

Sustainability Report 2020

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PHOTOGRAPHY

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Forward

It is our pleasure to release GH Sustainability's second Sustainability Report, which covers the company's activities in 2020. This report also transparently highlights the progress we made in relation to improving our environmental, social, and governance impacts.

The year 2020 took our global community by surprise. The COVID-19 pandemic bluntly highlighted the vulnerabilities and inequalities embedded in our national and global social- economic systems. Despite an emission decrease of nearly 9% (1) in the first half of the year, both 2020 and 2016 (2) are tied as having the warmest average global temperatures on record. The focus governments and policy makers are placing on a green and sustainable recovery during, and after, COVID-19 gives us a clear set of common goals moving forward.

A green recovery, is at its foundation based on reducing GHG emissions and fomenting responsible social and economic development. In this sense, the work that GH Sustainability performs alongside partners, clients, and various stakeholders, fits directly into not only a short-term green recovery, but also a long-term sustainable environmental governance system.

This report seeks to transparently disclose aspects of our operations, following the Global Reporting Initiative's (GRI) standards (3)

In 2020, GH Sustainability further progressed in relation to its goals to increase the company's sustainability, and in advancing sustainable impact via our activities. Furthermore, in 2020 we stayed on mission in relation to *"further the paradigm of sustainability within the world around us"*, while providing innovative solutions worldwide. In this period, we also assisted countries with their efforts to mitigate future GHG emissions, and to adapt to the threats of climate change in an equitable and transparent way.

Moreover, in 2020 our business was financially stable, and we only utilized automatic deferred tax incentives from the Danish COVID-19 economic package, and did not take advantage of available direct economic assistance. We see that these resources are better spent on other small companies in country, whose needs are greater than ours.

Lastly, this Sustainability Report is part of GH Sustainability's commitment to demonstrate its mission to stakeholders, while achieving impactful results. We thank our partners, clients, and broader stakeholders for the excellent and sustainable journey we had together in 2020.

Douglas Marett, CEO and Founder of GH Sustainability

Mission & Values



"To further the paradigm of sustainability within the world around us."

GH Sustainability's mission is to *"Further the paradigm of sustainability within the world around us"*, and at GH Sustainability we seek to fulfill our mission with every project and activity we engage in alongside our clients, partners, and stakeholders worldwide. GH Sustainability's core service areas are **Sustainable Solutions, Climate Change, and Energy & Environment**. In providing services within these areas, we offer innovative and sensible solutions that have a positive impact in the recipient countries and companies we work with. This is why we also utilize the skills of national or regional partners in our work to ensure solutions that benefit national stakeholders. We understand that each country and company are different, which is why we work to ensure that the relationships built with our clients, partners and stakeholders reflect the opportunities, challenges, and synergies of their unique systems.



GH Sustainability's History

GH Sustainability A/S is a limited liability company registered in Denmark (reg. no. DK 39616041). Our history dates back to 1998, when international energy and environment services were provided by Grue & Hornstrup A/S, located in Holstebro, Denmark. The rise in diverse business activities of Grue & Hornstrup led to restructuring, and in June 2018, GH Sustainability was established by Grue & Hornstrup A/S and Marett Holding ApS to address the International Energy and Environment-oriented projects during. In 2020, Grue & Hornstrup A/S sold its stake in GH Sustainability A/S to Kirkgaard-Sehested Holding ApS. GH Sustainability's residence of business moved from Holstebro in July 2019, and is now located in downtown Copenhagen, Denmark. GH Sustainability has no registered business residence or representatives outside of Denmark, although it commonly and presently operates internationally, via various projects outside Europe. Over the recent years, GH Sustainability has expanded in the number of climate and energy projects and activities it performs, as well as the numbers of partners, consultants, and other service providers it employs.

