

**CLOSING THE TIME GAP**

# From Decision to Delivery



**CORPORATE  
SUSTAINABILITY  
REPORT 2022**



CLOSING THE TIME GAP

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*The report serves as our statutory statement on corporate social responsibility in accordance with §99 a in the Danish Financial Statements Act.*





## GREETING FROM THE CEO

# Winning slowly is losing

2022 was in many ways a year of challenges. Some were foreseeable, others we couldn't have imagined.

The geopolitical divides have grown, making global problem solving increasingly difficult – sometimes even impossible. We need cooperation now more than ever. Yet we are faced with a polarisation of the world order, and the parameters we usually base our work on are changing.

But we don't solve our problems by shying away from them. We need to recognize them, face them, and collaborate to solve them. This was clear when cBrain participated in the UN General Assembly in New York, where the theme was "In a world of new challenges, we need to build on what unites us". Or when we were at World Economic Forum in Davos, where the theme was "Cooperation in a Fragmented World".

Good news can be hard to find. This also applies to the climate crisis. We are losing sight of the 1.5-degree target. We are

indeed still moving in the wrong direction, but on the solution side we see opportunities. cBrain participated and discussed this at length during the COP27 conference in Egypt. cBrain has a particular interest and many solutions to show in the climate software space. We believe that digitalization is a key enabler to do more and better. Fast track digitalization can close the time gap from initial political decision to its execution and real-life impact on greenhouse gas emissions, biodiversity and protection of nature. We see opportunities to fight back on the global climate agenda.

We have shown that with our standard software platform, we can help countries accelerate the green transition through faster and smarter approval processes or through automated permits and inspections. We have illustrated some of these solutions in this report. This year, COP27 also provided a breakthrough on the long overdue issue of Loss & Damage. Here we also see digitalization as a decisive factor to ensure implementation and execution.

Democracy has never been the only game in town, but more than two decades after the transitions that ended the Cold War, trust in democracy continues to decline. Over the past decade,

the erosion of the liberal democratic order has worsened, and authoritarian powers are on the rise. The failure of existing institutions to address pressing societal concerns, increasing polarization, and growing inequality have fuelled insecurity, and major democracies' mismanagement of the COVID-19 pandemic has provided further mistrust to the democratic governance we hold so very dear.

At cBrain, we see it as one of our key endeavors – in Public-Private-Partnerships – to help rebuild trust in our democracy by ensuring the efficiency of the public sector. By moving swiftly from paper to digital administrations, authorities will be able to work better, with more fairness and less corruption.

That is also why we have signed the Copenhagen pledge on tech for democracy. We believe that technology can increase transparency and accountability in governments. Be it on the climate agenda or on the foundations of our democracy. Digitalization is a beacon of light in a world shrouded by dark clouds.

