

REPORT MARCH 30, 2021

Brandkind's Environmental Program

ACTION PLAN PHASE 1:
ASSESSMENT OF THE STARTING POINT

Brandkind

Contents

Introduction: Carbon neutral Brandkind 2035.....	3
Action plan phase 1: Assessment of the starting point	4
→ Key sources of emissions	6
→ Brandkind’s carbon footprint	8
→ Uncertainties and areas of development.....	10
Progress of the action plan	11

Introduction: Carbon neutral Brandkind 2035

An environmental program was launched at Brandkind in 2020, aimed at ensuring carbon neutrality by the year 2035.

As first step of the Brandkind's environmental program, we drew up an action plan for reaching the emission reduction target. The plan was drafted based on the emission reduction training organized by the Finland Chamber of Commerce in 2019.

ACTION PLAN PHASES

- 1 The first phase of the environmental program consists of **assessing the starting point** of the company. This comprises the mapping of key sources of emissions, the collection of data, and the calculation of the current carbon footprint based on the collected data.
- 2 During the second phase of the project, **we identify the reduction potential** that the company is able to affect.

- 3 During the third phase, we **define and prioritize the measures** used to seek reductions in emissions and further specify the emission reduction objectives.
- 4 During the fourth phase, the **measures are implemented**, and their success is monitored.
- 5 Finally, emission **compensation** requirements are investigated along with the possible measures used for the compensation.

This report describes the progress of the first phase of the action plan at Brandkind and the results of the starting point assessment in 2020.

Action plan phase 1: Assessment of the starting point

The assessment of the starting point comprises the mapping of the company's key sources of emissions, the collection of data, and the calculation of the carbon footprint based on the collected data.

Brandkind's emission inventory began by using the training materials and the Excel tool for carbon footprint calculation used in the emission reduction training of the Finland Chamber of Commerce. The instructions were prepared in 2019 by Gaia Consulting based on the global calculation standards and guidelines of the Greenhouse Gas Protocol (GHG protocol), but in a significantly compacted and simplified manner. The WWF Climate Calculator (<http://www.ilmastolaskuri.fi/>) was also utilized at this point. The Climate Calculator was used to clarify the definition key emissions and to access simple emission calculators and emission factors.

MAPPING OF KEY SOURCES OF EMISSION

The sources of emissions that a company should at the very least reduce and report on are specified by the GHG protocol. These sources of emissions are presented on pages 6–7.

However, all sources of emissions may not play a key role in each company. Therefore, the relevance of each category to Brandkind is also specified on pages 6–7. The relevance was assessed by environmental coordinator **Maiju Leppänen**, CEO **Marja Peltola**, and **Marjut Väänänen**, Project Manager in charge of procurement.

COLLECTION OF DATA

A company may use primary or secondary data for the calculation of their carbon footprint. Primary data consists of directly collected information on the activities of the company, whereas secondary data is sourced from public databases, statistics, or literature, for example, when primary data is not available. The data sources used must be documented to ensure that the calculations can be repeated in the future and verified by a third party.

→

Action plan phase 1: Assessment of the starting point

Brandkind mainly used primary data for the calculations, which was collected from billing information, travel expense reports, the property company, and, with regard to travel for work, from a survey conducted among the employees. Secondary data or informed assessments have been used in places with references.

The information was collected into Brandkind's dedicated emission table, which is based on the templates provided by the Finland Chamber of Commerce and WWF. The emission table and receipts were stored in the Päästölaskenta folder on Brandkind's Ympäristöohjelma channel in Teams, where it can be accessed by the entire staff.

CALCULATION OF THE CARBON FOOTPRINT

The carbon footprint of the company is calculated by multiplying the initial information collected into the emission table by the emission factor that best corresponds to it. This converts the information into carbon dioxide equivalents (tCO₂ eq) that also account for other greenhouse gases in addition to carbon dioxide.

The Excel tool provided by the Finland Chamber of Commerce requires a considerable amount of manual work in finding the emission factors, and thus the carbon dioxide equivalents were primarily determined by using the WWF Climate Calculator, from which the information was entered into Brandkind's dedicated emission table. This was done to minimize human error in the calculation of the results. Where an emission factor was not available, an informed assessment was used instead. A mention of this was also included in the emission table.