Project Highlights 2020

During 2020, GH Sustainability adapted the ways it approached the delivery of its services, due to the COVID-19 pandemic and the travel restrictions. Despite being unable to engage face-to-face with local stakeholders, GH Sustainability was able to provide innovative solutions to several exciting and relevant projects, some of which we showcase in this report

Quality Review of Revised NDC - Bosnia & Herzegovina

With assistance from the UNDP, Bosnia and Herzegovina prepared and submitted a revised Nationally Determined Contribution (NDC) as required under the Paris Agreement, and associated with this is an NDC Implementation Roadmap. GH Sustainability worked with national consultants and UNDP, to ensure that NDC met the requirements for communicating commitments under the Paris Agreement, and that transparency was enhanced in both the NDC and Roadmap.



Enhancing Transparency of MRV in Fiji's Biennial Update Report (BUR)

GH Sustainability has a valued history of addressing climate change in the Pacific Island Countries. In 2020, (and further in 2021), the company had the pleasure to assist the Fijian Government with strengthening a national level Monitoring, Reviewing and Verification (MRV) system, which is used to communicate national progress in addressing climate change, and for tracking support need and received by the Government. Enhancing MRV systems is an important multi-stakeholder effort, which is built upon both public and private sector information systems and actions in Fiji.

United Nations Development Programme Pacific Climate Promise

The UNDP's Climate Promise currently assists 112 countries around the world, including 28 Small Island Developing States, with enhancing their commitments and actions to address climate change. Under the UNDP Climate Promise, since 2020 GH Sustainability is providing technical assistance to four Pacific Island Countries, namely Kiribati, Palau, Nauru, and Tonga. Our focus is to increase national engagement, improve alignment to policy & planning, include GHG mitigation in new sectors, assess costs & investment needs, and increase transparency of information. We are working with our partners PricewaterhouseCoopers (PwC) India and Sailing for Sustainability Fiji to deliver the UNDP Climate Promise.



Operations & Services in 2020

In 2020, GH Sustainability continued to operate on the global stage providing consultancy services in the fields of Sustainable Solutions, Climate Change, and Energy & Environment. In 2020, our services and activities under each service track specifically addressed the following:

Climate Change

- The company assisted countries in the transparency and revision of their Nationally Determined Contributions (NDC) under the Paris Agreement, and in the enhancement of transparent of actions for GHG mitigation and adaption through Measuring, Reporting, and Verification (MRV) and Monitoring and Evaluation (M&E) systems. This included national level communications and stakeholder engagement to ensure an optimal participatory processes.



- GH Sustainability engaged in National level planning and financing for the implementation of climate change mitigation and adaptation / resilience projects, which offered multiple sustainable development-oriented synergies and co-benefits.

Sustainable Solutions

- Since 2020, GH Sustainability assists business in the travel industry to create new business models and IT solutions to help travelers reduce their negative impacts on the environment and local communities.
- Assisted international development agencies with mapping cooperation opportunities linking climate change and specific impacts on sustainable development, (e.g., green growth, diversity & gender, health and human rights).
- GH Sustainability is currently developing a new online tool, which has a global reach to encourage transparency in sustainability efforts across and between organizations and consumers (available in 2021).

Energy & Environment

- GH Sustainability engaged and helped develop various renewable energy and environmental solutions, which are heavily integrated on all three service tracks.



Contribution to the UN Sustainable Development Goals

SDG 10

GH Sustainability contributes to targets 10.2, 10.3 and 10.4 of SDG 10 by ensuring equal opportunities in our own operations and worldwide via project engagement. Furthermore, at GH Sustainability, we strive to attract the participation of a highly skilled workforce of consultants and services providers, irrespective of age, race, ethnicity, gender, origin or religion.



SDG 12

More than complying with local recycling laws, GH Sustainability has ad-hoc strategies in place to reduce waste generation associated with our office in Denmark (target 12.5). Furthermore, projects outputs in all tracks contribute directly to targets 12.8 and 12.A. Lastly, in line with target 12.6, we began (in 2019) publishing our corporate sustainability report.



SDG 13

GH Sustainability provides expertise to countries and companies to help strengthen their GHG emissions reductions (targets 13.2 and 13.3). Likewise, we focus on providing services that allow for climate change resiliency (target 13.1). In relation to our own operations, GH Sustainability seeks to be climate responsible by means of measuring, reporting and offsetting our GHG emissions accordingly.