**Per Tejs Knudsen, CEO**

# Contributing to the UN Sustainable Development Goals

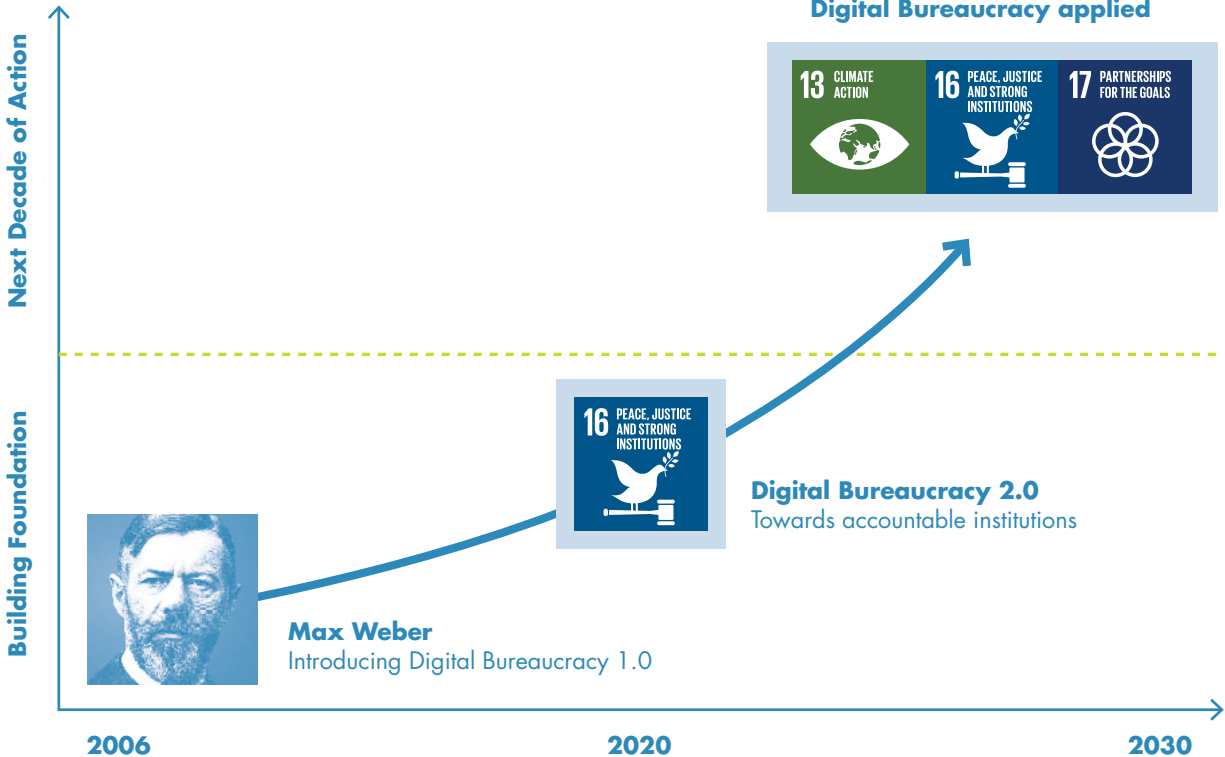
The global community has embarked on a journey with the Sustainable Development Goals as the blueprint for the future. As 2030 draws closer, it is clear that we are in a race against time to deliver on the goals. We believe that technology is one of the main vehicles to achieve them. Much of the action needed starts in the government toolbox of license and permitting, incentivizing and policing the regulation.

Understanding the nature of how governments work and applying the right technology to serve their needs is the core of cBrain's business. This is reflected in our SDG journey, starting with the digital bureaucracy platform and SDG 16 that defines the next generation of digital government. Our platform has been a success in the Danish public sector, currently ranked the most transparent and digital public administration in the world and the least corrupt country\*. And it has been successfully deployed on five continents helping to increase efficiency and accountability (16.6), combat corruption (16.5) and protect fundamental freedoms (16.10).

Climate change is not only a threat to human life, but to all life on the planet. We have asked ourselves how our technology can best serve the fight against climate change (SDG 13). The answer is digital climate governance. Software built to help governments enact transformative measures towards preventing, mitigating or adapting to climate change (13.1, 13.2, 13.3, 13.5). With temperatures rising, we saw that applying our experience in good governance to the climate area could enable authorities to go from political decision to execution with the speed needed to achieve their goals in time.

\*United Nations E-Government Survey and Transparency International's annual Corruption Perception Index.

Our experience comes from a long-standing partnership with the Danish government and our global clients. For us, public-private partnership is a way of life (SDG17). As we move ahead, we look to forge new partnerships (17.7) and to develop local centers-of-excellence with our partners (17.8) to deliver even faster.



# Best practice process libraries

Based on Danish public-private partnership and extensive research, we have developed a fundamentally new approach to government digitalization based on formalized methods and standards. Digitizing all types of work processes and services, from internal to citizen-facing, it is based on executable process libraries and a new, combined process-driven and data-centric software architecture designed for digital bureaucracy.

The approach is based on three elements: a formalized model, an implementation method for government work, which are both independent of technology, and standard software called F2, which supports the model and method.

In Denmark, more than 75 government institutions, including 17 out of 21 ministries, now base their work on the Digital Bureaucracy model. All are running on the exact same standard software, built to support the Digital Bureaucracy model, which has been configured to support each institution's individual work processes. In Denmark, several ministries have implemented the Digital Bureaucracy model and standard software within a few months, enabling a paperless working environment and supporting everyone from the most junior employee to the minister running meetings and approvals on their iPad. This has significantly improved productivity, data, and process control.

