Addressing Environmental, Social, and Governance progress at Copenhagen Economics directly helps us secure clients (current and future) and be an attractive place to work.

This report will provide valuable insights into our ongoing efforts to integrate ESG principles into our operations and create a more sustainable future for all.

AUTHORS

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1 MISSION STATEMENT ON ESG

Copenhagen Economics’ ESG mission statement is: "to actively advance sustainability and corporate responsibility through the alignment of CE’s policies with UN Global Compacts’ requirements, the calculation of GHG emissions, and the review of our supply chain in pursuit of low-carbon purchasing."

This mission statement directly supports the company’s commercial performance, enhances client relationships, ensures compliance with international standards, and helps attract top talent.

2 UN GLOBAL COMPACT

In alignment with our strategy and the mission statement outlined above, Copenhagen Economics joined the UN Global Compact network on January 22, 2021. The UN Global Compact is the world’s largest corporate sustainability initiative, encouraging businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation.

After submitting our first Communication on Progress report in 2022, Copenhagen Economics was categorised as a "Learner" and with our 2023 report, our membership was upgraded to "Active". Since 2021, Copenhagen Economics has been committed to addressing ESG initiatives as a core action point to be an attractive workplace for top economics consultants from across Europe.

3 WOMEN’S EMPOWERMENT PRINCIPLES (WEPS)

Copenhagen Economics is committed to promoting gender equality and empowering women in the workplace. As part of this commitment, in 2023 Copenhagen Economics signed the Women’s Empowerment Principles, a joint initiative of the UN Global Compact and UN Women. These principles offer guidance to businesses on how to promote gender equality and women’s empowerment in the workplace, marketplace, and community. Copenhagen Economics is actively working to implement these principles and promote gender equality within the organisation.

“Copenhagen Economics is committed to promoting gender equality and the empowerment of our female colleagues. We recognise that affecting positive change in this area means making a public commitment, and we see the Women’s Empowerment Principles as a powerful statement of intent that we are determined to follow through on. We are keenly aware of the "Nordic Paradox" and the need for this to change, and we hope that signing up to the Women’s Empowerment Principles will be another step in this direction.” – Henrik Okholm Ballebye, Managing Partner

1 The Copenhagen Economics CoP Letter of Commitment and CoP reports can be found on the UN Global Compact: https://unglobalcompact.org/what-is-gc/participants/142920-Copenhagen-Economics-A-$
3.1 Gender Gap Analysis: summary
The primary finding from the Gender Gap Analysis carried out in September 2023 indicates that Copenhagen Economics falls into the category of ‘Improver’. This designation signifies that our company acknowledges the significance of gender equality and has taken tangible steps to implement policies and practices. However, we are still in the process of developing a strategic approach to fully realise our commitment.

Through a thorough examination of our processes during the Gender Gap audit, we gained insights into the relevant parameters and performance areas that require attention. Moving forward, we aim to structure and direct our efforts with a holistic perspective, closely looking at commitment, implementation, measurement, and transparency management stages, as recommended by the WEPs.

Additionally, the Copenhagen Economics Board of Directors has expressed a commitment to persistently address this area, particularly in light of the newly established guidance and support structures. Two recommendations put forth by the Chief Operating Officer received approval in December 2023:

1. Development of a Gender Equality Action Plan
   In 2024, CE will create an action plan focused on gender equality. This plan will outline clear and time-bound objectives.

2. Annual reporting to the Board
   The progress made under this action plan will be reported to the Board on an annual basis.

4 2023 ESG ACTION PLAN OUTCOMES

Below we outline key ESG initiatives that Copenhagen Economics undertook in 2023. These initiatives focus on four critical areas:

- Alignment of company policies with UNGC recommendations
- Calculation of Greenhouse Gas (GHG) emissions
- Audit of the supply chain
- Pro-bono work

4.1 Alignment of company policies with UNGC recommendations

In pursuit of aligning company policies and processes with UNGC recommendations, Copenhagen Economics reviewed its existing policies to identify areas for improvement. To address identified gaps between current policies and UNGC guidelines, statements on Copenhagen Economics’ approach to Environmental sustainability and Gender equality were included in the company Code of Conduct.

The Code of Conduct2 was adopted in July 2023 and governs how Copenhagen Economics upholds corporate responsibility across several key aspects of the business, including:

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• Business ethics in our work
• Data ethics
• Business ethics in company governance
• Human rights and work customs
• Environment and Climate Change

The Code of Conduct extends its reach to all individuals associated with Copenhagen Economics. This includes the company’s employees, contractors, vendors, freelancers, and the members of Copenhagen Economics’ Board of Directors.

Further to this, the Board of Directors decided in late 2023 to integrate the creation of a Gender Equality Strategy. The Copenhagen Economics Management Group further approved the development of Environmental Practice Guidelines as part of the 2024 business plan.