CALCULATION PROCESS

1. Specify the objectives for the emission calculation
2. Define key sources of emissions
3. Collect initial information
4. Use statistical data or produce an informed assessment where information is not available
5. Compile emission factors
6. Perform calculation
7. Assess uncertainties and areas of development
8. Plan measures for reducing emissions
9. Report on the results
10. Repeat during the next calculation period

Source: Emission reduction calculation instructions for companies and organizations for joining the Climate Commitment of the Finland Chamber of Commerce

Key sources of emissions

EMISSION SOURCE ACCORDING TO THE GHG PROTOCOL	RELEVANCE TO BRANDKIND
<p>SCOPE 1: Direct emissions, i.e. emission sources specific to the organization. Direct greenhouse gas emissions are produced by emission sources that are owned or controlled by the organization.</p>	<p>Brandkind does not have any such emissions.</p>
<p>SCOPE 2: Indirect emissions produced by the generation of purchased energy i.e. emissions produced by the generation of electricity, heating, or cooling purchased for the organization’s use. These emissions are the result of the use of fuel at energy production plants, which means that they are considered indirect compared to the direct emissions referred to above.</p>	<p>Indirect emissions from purchased energy also comprise a significant portion of Brandkind’s emissions, and the key categories, i.e. electricity, district heating, and district cooling, are taken into account in the emission calculations.</p>
<p>SCOPE 3: Other indirect emissions, i.e. key sources of emissions for other indirect emissions that occur in the value chain (activities after the production of products and services). Other indirect emissions are divided into 15 categories, all of which together are rarely substantial for a single reporting organization.</p>	
<p>1. Emissions resulting from the production of purchased goods (raw materials, office supplies, etc.) and services. Includes all lifecycle emissions up to the gate of the reporting organization (exclusive of transportation). These typically consist of purchases that are consumed during the financial period.</p>	<p>Relevant to Brandkind; taken into account in the emission calculation where applicable. Equipment acquisitions and consumption of office paper taken into account this year.</p>
<p>2. Emissions resulting from the production of capital assets (such as working machinery and new buildings). Includes all lifecycle emissions up to the gate of the reporting organization (exclusive of transportation). Capital assets include all property that is procured for use over several financial periods and is typically subject to depreciation according to plan.</p>	<p>Relevant to Brandkind; taken into account in the emission calculation for those reporting years where significant alterations are carried out at the office. For example, new office furniture is included in this category. However, the emissions resulting from the manufacturing of recycled furniture is assigned to the first user.</p>
<p>3. Fuel production and transmission loss, i.e. the early lifecycle emissions pertaining to the consumed energy (scopes 1 and 2) and loss that occurs in energy transfer.</p>	<p>Not relevant to Brandkind.</p>
<p>4. Upstream transportation and other transport and delivery services paid by the reporting organization.</p>	<p>Service companies are not required to report the information pertaining to emissions produced by upstream transportation. Brandkind’s purchases are minor and the related transport activities limited, such as postal deliveries or packages delivered by couriers. Additionally, a delivery service is sometimes used for coffee supplies for the office. Brandkind also does not sell any products that would require transportation. Thus, this category is not relevant to Brandkind, and has therefore been excluded from the calculations for now. The situation may be reassessed, and space for possible changes has been reserved in the chart.</p>