Likewise, many different Danish citizen-facing processes are now digitally supported, end-to-end, based on the Digital Bureaucracy model and standard software. This includes processes like national citizenship, immigration permits, divorce, reclaiming tax dividends,

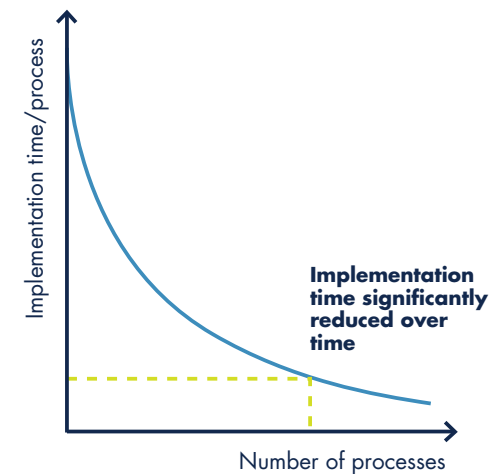
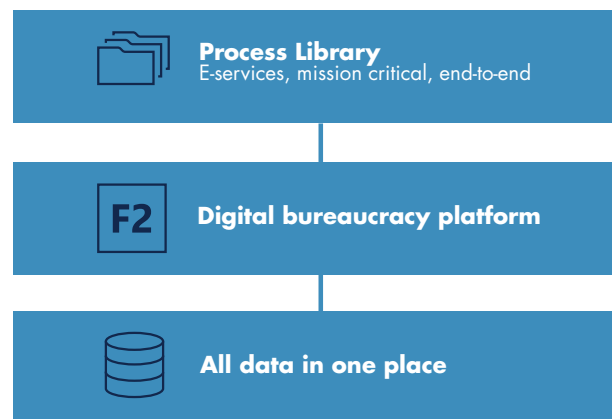
and fraud management. Solutions typically have been delivered within 3-6 months from start to finish, from analyzing work processes to configuring the standard software and going live.

Enabling government institutions to digitalize in months rather than years and delivering at a significantly lower cost compared to traditional government IT projects not only reduces risk, but offers a fundamentally new way of transformation. It further provides a fast track to build next-generation, digitally based government institutions. We see this as a game changer for government digitalization in developing countries.

**Governments have to reclaim ownership and insight into their work processes.**

Our research on digital bureaucracy made it clear that governments have to reclaim ownership and insight into their work processes. In the last decades ownership and insight have been buried with IT systems and are often controlled by external experts and suppliers. In the same way that governments must be in control of the organization and be responsible for service delivery, governments should also control their work processes.

## F2 - Integrated production platform



Our “processes first” approach not only allows governments to reclaim and take back control of work processes. By introducing the Digital Bureaucracy model, it also enables a new fast track approach to digitalization.

Based on standards and configurable standard software, the approach reduces digitalization projects by factors. While minimizing risks and reducing costs, it changes digitalization projects from being ITcentric to business-centric.

Reclaiming control is managed in two steps. Firstly, regaining control of work description, as this is now independent of systems. Secondly, regaining control of production systems.

As the description is formal, i.e. based on mathematics and therefore readable by software, governments can now demand that vendors deliver software that can interpret and execute the process description. This allows governments to retain control while they acquire, rewrite, and integrate software components to digitalize and support work processes.

Unique to our software is the concept of process templates. A process template describes a specific government process end-to-end, from citizen-facing self-service to case processing and filing. Technically, a process template is a declaration which is stored in the process library and linked to a case type. A process template is “open source” and can be re-used simply by copying the template and adjusting it. cBrain has delivered many different solutions, supporting processes across areas such as family life events, social affairs, tax, certifications, HR, grants management, and inspections.

## Standard Software heavily reduces implementation time



**Building solutions based on configured standard software instead of software components and traditional IT consulting services heavily reduces the need for consulting services.**

**Thereby projects can be delivered much faster, at a higher speed, and at lower costs.**

-  **Faster delivery**
-  **Process driven design**
-  **Lower project risk - reduced complexity**
-  **Automatic upgrades and maintenance**





# Tech for Democracy



**Tech for Democracy is a Danish-led initiative that brings together representatives from governments, multilateral organisations, tech industry and civil society to make technology work for democracy and human rights, not against them. cBrain is a partner to the initiative.**

cBrain is fully committed to the "tech for good" agenda and how we can support our democracy and human rights. For us, democracy is the foundation of global society. However, trust in democracy is declining around the world, including trust in national institutions, trust among states, and trust in a rules-based global order. Fragmentation and populism are on the rise.

