures lower than external ones.	Revisit internal measures and identify possible savings in relation to SBTs to ensure a higher degree of sustainability.
Climate impact in value chain	Our clients do not implement our technical recommendations on energy efficiency, renewables, new building constructions and renovation.	The clients we work with hold substantial potential to enact positive change, but for many, economic concerns still take precedence over environmental considerations.	We enhance our communication about the advantages of selecting strategic and sustainable solutions.



Langkærparken, Aarhus Municipality
Photo: DEM



OUR BUSINESS

ACHIEVED INITIATIVES



We strive to reduce greenhouse gas emissions and promote sustainable development in the construction industry through our external activities. Our technical consultancy is based on a holistic approach, primarily integrating economic and environmental factors. We focus on delivering solutions that not only contribute to energy cost savings but also demonstrate a positive impact on the CO₂e footprint.

We measure and communicate our clients' sustainability efforts by aligning them with the United Nations' Sustainable Development Goals (SDGs). The environmental impact achieved through our clients and projects is showcased in our client cases on pages 14-21.

In this period, DEM took the following initiatives to improve environmental sustainability in our advisory services:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Current knowledge	Continuously being updated on legislative initiatives and standards related to environmental aspects in sustainability, such as the EU Taxonomy and Life Cycle Assessment (LCA) requirements in building regulations.	Established an internal sustainability network, which includes focusing on knowledge sharing and collaboration regarding new regulatory requirements.
Competence development	A constant focus on increasing our knowledge base in environmental, sustainable consultancy.	Engaged all professional groups in LCA activities including training and internal knowledge sharing, primarily to advise our clients towards sustainability and integrate LCA where not obligatory.



Visit at HOFOR fjernkølecentral (district cooling centre)

OUR BUSINESS

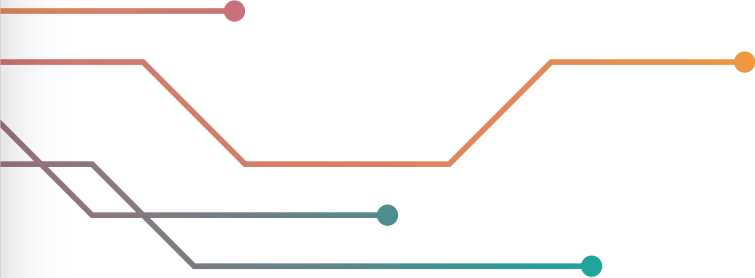
FUTURE INITIATIVES



It is important to us that our consultancy ensures a good balance across all sustainability aspects to achieve long-term sustainable practices. At the same time, we aim to embrace a wide range of initiatives within each aspect, thereby ensuring a holistic and comprehensive approach. Going forward, we will, among other things, focus on incorporating and expanding the environmental aspect in various technical consultancy services.

In the next period (1/5/23-30/4/24), we will focus on the following initiatives to enhance sustainability in our advisory services:

INITIATIVE	WHAT WE DO	WHAT WE PLAN TO ACHIEVE
CO ₂ e footprint	In our environmental sustainability consulting, our primary emphasis lies in assessing CO ₂ e emissions from an operational perspective.	Moving forward, we will prioritise evaluating the CO ₂ e emissions associated with materials and construction processes. This entails assessing the climate impact of actions like e.g. replacing lighting systems by considering both embedded energy and operational CO ₂ e emissions.
Current knowledge	We maintain a continuous focus on staying updated regarding new legislative measures, standards, and trends that impose increased requirements on our clients in the field of environmental sustainability, either directly or indirectly.	We continuously develop knowledge and expertise to meet the evolving demands, ensuring that we can provide current and valuable guidance within environmental sustainability.





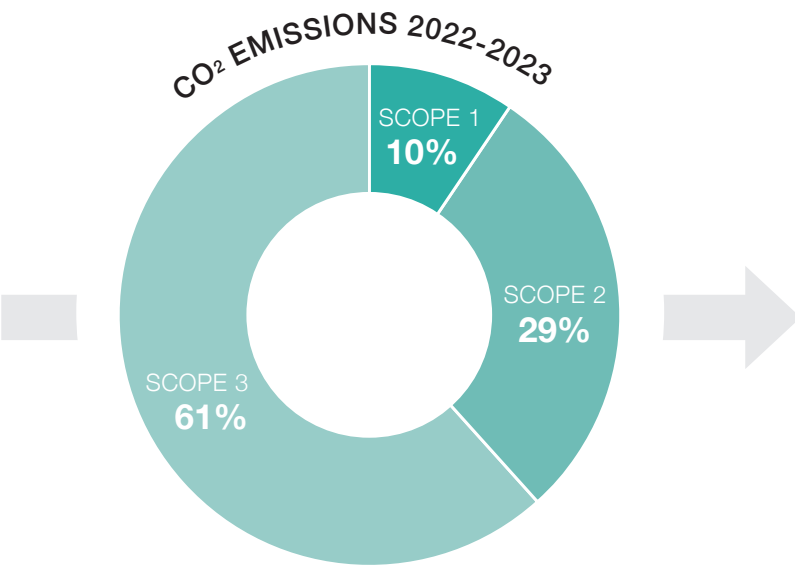
OUR WORKPLACE – CO₂ ACCOUNTING

RESULTS













Our CO₂e footprint resulting from internal activities in the reporting period is displayed in the table. The total greenhouse gas emissions for the carbon footprint account for 54.6 tonnes of CO₂e, equivalent to 1.4 tonnes of CO₂e per employee.

Figures provided follow the Green House Gas (GHG) principles.



TOTAL CO₂ EMISSIONS 2022-2023

EMPLOYEES (FTE)*	38
ACTIVITIES	CO ₂ e [T]
SCOPE 1  	
Use of company cars for business purposes – managers	1.9
Use of company cars for business purposes – employees	3.3
SCOPE 2  	
LOCATION-BASED: Electricity use in offices	2.4
MARKET-BASED**: Electricity use in offices	10.6
District heating use in offices	5.1
SCOPE 3      	
Use of employee cars for business purposes	5.8
Transportation by train	1.3
Transportation by bus	0.2
Transportation by ferry	3.3
Transportation by taxi	0.1
Short-haul flights (>3 hours)	1.5
Medium-haul flights (3-6 hours)	0.0
Long-haul flights (>6.5 hours)	7.1
Office supplies	1.8
Office electronics	12.4
IT services	0.2
Total	54.6
CO ₂ per employee**	1.4
AVOIDED EMISSIONS:	
Electricity (Middelgrundens Vindmøllelaug)	31.2

*Average number of employees

**The market-based methodology has been applied to calculate the total CO₂e emissions for Scope 2

FACTS – ELECTRICITY

LOCATION-BASED METHOD:

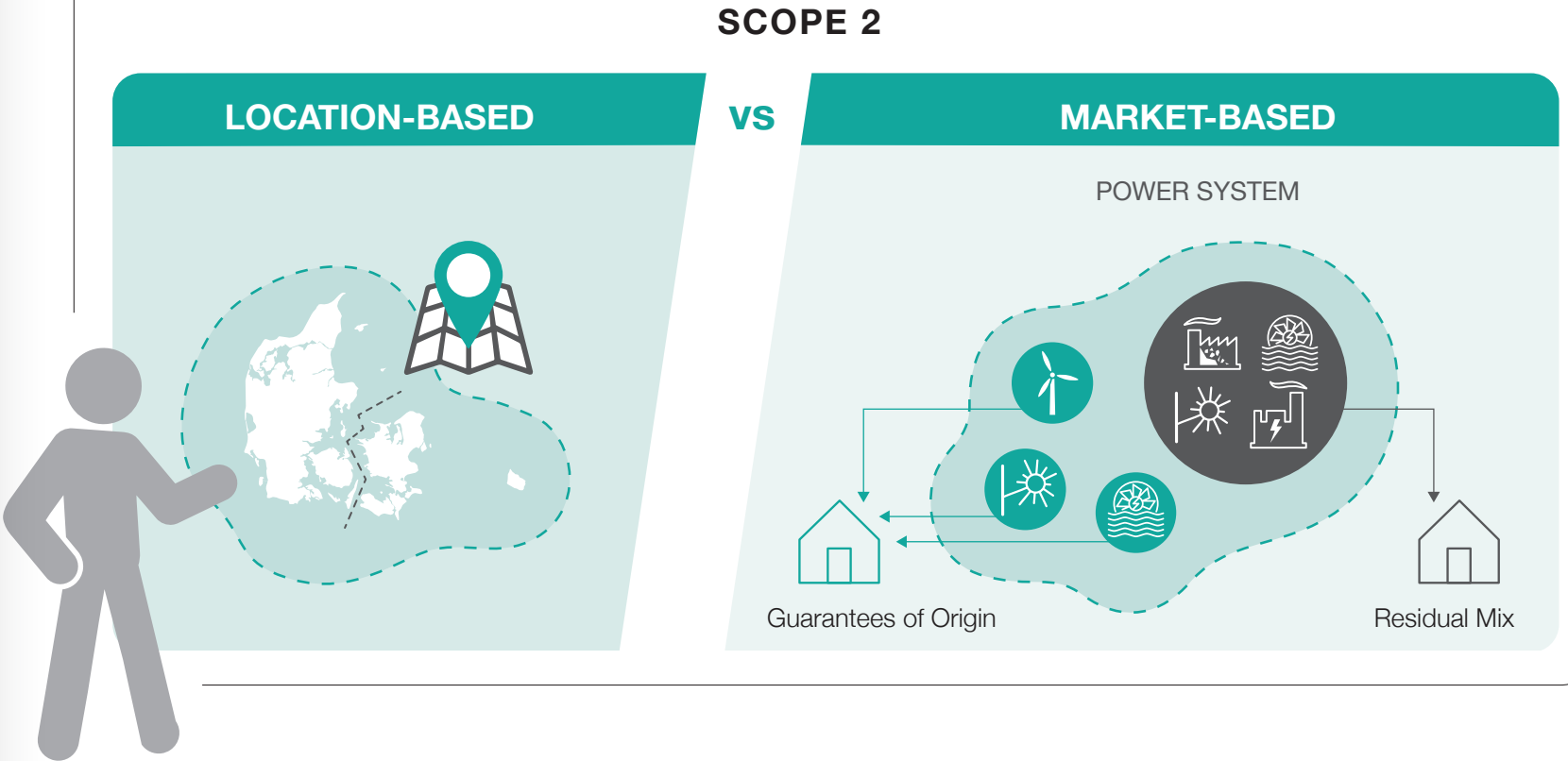
In the location-based method, CO₂e emissions are calculated based on average emissions factors that reflect the actual conditions where energy consumption takes place.

MARKET-BASED METHOD:

In the market-based method, CO₂e emissions are calculated based on specific emissions factors from energy suppliers. The market-based method takes into account whether a company has chosen to purchase green electricity or not. If the company has purchased green electricity through certificates and origin guarantees such as REC and GO, the emissions factor is based

on the specific purchase agreement. When there are purchase agreements for 100% renewable electricity, CO₂e emissions are effectively considered as zero. If the company has not acquired green certificates, the emissions factor is calculated based on a residual mix, representing the electricity not covered by green certificates. This residual mix typically includes electricity sources like coal and natural gas, as well as renewable electricity not covered by green certificates.

Further information can be found in the "Method Description" appendix.



COMPARISON WITH PREVIOUS YEARS

The total greenhouse gas emissions for the carbon footprint in 22-23 represent a slight increase in CO₂e emissions compared to the previous two years. It is important to note that the carbon footprint in recent years has been influenced by the COVID-19 pandemic, leading to significant CO₂e reductions, the consequences of which we are now seeing. Additionally, the establishment of our new office in Aalborg has had an impact on our Scope 2 emissions in this reporting period, and our Scope 3 emissions have been expanded to also cover purchased goods and services, which were not previously included.

Scope 1 emissions have decreased by 3.3 tonnes of CO₂e since the last assessment. This is primarily due to reduced driving and the replacement of manager cars with hybrid vehicles. Driving in company cars has increased, possibly because this reporting period was not affected by COVID-19 restrictions.

Furthermore, there has been a significant reduction in Scope 2 emissions related to used kWh. This is largely attributed to the implementation of energy-saving measures, which have resulted in reduced energy consumption in our offices in Aarhus and Copenhagen.











Scope 3 has been expanded to cover goods and services. This means that comparing Scope 3 for the previous years is only possible within the business travel category.

Scope 3 emissions for business travel have increased by 5.3 tonnes of CO₂e. The results show increased usage of ferries and flights, but also an increased use of trains, which is positive as CO₂e emissions from train travel are significantly lower than, for example, those from driving a car. To promote the most sustainable modes of transportation in the future, we will develop a sustainable travel policy.

TOTAL CO₂ EMISSIONS DURING THE LAST THREE YEARS

(SEE APPENDIX FOR EARLIER YEARS)

YEAR	2020/2021	2021/2022	2022/2023
EMPLOYEES*	30	35	38

ACTIVITIES	CO ₂ [T]		CO ₂ e [T]
SCOPE 1  			
Use of company cars for business purposes – managers	4.2	6.0	1.9
Use of company cars for business purposes – employees	2.4	2.5	3.3
Subtotal	6.6	8.5	5.2
SCOPE 2**  			
Electricity use in offices	14.2	12.5	10.6
District heating use in offices	2.8	3.1	5.1
Subtotal	17.0	15.6	15.7
SCOPE 3      			
Use of employee cars for business purposes	6.5	7,1	5.8
Transportation by train	0.5	0.1	1.3
Transportation by bus	0	0.1	0.2
Transportation by ferry	0.7	3.0	3.3
Transportation by taxi	0	0.5	0.1
Domestic air transport	0	0.2	N/A
International air transport	0	3.0	N/A
Short-haul flights (>3 hours)	N/A	N/A	1.5
Medium-haul flights (3-6 hours)	N/A	N/A	0.0
Long-haul flights (>6.5 hours)	N/A	N/A	7.1
Subtotal	7.7	14.0	19.3
Total	31.3	38.1	40.2
Office supplies	N/A	N/A	1.8
Office electronics	N/A	N/A	12.4
IT services	N/A	N/A	0.2
Subtotal (Scope 3 total)	7.7	14.0	33.7
Total	31.3	38.1	54.6
CO ₂ per employee**	1.0	1.1	1.4

*Average number of employees

** Market-based

We strive to continually improve our methodological approach to achieve as accurate results as possible. This includes the use of specific emission factors. We aim to make calculations in line with international standards, including the GHG Protocol. This means that we have focused on using CO₂ equivalents and enhancing the use of the distance-based method over the spend-based method. Furthermore, we have followed the guidelines in the GHG Protocol for calculation of CO₂e emissions, for instance in relation to aviation, where emission factors are categorised into three groups.

METHODOLOGY AND SCOPE

The CO₂e accounting is conducted in accordance with the guidelines of the GHG (greenhouse gas) Protocol. Direct and indirect emissions are categorised into 3 Scopes. For further description of the applied methodological approaches, please refer to appendix.

SCOPE 1: Direct emissions encompass those originating directly from sources owned or controlled by the company. At DEM, we do not have any boilers or similar equipment in our buildings that could contribute to the consumption of oil or gas. Consequently, our Scope 1 emissions primarily consist of the "use of company cars for business purposes – managers" and "use of company cars for business purposes – employees."

SCOPE 2: Indirect emissions stem from the company's use of of energy products and services, where the company does not own or control the emissions source. The calculation of CO₂e emissions from electricity consumed in our offices follows both a location-based and a market-based methodology.

SCOPE 3: Indirect emissions are caused by the consumption of products and services which include upstream and downstream activities.

The selected activities included in Scope 3 of the carbon footprint account consist of business travel and purchased goods and services.