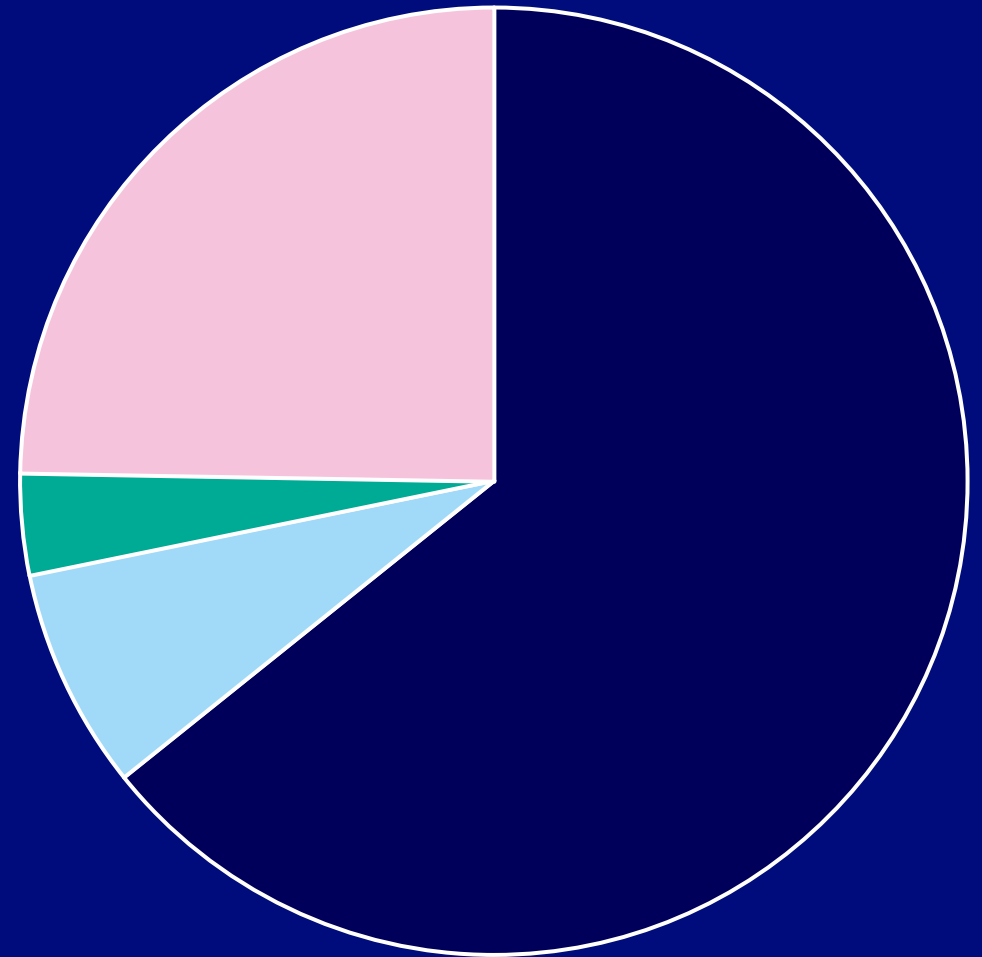
Key sources of emissions

EMISSION SOURCE ACCORDING TO THE GHG PROTOCOL	RELEVANCE TO BRANDKIND
5. Waste, i.e. emissions resulting from waste and waste management	In the future, we intend to include this category in the calculations, and thus room for possible changes has been reserved in the emission table. As yet, this information has not been made available by the property company.
6. Business travel	Relevant to Brandkind; taken into account in the emission calculation.
7. Travel to work	Relevant to Brandkind; taken into account in the emission calculation.
8. Assets leased by the reporting organization (such as premises) for its own use.	Not relevant to Brandkind. The company operates within leased facilities, but as it has concluded its own electricity supply contracts, electricity is included in scope 2. District heating is also included in scope 2 for the sake of clarity, even though it is procured by the lessors and the reporting company has no impact on the procurement.
9. Downstream transportation and distribution services that the reporting organization does not pay for.	Not relevant to Brandkind; no sales of products that would require transportation.
10. Further processing of sold products.	Not relevant to Brandkind; excluded from the calculations.
11. Use of sold products	The use of sold products has so far been considered immaterial in terms of the overall emissions of Brandkind. The situation may be reassessed, and space for possible changes has been reserved in the chart.
12. End-of-life treatment of sold products.	Not relevant to Brandkind; excluded from the calculations.
13. Downstream leased assets	Not relevant to Brandkind; excluded from the calculations.
14. Emissions resulting from franchising	Not relevant to Brandkind; excluded from the calculations.
15. Investments (mainly relevant to companies that engage in investment activities)	Not relevant to Brandkind; excluded from the calculations.
+ Other indirect emission sources before the actual activities of the organization / after the activities	Not relevant to Brandkind; excluded from the calculations.