While this is not historically unique, cBrain knows there is a solution for a better tomorrow. We believe there is a common ground that can be found where citizens and governments can be reconciled and trust can be restored. Herein lies the exciting opportunity to set a new course.

Government production is based on bureaucracy. Yet, as the classic bureaucracy is challenged by a shift from paper-based to digitalized information, the shift also offers transparency, significant productivity gains, and more efficient service delivery. If this is done well, it can bring back trust in our institutions.

At cBrain we therefore believe that bringing back trust in democracy begins with having more resilient, transparent, and efficiently run government institutions. Public digitalization of citizen services is the foundation for creating accountable and anti-corrupt institutions. This in return creates increased efficiency, quality, and improved citizen service delivery. This is the core of our work under SDG 16: Building accountable institutions through digitalization.

Another challenge in our path to a more democratic future is to nuance the dominant rhetoric that digitalization is a dense, almost invisible fog that seizes and abuses our data. A fog that has become a collective term for our knowledge and attitudes towards digitalization, and to a large extent the negative consequences technology and digitalization bring. We would like to nuance this debate.

Conversely, it is the same data and digitalization that help us create new economic opportunities, better health, restore the

environment, strengthen our public administration, and create a less corrupt public sector. This is a key reason for us to join the Tech for Democracy initiative. We need to broaden the scope of the discussion on technology and democracy, so we do not overregulate and fail to grasp the opportunities that digitalization brings. We need to discuss and weigh the pros and cons sensibly against each other and find a balanced path forward.

We embrace "tech for good" and the positive elements of digital democracy – and not least an intentional use of data and secure public digitalization that will have a positive, measurable impact on the world. It is about using technology to solve the major governance challenges that we face. One of the reasons technologies are so valuable in solving these problems is that technology can do it at a scale and at a speed that will secure a faster transition from political decision to execution. Our standard software and proven best practice are being deployed around the world to do just that, and it has shown that tech for good is not just a concept we adhere to, but a reality we practice!

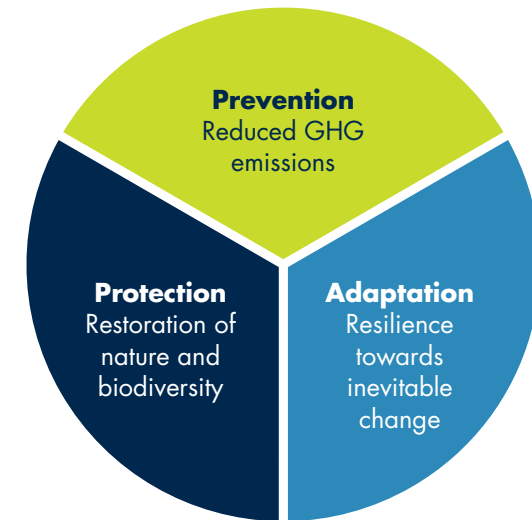
# Making climate action happen

## Digital Climate Governance

Climate governance consists of measures aimed at steering social systems toward preventing, mitigating or adapting to climate change. Good climate governance needs to be fast, agile and accountable. Climate software for governments is the digitalization of climate governance.

Within the Digital Cooperation Roadmap, UN Secretary General António Guterres recognizes the importance of digital technologies for accelerating environment and climate action: “the digital revolution can be steered to combat climate change and advance global sustainability, environmental stewardship and human well-being.”

Digital climate governance systematically reduces the lead time from decisions taken to environmental impact on the ground and in the atmosphere we share. This entails three interdependent goals of climate action: preventing climate change by reducing greenhouse gas emissions; protecting nature and biodiversity; and adapting to inevitable climate change to safeguard living conditions in the most vulnerable parts of the world.



**CLIMATE GOVERNANCE**

**cBrain's climate mission is to use digitalization as a means to close the time gap from political decision to delivery.**

### Rapid deployment of green best practice ready for re-use

Our climate software solutions are an evolving process library of green best practice ready to be re-used. We have developed best practice digital models for licensing, approvals, grant management and inspections and applied them to a score of different climate and environmental challenges.

Based on our models, we make blueprints of the climate and environmental processes our clients need and deploy them on our standard platform. This means implementation is now done in a matter of weeks rather than months and years. And this delivers results where they are most needed. Many of these processes are under international or regional regulation.