We acknowledge that emissions stemming from home offices, including heating, lighting, and equipment such as computers and phones, are a component of our carbon footprint. These emissions arise due to the shift of energy consumption from the office to employees' homes, resulting in increased household energy usage. While home office-related emissions do contribute to our carbon footprint, their overall impact is relatively modest. Consequently, we have made the decision not to calculate these emissions separately. Our company promotes a flexible work environment, allowing employees to work from home up to two days a week. This approach not only aligns with our commitment to reducing transportation-related emissions but also offers our employees the convenience and benefits of remote work.

AVOIDED EMISSIONS

DEM has invested in renewable energy production from Middelgrunden Wind Farm. We own 300 shares corresponding to a share of the production of 203,000 kWh during the reporting period. Through conventional, non-renewable methods, these kWh would emit 31.2 tonnes of CO₂e, corresponding to 56% of our totally emitted CO₂e during the period.



OUR WORKPLACE

ACHIEVED INITIATIVES



We have already taken significant steps to enhance our internal environmental sustainability efforts by implementing a range of key initiatives. Please refer to our previous sustainability report for 2021-2022 for details on initiatives that have been introduced and continue to play an active role in our strategic sustainability work.

During this period, we have furthermore achieved the following initiatives aimed at reducing our internal environmental impact and promoting a more environmentally sustainable practice:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Energy savings	Prioritising initiatives to reduce energy consumption and consequently our CO ₂ e footprint.	Implementation of energy-saving measures, including: <ul style="list-style-type: none">• Dimming lighting.• Turning off printers and refrigerators.• Switching off coffee machines and using thermos flasks instead.• Reducing airflow and adjusting operating hours for ventilation systems.• Turning off hot water heaters.• Encouraging the shutdown of lights and appliances.
Optimised temperature regulation	Our focus has been on optimising temperature control to contribute to energy savings while promoting social aspects, including health and well-being.	Intelligent thermostats have been installed in our Copenhagen office. It has been assessed that replacing thermostats in Aarhus would not yield significant CO ₂ e savings, as the existing thermostats function adequately. We have also undertaken the following manual measures: <ul style="list-style-type: none">• Reviewing thermostat settings.• Ensuring uniform radiator settings in all rooms.• Emphasising the importance of keeping stairwell doors closed to retain heat during winter and coolness during summer.
Waste sorting	Waste sorting into different fractions, including food, paper, glass, metal, and plastic.	This initiative has been implemented in all offices.
Methodology	Develop the methodological approach in the CO ₂ e accounting calculation with the aim of demonstrating a higher degree of transparency.	CO ₂ emissions given in CO ₂ e. Increased focus on CO ₂ emissions based on the distance-based method. CO ₂ emissions calculated according to a location-based and a market-based (electricity) method. The method is included in the appendix to show transparency.
Science Based Targets	Establishing CO ₂ e reduction targets that align with internationally agreed limits to guarantee the genuine sustainability of our actions.	Throughout 2022-23, we have participated in the UNGC climate accelerator programme. In 2023 DEM will sign up for the SBT initiative.
Recycling of IT equipment	We have initiated a partnership with 'Huset Venture,' who will be the recipient of our used IT equipment moving forward.	Ensure that as high a percentage as possible is recycled.

OUR WORKPLACE

FUTURE INITIATIVES



In the upcoming period (1/5/23-30/4/24), we will prioritise the following initiatives to improve our carbon footprint. Some of these are expected to be implemented within 5 years. This applies to biodiversity and the transition to electric and hybrid cars:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Travel policy	First steps in developing a travel policy.	Implementation of a travel policy contributing to reducing CO ₂ e emissions associated with business travel. When the policy has been implemented, the CO ₂ -emissions will be compared to the previous years to demonstrate the saved amount of CO ₂ e.
LED-lighting	Calculations for power savings with LED lighting for the Aarhus office. Additionally, investigating options for a more environmentally friendly solution when replacing light sources while preserving fixtures.	Install LED lighting in the offices along with motion sensors, yielding substantial energy savings. We anticipate a reduction in the energy consumption of 50-75%, thereby making a significant impact on reducing CO ₂ emissions.
Ventilation	Exploring possibilities for optimising the existing ventilation system for the Aarhus office. This includes conducting Life Cycle Assessment (LCA) calculations for ventilation with and without cooling to make environmentally sound choices.	Regulating existing ventilation systems and installing them where necessary to enhance both energy efficiency and employee well-being.
Sustainable web design and operation	Optimising the green website with image sizes, content, etc. Our web server/hosting (Webflow from Amazon) does not currently use 100% green/renewable energy. However, Amazon has committed to doing so by 2025.	According to our website, the carbon footprint calculator indicates that our web design qualifies as environmentally friendly when using webpage links of 1.4 MB. As a result, we have set a goal to further optimise the website and ensure that all webpage links are below 1.4 MB in size.
Biodiversity	Exploring biodiversity solutions for the Aarhus office.	Preserve biodiversity in outdoor areas.
Hybrid or electric cars	Assessment of the current vehicle fleet has shown that the initiative does not seem to be a viable option for achieving CO ₂ e savings.	Replacement of the current office vehicles in Denmark with hybrid or electric cars within the next 5 years. By replacing traditional fuel-powered vehicles with hybrid or electric cars, we anticipate a 50% reduction in CO ₂ e emissions.

We at DEM are fully aware of our commitment to renew and enhance our services while taking responsibility for our sustainable impacts. Our pursuit of a sustainable future goes beyond merely protecting the environment and ensuring economic stability; it also involves a significant focus on promoting social aspects, both internally and through our external consultancy.

In our internal efforts to promote social sustainability, we prioritise the health and well-being of our employees. We work diligently to create a positive work environment that fosters diversity and inclusion. At DEM, we value diversity, and with employees from different parts of the world, we contribute to diversity and openness.

The social dimension is an integral part of our approach to sustainable consultancy, which also includes our work on certification projects such as DGNB. Furthermore, we have extensive experience in collaborating with municipalities, schools, and public housing organisations, where social sustainability plays a central role in all new projects and investments. On a global scale, DEM has conducted analyses, studies, and assessments of interventions and programmes in developing countries for over 30 years. It is a standard practice for us to evaluate social impacts, both negative and positive, in conjunction with economic and environmental impacts.

Please find our policy on human rights and labour rights on our website.



RISK ASSESSMENT – SOCIAL

RISK	RISK DESCRIPTION	RISK BEFORE MITIGATING ACTIONS	MITIGATION ACTIONS TO REDUCE THE RISK
Data protection and privacy	Sensitive information is exposed due to breach of security.	Loss of customer trust, reputation, and legal and financial consequences depending on the nature of the information breached.	Use recognised cloud services for file storage and sharing; Install intelligent protection on employee PCs and 2-factor security. Monitoring of incidents.
Discrimination, diversity, and inclusion	Discrimination against migrants, people with disabilities, women, racial and religious discrimination, or discrimination based on sexual orientation and gender identity.	Impact on workplace culture and relationships with employees and stakeholders.	Integrating non-discrimination guidelines into our company policy makes it easier for both employees and management to effectively address potential issues as they arise.
Adequate Insurance	External consultants working for DEM may not have adequate travel insurance which leaves them uncovered in vulnerable situations.	Inadequate travel insurance can expose external consultants to financial risk and create uncertainty regarding working conditions. We are aware that the working conditions for our external consultants must comply with our safety standards.	If external consultants are travelling on behalf of our organisation and have their own insurance coverage, we request that they provide documentation or join the company's insurance scheme.
Work environment and employee satisfaction	Increased employee turn-over	Insecure and negative work culture, as well as a lack of motivation that can lead to lower employee satisfaction.	An open dialogue about the state of well-being and workplace culture. Continuously assessing whether the risk is increasing, and implementing additional measures in accordance with: "Our Workplace – Future Initiatives".
Health and well-being	Employees suffer physical damage on the job (at the office).	Physical injuries resulting from accidents and poor working conditions. In DEM, we have a range of precautions and initiatives that are already implemented, such as adjustable desks and exercise sessions.	Ensuring good working conditions in the office, such as height-adjustable desks and professional ergonomic office chairs.
Health and well-being	Employees suffer physical damage on the job (site visit).	Physical injuries due to workplace accidents, unforeseen hazards, and failure to use safety equipment.	Ensuring the provision of updated and necessary safety equipment during site visits, such as work helmets and safety shoes. Promoting the use of safety equipment during all site visits.
Health and well-being	Employees suffer psychological damage on the job.	Work-related stress, lack of work-life balance, bullying, and conflicts.	Continuously plan resources for all employees through bi-weekly meetings. Conduct performance appraisal interviews (MUS conversations) and maintain ongoing dialogue and collaboration between management and individual employees. Carry out APV and follow up on any issues relating to this risk.