Brandkind's carbon footprint in 2020:

6.35

tCO₂ eq.



Brandkind's carbon footprint

The results of Brandkind's first emission calculation were atypical due to the Coronavirus pandemic. Despite this, our aim has been to provide an approximate understanding of our key emission sources and to find focal points for future environmental work.

Brandkind's carbon footprint for 2020 is 6.35 tCO₂ eq. The low emission figure is partially explained by the Coronavirus situation, as remote work has impacted Brandkind's daily activities by significantly reducing both business travel and travel between the workplace and home. It can be assumed that this figure does not correspond to Brandkind's emissions during a typical year, but it will hopefully help us identify the sources of Brandkind's emissions. The calculation will be specified further in the coming years.

The results show that the most significant emission category for Brandkind in 2020 consists of the district heating and cooling of the offices. The electricity acquired by Brandkind consists of green hydroelectricity, which means that emissions are not produced by the consumption of electricity in normal circumstances. The deviations resulting from remote work, such as the quality of the electricity used at home, could not be taken into account in the calculation.

Despite the increase in remote work, the next largest emission category still consists of travel between the workplace and home. Most Brandkind employees use public transport for commuting, which does not contribute to Brandkind's emissions. Thus, these emissions are produced by work-related travel by passenger cars (particularly petrol-powered ones). While the Coronavirus situation has reduced visits to the workplace, it has in turn increased commuting by car.

The remaining emissions of Brandkind result from procurement and business travel. The figure pertaining to business travel was unusually low in 2020. It can be predicted that the emissions resulting from business travel will also have a greater impact on the carbon footprint of Brandkind as the Coronavirus pandemic subsides.

Uncertainties and areas of development

The uncertainties and areas of development concerning the results should be assessed during the calculation of the carbon footprint of a company for future calculations. This was also done at Brandkind and the possible areas of development were recorded in the emission table.

UNCERTAINTIES

Brandkind's first emission calculation was carried out in 2020, which was a highly unusual year due to the Coronavirus pandemic. Remote work had a significant impact on the daily activities of Brandkind. Thus, the calculation includes uncertainties and is not directly comparable to typical years. For example, deviations resulting from remote work through the increased consumption of energy at home offices or the quality of the electricity used there could not be taken into account in the calculation.

AREAS OF DEVELOPMENT

The areas determined to be areas of development are considered to be immaterial to the overall emissions of Brandkind in 2020, but they can be

reassessed when methods for reducing all emissions of the company are considered in the future.

The first area of development to be assessed further is the relevance of the emissions pertaining to the waste produced by Brandkind, as information on the amount of waste produced by the company was not available from the property company at this time.

Another area of development requiring further consideration comprises the waste resulting from sold products. Other areas could include the material selection for printed products ordered through Brandkind or the emissions resulting from the viewing of videos or websites designed by Brandkind.

Progress of the action plan

Completed phases of the action plan:

PHASE 1: ASSESSMENT OF THE STARTING POINT

→ Specification of relevant information and starting the collection of data.

Deadline: October 30, 2020 – COMPLETE

→ Collection of data and calculation of the carbon footprint for 2020.

Deadline: Q1 2020 – COMPLETE

Future phases of the action plan:

PHASE 2: IDENTIFICATION OF REDUCTION POTENTIAL

→ Identification of the reduction potential – how can we affect these?

Deadline: Q3 2021

PHASE 3: MEASURES, PRIORITIZATION, AND OBJECTIVES

→ Specification, prioritization, and scheduling of emission reduction measures. Clarification of objectives.

Deadline: Q3 2021

PHASE 4: IMPLEMENTATION AND MONITORING

→ Implementation of measures, reduction of emissions, and monitoring.

Deadline: Q1 2022

PHASE 5: COMPENSATION

→ The compensation of emissions and the methods used for the compensation.

Deadline: Q1 2022

Brandkind

Brandkind's environmental report March 30, 2010

ACTION PLAN PHASE 1:

ASSESSMENT OF THE STARTING POINT