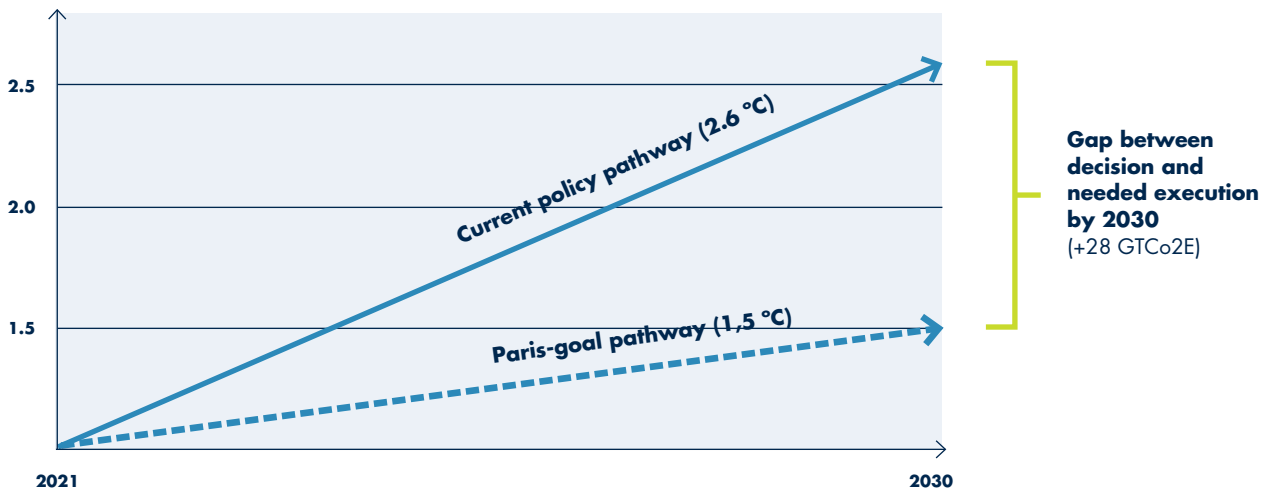
The best-practice blueprints are therefore copied and adapted from agency to agency, country to country. This reduces risk, cost and implementation time even further.

By building the institutional capacity to monitor, control, manage, permit, and govern the use of natural resources, pollution, and use, etc., agencies take charge of their own mandate. This increases their ability to implement new measures at a very high pace and, in turn, leads directly to reduced emissions and better protection of nature.