4.2 Calculation of Greenhouse gas (GHG) emissions

During 2022, Copenhagen Economics began looking into how to calculate the GHG emissions of the company. After careful consideration, we elected to collaborate with Klappir, a sustainability consultancy. We applied for and were awarded a grant of EUR 5,000 by Erhvervshus Nordjylland’s CO2 Puljen programme, a Danish state initiative that supports small and medium-sized companies through subsidies for expenses related to documentation of CO2 emissions.

Copenhagen Economics’ calculations adhere to the Greenhouse Gas Protocol (GHG Protocol) for carbon emissions accounting. Developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), the GHG Protocol is a widely recognised tool. It provides a standardised approach to calculating and reporting emissions from various sources, including energy use, transportation, and production processes.

Outcomes of the GHG emissions calculations
The calculations of Copenhagen Economics’ GHG emissions for 2022 and 2023 revealed total emissions of 90 tCO₂e in 2022 and 127 tCO₂e in 2023. The largest share of these emissions stem from business travel (scope 3 emissions).

• **Scope 1 emissions: Direct emissions from owned or controlled sources (e.g., fuel combustion).**
  There are no direct emissions from Copenhagen Economics’ operations (no emitting assets). As of 31/12/2023, no scope 1 emissions were accounted for.

• **Scope 2 emissions: Indirect emissions from purchased electricity, heat, or steam generation.**
Copenhagen Economics calculated emissions related to electricity and heating usage for their offices under operational control. The company maintains operations in four distinct locations: Brussels (Belgium), Copenhagen (Denmark), Helsinki (Finland), and Stockholm (Sweden). In 2022, the company's Scope 2 emissions amounted to 8.4 tCO₂e. In 2023, the corresponding figure was 10.1 tCO₂e. Note that the 2023 figure currently excludes Heating and Water data for the Copenhagen office, where the data collection is still ongoing.

- **Scope 3**: Other indirect emissions (e.g., employee commuting, business travel, waste disposal).
  
  Within Scope 3, only business travel is accounted for in the 2022 and 2023 GHG emissions calculations. In 2022, the company's Scope 3 emissions amounted to 81.6 tCO₂e. In 2023, the corresponding figure was 116.9 tCO₂e.

An overview of the GHG emissions for 2022 and 2023 is provided in Table 1.

### Table 1 Scope 1, 2 and 3 GHG emissions 2022-2023

<table>
<thead>
<tr>
<th>GHG Emissions</th>
<th>2022 (tCO₂e)</th>
<th>2023 (tCO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Scope 2 (location-based)</td>
<td>8.4</td>
<td>10.1</td>
</tr>
<tr>
<td>Scope 3</td>
<td>81.6</td>
<td>116.9</td>
</tr>
<tr>
<td>Total operational GHG emissions</td>
<td>90</td>
<td>127</td>
</tr>
</tbody>
</table>

Source: Nasdaq: E1 | UNGC: P7 | GRI: 305-1,305-2,305-3 | SASB: General Issue / GHG Emissions | TCFD: Metrics & Targets

Notes: In both 2022 and 2023 emissions from air travel were precalculated by FCM Travel Solutions and imported into the Klappir Platform.

#### 4.3 Supply Chain Audit

In 2023, the Finance team at Copenhagen Economics for the first time carried out a vendor risk assessment that included ESG parameters. This is a significant step towards integrating sustainability into standard business practices. The company's largest suppliers were categorised according to their environmental credentials, allowing us to better understand the environmental impact of our supply chain.

By incorporating ESG considerations into our vendor risk assessment, Copenhagen Economics will be able to make more informed decisions about our partnerships and work towards building a more sustainable and responsible supply chain in the future.

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\(^3\) Update as of 8 March 2024.
4.4 Pro-bono work

In late 2022, Copenhagen Economics adopted a Pro-Bono initiative through which our team of skilled economists offers their professional services to charitable organisations at no charge.

Through this initiative, Copenhagen Economics aims to provide value to social impact organisations by conducting impact assessments, analysing data, assessing the impact of different initiatives, and effectively communicating findings to policymakers and other stakeholders.

In 2023, Copenhagen Economics completed the project "Ensomhed i Tal" ("Loneliness in Numbers"). To deliver this assignment, our team worked with an NGO specialised in evaluating social work called Economists Without Borders, and Impactly, a software company focusing on social action data collection and impact reporting. This collaboration resulted in the creation of a tool to help organisations calculate the socioeconomic benefits of their initiatives against loneliness. Loneliness is a growing issue in Denmark, with an estimated 600,000 Danes over the age of 16 experiencing feelings of loneliness. This translates into an annual cost to society of around DKK 193 billion. The tool aims to provide organisations with a way to quantify the socioeconomic benefits of their initiatives in concrete terms, based on reputable literature and values from the Open Social Value Bank initiative.

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4 Read more about the project here: https://copenhageneconomics.com/publication/new-tool-assesses-the-impact-of-initiatives-against-loneliness/