OUR BUSINESS

ACHIEVED INITIATIVES



In our consultancy, we strive to deliver solutions that support the social aspects of sustainability at the same time incorporating the United Nations' Sustainable Development Goals into our work. The social sustainability efforts achieved through our clients and projects are illustrated in our client cases. See pages 14-21.

In this period, the following initiatives were taken in DEM to improve social sustainability in our advisory services:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Non-discrimination policy	Working in partnerships, we respect and protect all international proclaimed human rights. We have formulated our stand towards inclusion, which can be found on our website.	No cases of discrimination. DEM highly values diversity within our company.
Insurance for external consultants	We have specified that all external consultants must have a valid travel insurance when working on our global projects. If the consultant is not part of DEM's company insurance scheme, a valid insurance must be documented.	All external consultants are covered if any incidents should happen.

OUR BUSINESS

FUTURE INITIATIVES



In the interplay between technical consultancy and a sustainable approach, we have so far primarily focused on economic and environmental factors. To ensure a more holistic approach, we will also place emphasis on the social aspects of sustainability in the future. Furthermore, it is worth noting that forthcoming legislation on sustainability reporting will prioritise social sustainability, which will naturally become a central element in our future sustainability advisory services.

In the next period (1/5/23-30/4/24), we will focus on the following initiatives to enhance sustainability in our advisory services:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Social minimum safeguards	We ensure continuous updates on legislative initiatives and standards related to social aspects in sustainability, such as the social minimum safeguards within the EU Taxonomy.	When advising clients on climate and energy matters in relation to EU Taxonomy requirements, we will also make clients aware of the key criteria within the social taxonomy, including the social minimum safeguards.
ESG advisory services	Advisory services within sustainability strategies.	We develop sustainable concepts that specifically emphasise the social dimensions in our ESG advisory services.



OUR WORKPLACE

SOCIAL DATA (FTE: 38)



SICKNESS ABSENCE

The sickness absence has decreased since the last report. During the reporting period 2021/22, the sickness absence was approximately in line with the national absence statistics, where the rate for businesses and organisations in 2021 was 3.04%, according to Statistics Denmark. Statistics for 2022/23 are not yet available.

2020/2021	2021/2022	2022/2023
2.3%	3.1%	2.9%

OUR WORKPLACE – SOCIAL DATA



EMPLOYEE TURNOVER

The employment turnover rate has increased since the last report. We notice that the supply and demand for workforce in the engineering sector is somehow distorted due to a boom in the sector.

2020/2021	2021/2022	2022/2023
19%	18%	24%



GENDER SPLIT

The gender diversity has increased by 2% since the last report. The level is nearly in line with a survey conducted by IDA (The Danish Society for Engineers) in 2022, where 27% of their members were women.

In DEM we do not monitor gender pay ratio due to the small number of people employed which would be difficult without jeopardising confidentiality and GDPR.

2020/2021	2021/2022	2022/2023
30%	28%	30%



OUR WORKPLACE

ACHIEVED INITIATIVES



DEM colleagues being creative with lego. Part of our sustainable working culture knowledge camp.

We have already taken important steps to enhance the social aspects of our workplace by implementing a range of significant initiatives. Please refer to our previous sustainability report for 2021/22 for details on initiatives that have been introduced and continue to play an active role in our strategic sustainability efforts.

In this period, we have also achieved the following initiatives aimed at improving our working environment and employee well-being:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Sustainable working culture group	A group established with a focus on work/ life balance and working with sustainable projects, teams, and processes. Company-wide initiatives are continually being initiated.	Social activities and events that strengthen our sustainable work culture, such as the Mental Health Day in October 2022, morning exercise sessions for all employees every Tuesday and Thursday morning, procuring elastic bands and posters with workout exercises, and organising office competitions promoting physical activity during working days.
Work/life balance	Providing a more flexible everyday life for our employees which ensures a healthy balance between work and family.	Allowing employees to work remotely up to two days a week as well as two weeks a year from abroad.
Workplace risk assessment (APV)	Screening to evaluate work environment and improvement areas. The APV is mandatory every three years.	The Workplace Assessment (APV) has been conducted, bringing a focus on improving the work environment and well-being.
Health promotion efforts	Prioritising employee health and well-being while reducing the risk of work-related injuries.	Employee health check-ups, an emphasis on a healthy lunch program, and provision of fruit. Physical activity options, including the opportunity for group morning exercise, a running club, and walk-and-talk sessions.
Private health insurance	Providing private health insurance promoting early treatment and well-being.	Enhanced employee security.
Employee association	Social and cultural activities that foster a sense of community and employee well-being. Managed by the employees themselves. DEM supports the association financially.	Social and creative activities, such as mini-golf, Art-by-Me, and go-karting.

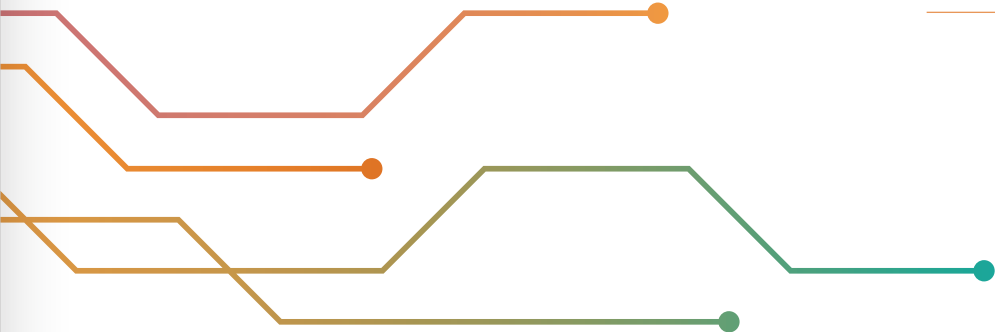
OUR WORKPLACE

FUTURE INITIATIVES



In the upcoming period (1/5/23-3/4/2024), we will prioritise the following initiatives to create a socially responsible and sustainable workplace:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
Sickness absence	Monitor more closely the development at the monthly management meetings.	The sustainable working culture group is to focus on reducing the sickness absence. Its objective is to achieve the level from 2019-2020.
Staff turnover rate	An open dialogue about the state of well-being, workplace culture, recognition of and follow-up on issues.	Achieve a staff turnover rate of no more than 20%.
Gender balance	With the size of the company, we must select the best candidate for the job whether it be a man or a woman. If two candidates are equally qualified, we will select the woman.	Over the years, aim to achieve a female representation of +35% or higher as the pool of qualified candidates within DEM's business sectors grows.
Health policy	First draft for preparation of a health policy.	Implementation of a health policy that sets objectives, such as reducing sick absence, and provides an overview of health-promoting activities.
Maternity conditions	Revision of our maternity policy.	Adoption of a more contemporary arrangement that aligns with the industry and complies with the new EU legislation and gender equality.
Company electric bike	Exercise, well-being, and reduction of CO ₂ emissions during transportation to and from meetings in Copenhagen.	Purchase of a DEM company electric bicycle for the Copenhagen office.