SDG 17

As part of all our services tracks, GH Sustainability constantly engages in the dissemination of knowledge sharing activities related to climate science, climate technology and sustainable development innovation (target 17.6). Overall, the outputs connected to our services activities contribute directly to the SDG 17 (targets 17.3, 17.7 and 17.8).



Transparency



GH Sustainability's Transparency component is divided into two components. Firstly, we address **Environmental Transparency**, which includes the a) the disclosure of our solid and liquid waste disposal practices, b) the accounting and disclosure of the company's scopes 1, 2, and 3 GHG emissions, and c) the disclosure of the company's Offsetting practices. Secondly, we cover the **Human Rights and Social Transparency**, which sheds light on the aspects related to a) labour laws, b) diversity, and c) ethics and anti-corruption practices that our company adopts.

Environmental Transparency

It is paramount to us that our company acts responsibly towards resource use and consumption. To hold ourselves accountable for the impact we have in relation to energy use, waste, and GHG emissions, we disclose the following information:

SOLID & LIQUID WASTE

GH Sustainability makes clear efforts to reduce, reuse, and recycle its office waste. We do so predominantly through the use of IT systems set in place to limit the and usage of paper and other materials.



Recycling services are required by regulation in the central Copenhagen area, where our office is located, and provided by HOFOR A/S and other companies contracted by the Copenhagen Municipality Government.

GREENHOUSE GAS EMISSIONS

In accordance with the **GRI Standards** for environmental reporting, (302-1 and 307), we measured the scope 1, 2 and 3 emissions associated with our operations and services for 2020 (3). Our methodology consists of the emissions factors from **The United Kingdom's Conversion Factors** developed by the Department for Business Energy and Industrial Strategy (4), as well as the Environmental Declaration published by HOFOR S/A (5) (the Great Copenhagen Utility).

- **SCOPE 1:** Scope 1 emissions are categorized as direct emissions under a company's control (e.g., furnaces, company vehicles, gas boilers etc.).
- **SCOPE 2:** Scope 2 emissions are the indirect emissions owned or controlled by a company. In GH Sustainability, that is related to energy emissions stemming from purchased energy for the company's activities.
- **SCOPE 3:** Scope 3 emissions are categorized as emissions from activities not controlled by the company, but that the company indirectly contributed to (e.g., purchased good and services, business travels, etc.). Employee commuting is not something we account for as company emissions; however, all employees commute to work via walking, public transportation and cycling.



2020 GHG Emissions Overview

GH SUSTAINABILITY'S SCOPE 1, 2 & 3 EMISSIONS IN 2020



SUMMARY

As demonstrated, the largest portion of GH Sustainability's direct and indirect GHG emissions are a result of emissions connected to business travels. Not surprisingly, the outbreak of the COVID-19 meant that our Scope 3 emissions significantly decreased in 2020.

In our previous Sustainability Report (for 2018-2019), GH Sustainability challenged itself to strengthen the usage of ad hoc technology tools to engage with clients, collaborators, and partners abroad as a way to decrease emissions. The COVID-19 pandemic gave us the opportunity to test such capabilities. In 2020, we increased the usage of online communication tools platforms and strengthened their effectiveness in a productive way.

Indeed, GH Sustainability optimized the way it interacted with stakeholders by seizing the potential of on-demand videos, webinars, and surveys. Moreover, our experience also shows that while more capacity resources are utilized by all parties involved when using these on-line system, they do offer greater flexibility to the participants and users, and can potentially enhance the quality of interactions. We acknowledge that while not a full substitute for fruitful in person interaction, our experience in 2020 tells us that utilizing webinars and other supporting online systems can yield quality results and collaboration.

While we hope to resume in person interaction, GH Sustainability will continue to utilize the aforementioned on-line tools and platforms in order to minimize, when possible, the extent of its business travel GHG emissions.