We strive to promote transparency about our sustainability efforts, which is why openness and accountability are central values in our daily work. To achieve greater environmental and social responsibility in our own organisation and in our relationships with external stakeholders, we recognise the importance of establishing the right organisational processes.

As an integral part of our governance processes, we focus on, among other things, identifying and managing risks. Therefore, we have conducted materiality analyses that form the basis for our internal and external sustainability goals.

Our sustainability agenda is a permanent part of our board's agenda. We prioritise clear leadership structures to establish a distinct managerial approach to sustainability. To ensure responsible sustainability becomes an integrated part of the entire organisation, we will focus on improving internal communication about our own sustainability outcomes and creating synergy between social and environmental aspects in our daily tasks.

At DEM, we are committed to incorporating sustainability into all our activities and being mindful of what it entails in practice. In our external efforts, we strive to promote responsible sustainability throughout our value chain. We emphasise maintaining clear guidelines for our external relationships, including a focus on good business practices like corruption prevention.

We continuously work to ensure that our governance processes support a sustainable future for our company and society. We have therefore developed a governance policy, which can be found on our website

We initiated our materiality analysis last year, and in this report, we have decided to include issues that have come to our attention since then, in addition to the areas we previously analysed regarding governance and anti-corruption. In areas that were already assessed last year with a low risk, we do not repeat them here, but we provide additional information where our analysis indicates it.



RISK ASSESSMENT – GOVERNANCE

RISK	RISK DESCRIPTION	RISK BEFORE MITIGATING ACTIONS	MITIGATION ACTIONS TO REDUCE THE RISK
Business ethics	That our transparency in climate efforts and measurement of our own footprint may not be equally visible within ethical business practices and social responsibility.	We are good at promoting social responsibility internally within the organisation through e.g. our employment policies and working conditions. But does the same apply when we assess our partners in developing countries? To what extent do we prioritise ethical business practices in our project selection? This dilemma often arises when DEM participates in development projects where competition is fierce during the bidding process.	DEM should have clear guidelines for hiring local labour. When projects demonstrate a poor correlation between the budget and the required workload, it is DEM's duty to bring this to the attention of the contracting authority. This is crucial to minimise the risk of partners acting socially irresponsible and/or unethical. Minimum wages should be settled when a project involves the hiring of local labour, along with a procedure for informing the contracting authority about discrepancies.
Responsible and sustainable communication	The work we have undertaken since 2016, with annual sustainability reporting and the integration of sustainability into our services, must be consistently communicated to partners, clients, and stakeholders.	If we do not communicate our social and ethical efforts, it will not have a positive impact on our reputation among clients and partners. Furthermore, it will hinder us from achieving synergies in sustainability, which could potentially have negative consequences for the overall awareness of sustainability.	DEM should develop a clear strategy for continuous and sustained communication of its initiatives. This will help strengthen relationships with existing clients who are already engaged in sustainability and attract future clients who wish to embark on their sustainability journey for the benefit of the overall sustainability agenda.



Frihedsmuseet
Photo: Jens Markus Lindhe

GOVERNANCE

ANTI-CORRUPTION AND BRIBERY POLICY



DEM has established an anti-corruption and bribery policy to consistently minimise corruption in the regions where we conduct our operations. The complete policy can be found on our website. At DEM, our commitment is to conduct business with integrity and responsibility, ensuring that bribery and any associated forms of corruption, which create unfair competition, are strictly prohibited. Despite operating in international markets where bribery or facilitation payments may occur, DEM strongly distances itself from these practices and views these as a highly unacceptable and unethical means for companies to gain an unlawful competitive advantage.

On the next page we have focused on corruption risks and solutions both in our global and Danish markets.

In this report, we focus on two specific issues:

- Our role in Danish construction projects, where we prepare the tender documentation, provide guidance on the selection of firms to submit bids, and subsequently assess the competitive aspect of the received bids.
- Our selection of partners in the global market.



Søhøjskolen, Egedal Municipality
Photo: Rubow/Nordic Office of Architecture

RISK ASSESSMENT – CORRUPTION AND BRIBERY

RISK	RISK DESCRIPTION	RISK BEFORE MITIGATING ACTIONS	MITIGATION ACTIONS TO REDUCE THE RISK
Due Diligence of Third Parties	DEM often prequalifies contractors and subsequently evaluates the bids submitted by the selected contractors.	<p>In this process, there are potential corruption risks. DEM needs to assess the effectiveness of our due diligence processes in identifying and mitigating corruption risks associated with Danish tenders. This involves evaluating business practices, ownership structures, and any warning signs related to corruption or unethical behaviour.</p> <p>In the subsequent evaluation of bids, it is crucial that DEM closely monitors that there is an open and transparent competition to ensure that corruption or price agreements between parties do not undermine the competitive aspect.</p>	DEM must demonstrate transparency to our clients, which involves placing particular emphasis on these risk factors in our services. This ensures that we obtain the client's knowledge, active participation, and commitment to the work.
Due Diligence of Third Parties	DEM frequently engages with various third parties, such as partners that may pose corruption risks. Analysing the significance of third-party due diligence is crucial.	DEM must assess the effectiveness of our due diligence processes in identifying and mitigating corruption risks associated with third parties. This entails evaluating the third party's geographical location, business practices, ownership structure, and any warning indicators related to corruption or unethical behaviour.	Improving due diligence measures and monitoring relationships with third parties can help prevent corrupt activities in the services where DEM collaborates with other companies.



OUR BUSINESS

ACHIEVED INITIATIVES



In this reporting period, the following initiatives were taken in DEM to improve sustainability in our advisory:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
GOVERNANCE		
Governance policy	We have formulated our governance policy. Please find it at www.dem.dk .	Structured sustainability work and transparency towards stakeholders regarding our approach.
ANTICORRUPTION		
Updated anticorruption and bribery policy	The policy has been updated, expanded, and explained in further detail – to employees as well as business partners.	Clearer stance from DEM towards anti-corruption and bribery.

In the next reporting period (1/5/23-3/4/2024), we will focus on the following initiatives to enhance sustainability in our advisory services:

INITIATIVE	WHAT WE DO	WHAT WE PLAN TO ACHIEVE
GOVERNANCE		
3rd party verification of sustainability work	DEM was working on having limited assurance on the coming sustainability report for the 2022-2023 accounting period but has postponed this due to substantial changes in the methodology.	Ensure quality and reliable information.
ANTICORRUPTION		
Systematic assessment of tender evaluation reports	The tender team should constantly be attentive to any deviations from the typical tendering process. Additionally, the team should maintain a list of items that require special attention and identify organisations and individuals with whom DEM does not wish to collaborate.	We are still working on implementing a systematic process for all tenders with a value above approximately €200,000.
Due diligence check of new partners	When entering into cooperation with new business partners, DEM will introduce a due diligence check based on a system of self-declaration forms to ensure the safety of our new partners.	A more detailed and structured due diligence assessment grid must be prepared, allowing sufficient time for the integration of this process into the entire tender process and prior to the pre-qualification process.



FUTURE INITIATIVES



OUR WORKPLACE



BOARD DIVERSITY		
2020/2021	2021/2022	2022/2023
0%	0%	0%

GOVERNANCE DATA



BOARD PRESENCE		
2020/2021	2021/2022	2022/2023
100%	100%	100%



OUR WORKPLACE

ACHIEVED INITIATIVES



DEM colleagues making Danish 'flødeboller' (chocolate covered marshmallows).

In this reporting period, we have taken the following initiatives to improve sustainability within governance and anti-corruption:

INITIATIVE	WHAT WE DO	WHAT WE HAVE ACHIEVED
GOVERNANCE		
Good governance regarding sustainability issues	DEM board of directors approves the sustainability report together with the approval of the annual report.	Top management responsible for sustainability agenda.
Work on the right/most material agenda thereby reducing sustainability risks	Perform materiality analysis on which we base our sustainability goals.	Publicly identifying and prioritising material governance issues demonstrates a commitment to transparency and accountability.
Consistency between and merging of SDGs and ESG approaches	In this sustainability report, we have revised the structure, now aligning it with the overarching ESG framework complemented by the five Global Compact principles. Our detailed approach to achieving the SDGs is further described through various illustrative cases in the environmental section.	In our new approach, we will address the challenge of providing clear and data-driven information while recognising the interconnectedness of social, environmental, and governmental SDGs.
SDG internal dialogue	Dialogue meeting with all employees about current and future SDGs relevant to our work.	SDG integration with core tasks and strategy.
Ensure continuous improvement based on experience	We have created a systematic process for capturing lessons learned and use them to shape our future goals.	Systematic learning from experiences.
Systematic and clear organisational set-up and policy	We are also enhancing our company policies to specify the appropriate channels for reporting concerns.	Guidelines on how to raise concerns have been implemented in our company policies.
ANTICORRUPTION		
Guidelines on the acceptance of potential gifts by employees	A specific clause has been included in all employment contracts.	Established.

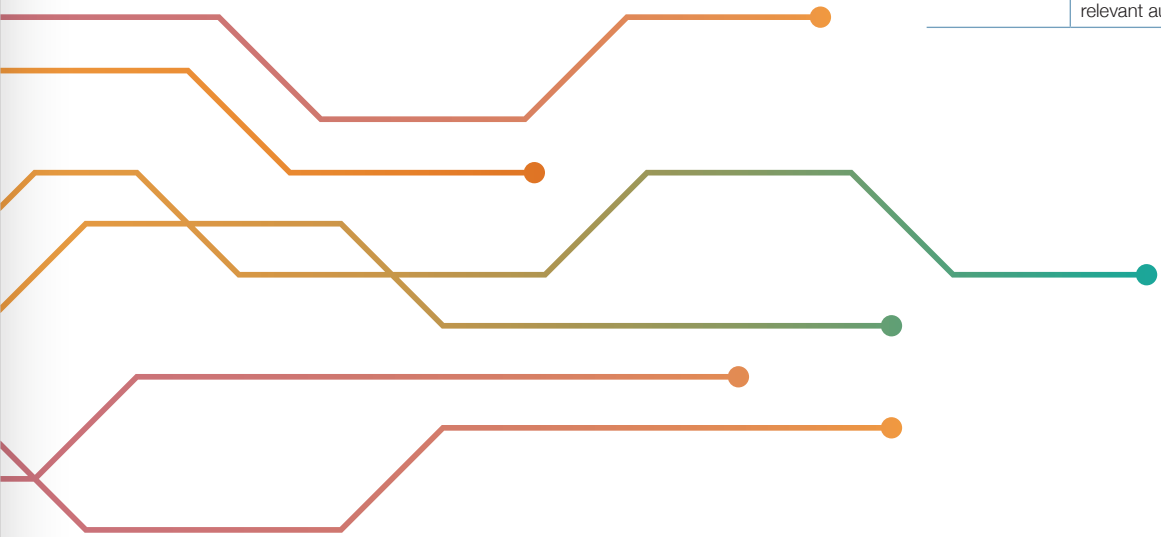
OUR WORKPLACE

FUTURE INITIATIVES



In the upcoming period (1/5/23-3/4/2024), we will prioritise the following initiatives to increase sustainability within governance and anti-corruption:

INITIATIVE	WHAT WE DO	WHAT WE PLAN TO ACHIEVE
GOVERNANCE		
Internal sustainability communication	Communication and dialogue about our strategic sustainability.	Ex-post evaluation of submitted proposals and implemented projects should encompass not only financial aspects, but also gauge the extent to which sustainability concerns were effectively integrated into the proposal and projects.
Sustainability introduction to new employees	Getting familiarised with company policies.	Well-defined approach and guidelines on how to work with the Global Compact principles.
Board and management diversity	Strive for a better balance of diversity.	25% board and management diversity reflecting the gender balance in the work force.
ANTICORRUPTION		
Training of employees	Create awareness of what to assess and how to act if unfair competition is suspected: report to management and possibly relevant authorities.	Combat and report on unfair competition.



APPENDIX

MATERIALITY ANALYSIS

RISK ASSESSMENT

METHOD DESCRIPTION



MATERIALITY ANALYSIS

Regarding DEM's new reporting structure, we are now aligning our sustainability efforts and objectives with a materiality analysis to focus our resources where they matter most.

We have conducted comprehensive assessments within the four Global Compact categories (Anti-corruption, Environment, Human rights, Labour rights), taking into account both internal and external factors.

In preparing the materiality analysis, a range of sustainability factors have been identified based on the above-mentioned aspects and linked to environmental, social, and economic dimensions considered to be significant. These factors have been depicted in a diagram following an internal assessment of their impact. This assessment encompasses evaluations of how each factor affects the society and the environment (the y-axis), as well as how it impacts DEM as a company (the x-axis). Each factor is colour-coded and numbered according to its area and priority in materiality.

RISK ASSESSMENT AND MITIGATIONS

The risk assessment has been prepared based on the materiality analysis and includes a description and evaluation of potential risks within each key area.

We evaluate both internal and external risks by utilising the matrix below to determine the severity of different issues.

RISK	RISK DESCRIPTION	RISK (before mitigating actions)	MITIGATION ACTIVITY TO REDUCE THE RISK
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After identifying risks, we proceed by analysing and discussing the findings from the materiality analysis, which lead to our "risk assessment before mitigation." Based on our assessment of each risk, we outline corresponding mitigation actions. These mitigation actions are then reiterated in our "achieved goals" and/or "future goals" for each Global Compact category.

FUTURE INITIATIVES

In the future, we intend to conduct a materiality analysis in which we identify significant topics based on input from stakeholders who have an interest in and participate in our activities, outcomes, and societal impact. This is an integral part of our risk assessment work. The purpose of this is to incorporate stakeholder expectations into our sustainability efforts to gain a deeper understanding of how our activities affect stakeholders.

Our approach has been primarily focused on an "inside-out" perspective, emphasising our global impact. However, it is becoming increasingly important to adopt an "outside-in" or the so-called "double-materiality perspective." This perspective is closely linked to the risks and opportunities we face as consultants in a rapidly evolving world. One example of this is the growing challenge of attracting and retaining the right employees.

This transition has often given rise to more questions than answers. For instance, we have pondered whether we bear responsibility for the products our clients choose to purchase, such as solar panels. We have also questioned the relevance of our impact on human rights, particularly as a Danish SME – when do certain issues become significant, and how do they compare?

In essence, our journey may not have yielded perfect results, but we are committed to continuous improvement. We have engaged in numerous meaningful discussions that have contributed to our learning and growth. Sharing experiences and knowledge is central to our approach, and we are transparent about our methods and processes. We welcome any feedback you may have as we strive to enhance our practices.

METHOD DESCRIPTION – ENVIRONMENT

FOLLOWING THE GHG PROTOCOL CORPORATE STANDARD, THE DIRECT AND INDIRECT EMISSIONS ARE DIVIDED INTO THREE SCOPES:

SCOPE 1:	All direct emissions caused by the company, e.g. emissions from company-owned cars, or combustion of fossil fuels such as natural gas in company-owned equipment.	<ul style="list-style-type: none">• Use of company cars for business purposes – managers• Use of company cars for business purposes – employees
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SCOPE 2:	All indirect emissions caused by the company's purchase of energy:	<ul style="list-style-type: none">• Electricity used in offices• District heating used in offices
	Scope 2 emissions are calculated according to a location-based method and a market-based method:	<ul style="list-style-type: none">• The location-based method calculates the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).• The market-based method calculates emissions from electricity that companies have purposefully chosen to purchase.
SCOPE 3:	Other indirect emissions caused by the consumption of products and services:	<ul style="list-style-type: none">• Use of employee cars for business purposes (car allowance)• Transportation by train• Transportation by bus• Transportation by ferry• Transportation by taxi• Air transport (short-haul)• Air transport (medium-haul)• Air transport (long-haul)• Office supplies• Office electronics• IT services
	Scope 3 emissions are calculated according to a spend-based method and a distance-based method:	<ul style="list-style-type: none">• The distance-based method involves determining the distance and mode of business trips (i.e., vehicle-kilometres or person-kilometres travelled by vehicle type), then applying the appropriate emission factor for the mode used.• The spend-based method involves determining the amount of money spent on each mode of business travel transport and applying secondary emission factors. <p>Source: GHG protocol – Technical Guidance for Calculating Scope 3 Emissions</p>

CO₂ ACCOUNTING

In the table below, we have chosen to show DEM's CO₂ accounting including non-CO₂ data.