OFFSETTING EMISSIONS

GH Sustainability's control over how much it emits, allows us to make wiser climate change related decisions in regards to our business operations.

Travel is undoubtedly a vital part of our activities as we assist clients with their climate change and sustainability goals, and is also the largest source of GHG emissions of our company. GH Sustainability has the goal be carbon neutral, yet we have limited influence on a portion of our GHG emissions. This paradox means that the offsetting of our direct and indirect GHG emissions is a vital step in our carbon neutrality goal.

Offsetting emissions responsibly requires a high degree of consideration for both transparency and integrity, which is why GH Sustainability uses **Goodwings** to offset the majority of GHG emissions from our hotel stays (6). All remaining company GHG emissions are offset via GH Sustainability's purchase of carbon credits from the **UNFCCC Carbon Offset Platform** and the Nadarivatu Hydroelectric Power Plant CDM project, located in Fiji(7).



Human Rights & Social Transparency

GH Sustainability works to ensure the wellbeing of its employees and to enable them to thrive in a fulfilling and responsible work environment.

LABOUR LAWS

GH Sustainability operates within the prescribed laws and conventions for Labour Rights in Denmark, and the company specifically follows the ILO Fundamental Conventions, of which Denmark is a signatory. Furthermore, at GH Sustainability, we work to protect the rights of our employees encouraging their freedom of association and collective bargaining via trade organizations, although we note that the company does not have a collective agreement with any trade organizations.

DIVERSITY

GH Sustainability, as a consultancy company has over the years been involved with projects in over thirty-five countries worldwide, which makes us appreciate the inherent benefits of having a diverse group of employees and service providers. In 2020, GH Sustainability had a diverse workforce of employee and consultants consisting of seven different nationalities.





Furthermore, in a continued effort to translate the SDGs into our business model and work ethics, GH Sustainability strives to ensure equal opportunities for its employees and consultants. In 2020, 40% of GH Sustainability's employees and consultants were female, and the company is committed to continuing to have an equal representative and diverse group of employees and consultants in the future.

ETHICS AND ANTI-CORRUPTION POLICY

As an international consultancy services provider, it is in our best interests to operate ethically and transparently, while providing unbiased quality services to our clients. GH Sustainability has a zero-tolerance policy against corruption in all of its forms, including bribery and extortion. Anti-corruption clauses are included in all contracts issued with clients, partners, and consultants, and typically follow, at a minimum, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business transactions. GH Sustainability strives to maintain an open and constructive dialogue between management, employees, and consultants throughout all stages of our assignments, to encourage our teams to immediately act upon corrupt or inappropriate practices.

Our Sustainable Future

GH Sustainability is passionate to continue being a part of the solution towards enhancing environmental, social, and governance sustainability around the world. Our activities and decisions are guided by science and transparency and strive to inspire others as well. Looking ahead, GH Sustainability wishes to continue to translate its core mission into real actions and positive impacts.

The year 2020 made it clear that sustainable solutions thrive in a diverse, transparent, and collaborative environment. This is why GH Sustainability will continue to ensure diversity within our operations. Moreover, we commit to reducing our environmental impact and to continue to elevate the principles of sustainability alongside all of our stakeholders.

Once more we want to offer our sincere appreciation to our employees, consultants, clients, partners, collaborators, and stakeholders for a very fruitful and engaging 2020. GH Sustainability looks forward to what lies ahead.



GRI Standards Applied

2018-2019 Report:

- 101 Foundation (2016): 1.2-1.10 & 3.4)
- 102 General Disclosure (2016): 1-5
- 103 Evaluation of Management Approaches: (2016) 1-B
- 305 Emissions (2016): 1,2,3, & 5
- 405 Diverse and Equal Opportunities: (2016) 1. Bii & iii

Additions in 2020 Report:

- 205-2 (2016) Anti-Corruption
- 302 (2016) Energy Consumption within the Organization
- 306 (2020) Waste
- 404- 3(2016) Training Education
- 407-1 (2016) Freedom of Association and Collective Bargaining



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