Year	2017/2018			2018/2019			2019/2020			2020/2021			2021/2022			2022/2023			Year
Average number of employees	57			50			37			30			35			38			Average number of employees
Activities	km	kWh	CO ₂ [tonnes]	km	kWh	CO ₂ [tonnes]	km	kWh	CO ₂ [tonnes]	km	kWh	CO ₂ [tonnes]	km	kWh	CO ₂ [tonnes]	km	kWh	CO ₂ e [tonnes]	Activities
SCOPE 1:																			SCOPE 1:
Use of company cars for business purposes – managers	11,818		3.0	31,173		6.5	26,891		5.8	19,522		4.2	36,150		6.0	30,857		1.9	Use of company cars for business purposes – managers
Use of company cars for business purposes – employees	54,131		8.1	49,269		5.8	50,656		5.8	19,852		2.4	17,636		2.5	25,079		3.3	Use of company cars for business purposes – employess
Subtotal	65,949		11.1	80,442		12.3	77,547		11.6	39,374		6.6	53,786		8.5	55,936		5.2	Subtotal
SCOPE 2:																			SCOPE 2:
Electricity use in offices		101,447	29.6		95,439	25.0		76,029	16.1		59,610	14.2		58,948	12.5		25,349	10.6	Electricity use in offices
District heating use in offices		147,887	23.2		129,517	18.4		87,811	10.0		59,578	2.8		74,167	3.1		72,971	5.1	District heating use in offices
Subtotal		249,334	52.8		224,956	43.3		163,840	26.1		119,188	17.0		133,115	15.6		98,319	15.7	Subtotal
SCOPE 3:																			SCOPE 3:
Use of employee cars for business purpose	118,633		17.1	53,246		9.4	45,593		8.1	36,935		6.5	51,307		7.1	42,303		5.8	Use of employee cars for business purpose
Transportation by train	30,373		1.5	81,725		4.1	37,057		1.9	9,575		0.5	1,880		0.1			1.3	Transportation by train
Transportation by bus	1,408		0.1	4,312		0.5	2,938		0.3	298		0	616		0.1	2,481		0.2	Transportation by bus
Transportation by ferry	12,160		1.5	11,033		2.7	12,597		1.6	5,309		0.7	3,732		3.0			3.3	Transportation by ferry
Transportation by taxi	1,854		0.3	9,305		1.4	7,008		1.1	141		0	77		0.5	316		0.1	Transportation by taxi
Domestic air transport	N/A *		2.4	N/A *		2.6	N/A *		1.8	N/A *		0	N/A *		0.2	N/A *			Domestic air transport
International air transport	N/A *		74.9	N/A *		124.5	N/A *		101.2	N/A *		0	N/A *		3.0	N/A *			International air transport
Short-haul flights (>3 hours)																		1.5	Short-haul flights (>3 hours)
Medium-haul flights (3-6 hours)																		0.0	Medium-haul flights (3-6 hours)
Long-haul flights (>6.5 hours)																		7.1	Long-haul flights (>6.5 hours)
Subtotal	164,428		97.8	159,621		145.2	105,194		116.0	52,258		7.7	57,612		14.0	45,101		19.3	Subtotal
Office supplies																		1.8	Office supplies
Office electronics																		12.4	Office electronics
IT services																		0.2	IT services
Subtotal (Scope 3 total)																		33.7	Subtotal (Scope 3 total)
Total	230,377	249,334	161.7	240,063	224,956	200.9	182,741	163,840	153.7	91,632	119,188	31.3	111,398	133,115	38.1	101,037	98,319	54.6	Total
CO ₂ per employee			2.8			4.0			4.2			1.0			1.1			1.4	CO ₂ per employee

* Previous years the CO₂e-emissions from flights were based on the spend-based method.

GENERAL METHOD

In this report, we have strived to use CO₂ equivalents in our calculations, as we aim to ensure that our reporting aligns with international standards. This entails using a more nuanced and holistic method to assess our overall environmental footprint. In a few cases, it has not been possible to express the data in CO₂ equivalents; however, we have ensured that the alternative methods employed contribute to achieving the most accurate results possible.

Furthermore, in this report, there has been a focus on employing distance-based methods to enhance the precision in results, as opposed to the previously used spend-based methods.

SCOPE 1 AND SCOPE 2

SCOPE 1: Direct, Scope 1, emissions are those that are directly caused by a source that the company owns or controls. CO₂e emissions are based on specific car models. For company cars used by managers, it is estimated that 50% of the driving is for business purposes and 50% for private purposes.

SCOPE 2: Indirect, Scope 2, emissions are derived from the company's consumption of energy products and services, where the company does not own or control the emissions source.

CO₂e emissions resulting from office electricity consumption are determined through both a location-based and a market-based methodology. The location-based approach relies on national average emissions data, while the market-based approach is founded on specific environmental declarations.

The location-based method reflects average emission factors based on the actual conditions where energy consumption takes place. This method utilises emission factors from environmental declarations. The market-based method is depending on specific emission factors from current electricity providers. It takes into account the electricity from renewable sources and reflects whether a company has chosen to purchase green electricity. When green certificates like REC or GO, representing 100% renewable electricity, are purchased, the CO₂e emissions in Scope 2 are assumed to be 0 kg CO₂.

When green purchase contracts are used, emission factors from individual electricity declarations are applied.

As DEM has not purchased green certificates, specific emission factors from the typical electricity declarations of the relevant electricity suppliers are applied. This results in the use of emission factors from the "residual mix," representing the remaining electricity not covered by green certificates. Consequently, there is no reduction in CO₂e emissions, making the CO₂e emissions for DEM's market-based method greater than for the location-based method.

Since the market-based method applies specific emission factors, it is the most accurate approach. DEM's Scope 2 emissions for electricity in the overall CO₂e report are based on the market-based method.

ELECTRICITY

The CO₂e emissions from electricity consumption have been calculated based on the actual kWh consumption, as recorded in the final invoices.

For the location-based method, average emission factors have been applied, incorporating national environmental declarations divided between East and West Denmark. These factors are 0.061 kg CO₂e/kWh in Aarhus/Aalborg and 0.154 kg CO₂e/kWh in Copenhagen.

The market-based method has utilised specific emission factors based on electricity declarations from the respective electricity providers. These factors are 0.412 kg CO₂e/kWh in Aarhus and 0.443 kg CO₂e/kWh in Copenhagen. For the office in Aalborg, where the specific electricity provider is not known, the emission factor from the environmental declaration for East Denmark has been applied.

In Aarhus, declarations from 2021 have been used as declarations for 2022 are not yet available.

The emission factor for electricity in the 21/22 sustainability report was based on an average national emission factor applicable to both East and West Denmark. This factor was 0.212 kg CO₂e/kWh, which is significantly higher than the location-based emission factors in this reporting period. Despite a significant decrease in electricity consumption in kWh since 21/22, the CO₂e emissions do not reflect this change. This is due to the use of the market-based method for the overall CO₂e emissions in this report, where the emission factor is 0.200 kg CO₂e/kWh higher than the one used in 21/22.

DISTRICT HEAT

The CO₂e emissions from heating the buildings are based on the actual consumption in kWh, as recorded in the final invoices.

The emission factor for district heating is based on environmental declarations from the respective district heating companies. The factor in Aarhus is 0.074 kg CO₂e/kWh, 0.110 kg CO₂e/kWh in Aalborg, and 0.043 kg CO₂e/kWh in Copenhagen.

For the 21/22 sustainability report, the emission factor for district heating was also based on specific environmental declarations from the district heating plants. The factor was 0.047 kg CO₂e/kWh in Aarhus and 0.035 kg CO₂e/kWh in Copenhagen. This is lower compared to the current emission factors in 2022, indicating that emission factors vary from year to year.

The office heat consumption is calculated using the statements from the providers, including the consumption account for heat in 2021-2022 (since the consumption for 2022-2023 has not been calculated yet). The statement applied from the office in Aarhus is from the period 01-10-21 to 30-09-22 and the statement applied from the office in Copenhagen is from the period 01-01-22 to 31-12-22. However, the statements are assessed as representative of the reporting period. It has not been possible to obtain consumption data for the office in Aalborg, which is why consumption has been estimated based on square meters using key figures for office buildings given as 3.6 kWh/m² according to DanskEnergi.dk

SCOPE 3

SCOPE 3: Indirect, Scope 3, emissions are caused by the consumption of products and services which include upstream and downstream activities.

WATER

The water consumption has not been calculated as it has not been possible to obtain consumption figures for our cold-water consumption. To monitor our consumption, it is necessary to install dual meters. Water usage is not expected to be included in the upcoming reports, as water consumption is estimated to be minimal, as it only encompasses toilet flushing, faucet usage, and dishwashing.

CARS

The CO₂e emissions from company-owned cars are determined by converting the kilometres travelled into kg CO₂e, using emission factors specific to each car model.

Previously, emissions from employee-owned cars were calculated using an average emission factor. However, in this report, we have adopted the methodology from last year's report, which involves using individualised emission factors based on each car model.

The emission factors are given in the EU car database (carbonfootprint.com). In cases where the specific emission factor has not been available in the EU database, specific emission factors provided by the manufacturer or an average emission factor of 0.171 kg CO₂e/km, as per Carbonfootprint.com, have been used. For cars owned by employees who no longer work at DEM, we have also used a generic emission factor cf. Carbonfootprint.com.

The mileage and resulting CO₂e emissions from consultants driving abroad are excluded from the calculations since they fall outside the established organisational boundaries.

FLIGHTS

This year, we have revised our flight methodology to enhance accuracy. In previous years, CO₂e emissions were calculated using a spend-based approach, with emission factors of 10 DKK per kg CO₂e for international flights and 29.33 DKK per kg CO₂e for domestic flights.

In this report, we have used the distance-based method using the travelled km. Our calculation methodology takes the point of departure in take-off and landing destinations since the exact number of kilometres flown is not provided. Greenhouse gas emissions from flights are categorised into three groups in accordance with the GHG Protocol: short haul, medium haul, and long haul. Emission factors from Defra are utilised, and it is assumed that:

- Defra's definition of 'domestic flights' corresponds to the Global Compact's definition of 'short-haul' flights (0.246 kg CO₂e/km).
- Defra's definition of 'short-haul' flights aligns with the Global Compact's definition of 'medium-haul' flights (0.151 kg CO₂e/km).
- Defra's definition of 'long-haul' flights corresponds to the Global Compact's definition of 'long-haul' flights (0.148 kg CO₂e/km).

The applied emission factors account for the Radiative Forcing Index (RFI).

TRAIN

CO₂ emissions from train transportation are determined by the quantity used and specific emission factors provided by DSB. The emission factor is only provided in CO₂, but it is considered to be more accurate than the emission factor according to the Climate Compass, which is given as 0.113 kg CO₂e/km.

DSB has provided specific emission factors for InterCity and regional trains at 0.038 kg CO₂/DKK, and for S-trains at 0.010 kg CO₂/DKK.

In last year's report, the CO₂ emissions for train transportation were calculated using the distance-based method, which involved estimating the number of kilometres travelled. Specific emission factors from DSB were applied for all types of trains, with the emission factors as follows:

- Regional trains: 0.079 kg CO₂/km
- InterCity trains: 0.047 kg CO₂/km
- S-trains: 0.017 kg CO₂/km

Since we do not have information about the exact number of kilometres travelled or the type of train used, we have chosen to use the spend-based method.

FERRY

The CO₂e emissions from transportation by ferry (primarily between Aarhus and Odden) are calculated based on the number of trips with ferry.

The emission factor is 49.7 g CO₂e per kg per one-way trip. It is assumed that an average person weighs 80 kg, and an average car weighs 1,400 kg. This results in a total emission factor of 73,556 kg CO₂e per one-way trip. Compared to the previous report, the emission factor has increased from 47.8 g CO₂e per kg per one-way trip, equivalent to 70,744 kg CO₂e per one-way trip.

BUS

The CO₂e emissions from bus transportation are calculated using the kilometres travelled which have been converted to kg CO₂e using an average emission factor for buses of 0.088 kg CO₂e/km cf. Moviatrafik.dk

TAXI

The CO₂e emissions resulting from taxi usage are computed by multiplying the quantity used by a standard emission factor of 0.171 kg CO₂e/km from carbonfootprint.com. The total distance covered is determined using an estimated cost of 19 DKK per kilometre, derived from 12 invoices.

In last year's report, we calculated the cost per kilometre to be 31 DKK, resulting in lower CO₂e emissions in this year's report.

PURCHASED GOODS AND SERVICES

In this report, CO₂ emissions related to purchased goods and services have been calculated. This category includes office supplies, office electronics, and IT services. CO₂ emissions have been determined based on costs and emission factors according to Erhvervsstyrelsens Klimakompas.

HOME OFFICES

Emissions from home offices (heating, lighting and equipment as computer, phone, etc.) are a part of our carbon footprint. To estimate the emissions, it is necessary to know the average power use (lightning, computer, etc.) and the energy used to heat, the number of employees working from home, and the number of working hours in a month.

The overall impact from home offices is limited, and therefore we have chosen not to calculate the emissions. We continuously encourage employees to work from home as it saves transportation.

Emissions generated marginally by home offices, including heating, lighting, and equipment such as computers and phones, contribute to our carbon footprint. Estimating these emissions requires data on average power usage for lighting and computers, energy used for heating, the number of employees working from home, and their monthly working hours.

However, due to the relatively minor impact of home offices on our overall carbon footprint, we have opted not to calculate these emissions.

METHOD DESCRIPTION – SOCIAL

The average number of employees is calculated by using the “ATP-method” in accordance with the annual accounts. The total payment to ATP is divided by the payment rate for a full-time employee.

Employee turnover:

The number of employees with a permanent employment contract (exclusive of students, trainees and employees providing services through the holding company) having left the company during the financial year is measured against the average of the total number of employees with a permanent employment contract.

Gender ratio:

The gender ratio is calculated as the average of female employees with a permanent employment contract at the beginning and end of the financial year measured against the average of the total number of employees with a permanent employment contract.

Sickness absence and gender split:

We do not include student assistants and trainees in the accounts for sickness and gender split since this group is not on a regular employment contract.

ABBREVIATIONS

Technical term	Explanation
ADB	The Asian Development Bank
APV	Arbejdspladsvurdering (workplace assessment)
EE	Energy Efficiency
EPD	Environmental Product Declaration
ESCO	Energy Service Company. ESCO projects use the estimated long-term savings through energy efficiency measures to finance the investment cost.
ESG	Environment – Social – Governance
GHG	Greenhouse gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GO	Guarantees of Origin
IFU	Danida / Investment Fund for Developing Countries
LCA	Life Cycle Analysis
LCC	Life Cycle Costing
MENA	Middle East and North Africa
OECD DAC	Organisation for Economic Cooperation and Development Development Assistance Committee
RE	Renewable Energy
REC	Renewable Energy Certificate
RVO	Netherland's Enterprise Agency
SBT	Science Based Targets
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
SME	Small and medium-sized enterprises

Please find our company policy at our website: www.dem.dk/knowledgebank