Global warming by 2100

### CLOSING THE TIME GAP







# CASES

# Fast-tracking environmental permitting

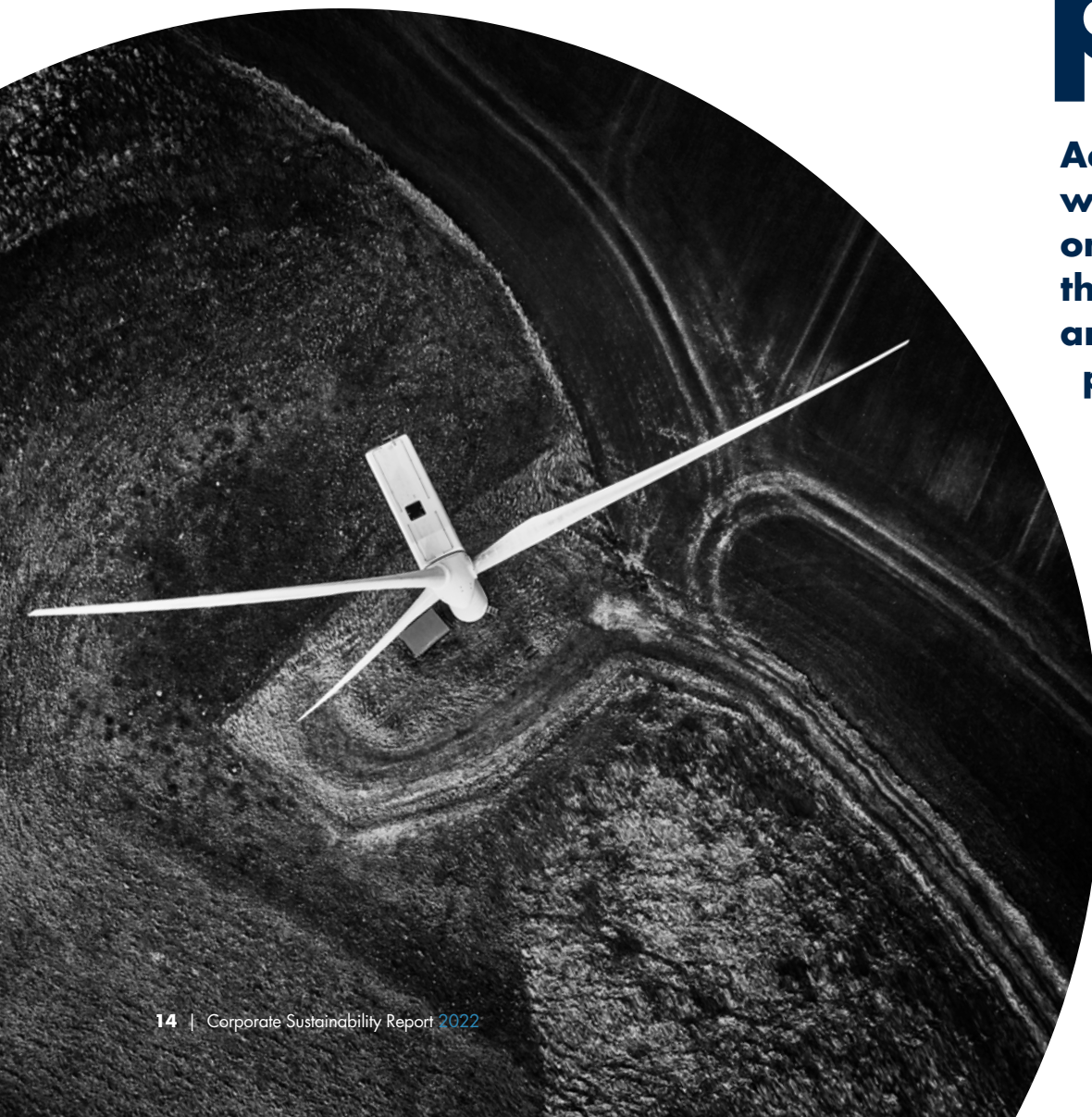
**According to the wind industry, there are four wind projects stuck in permitting for every one under construction in Europe. In Denmark there is a gap of up to ten years from the time an investor commits to a renewable energy project to the moment when green power runs into the grid. No wonder fast-tracking environmental permitting is on top of the global agenda.**



The global energy crisis caused by the war in Ukraine has accelerated the green migration from oil and gas to renewables.

In November 2022 the European Commission issued a temporary emergency regulation to “accelerate the permit-granting process”. In the United States the renowned climate bill “Inflation Reduction Act” only found its majority with the promise of a permitting reform.

Both bear witness to the fact that bureaucratic delays and tedious administrative procedures are slowing down the battle against climate change.





As regulatory overhaul is taking place in legislative bodies around the world, there is a renewed focus on the ability of the executive branches of government to deliver fast-track permitting.

#### **Expedited permitting in 8 weeks in Denmark**

In Denmark the Environmental Protection Agency (EPA) decided to rapidly digitalize the processes pertaining to environmental impact assessments and permits. In less than 8 weeks, a fully digital application and case management solution was deployed based on the EPA's own screening process.

The solution registers and relates the application to other relevant authorities and ensures that all relevant national, European and global regulations are met and documented. A major part of this is keeping track of the public consultation phases that allow the public to raise concerns regarding the environmental impact of projects. These are crucial for the permits to be legal and valid and are often cause of litigation around the world.

#### **Multi-Agency Collaboration Hub in place**

Digitalization projects are often held back when cross-agency collaboration is needed.

In a concerted effort with Danish grid owner Energinet, the EPA wanted to include a collaborative portal in their permitting solution, where relevant stakeholders could follow the approval process of their application. This kind of transparency both increases efficiency gains in the

planning pipeline for transmission grid expansions and avoids bottlenecks in particular phases of the approval process.

The collaborative hub was set up alongside the solution within the same timeframe and is gradually being improved as the next waves of the solution are being developed.

#### **Fast-track permitting doesn't have to be the exception**

The environmental impact assessment and permitting process is complex and involves many stakeholders and an abundance of documentation. But the process serves the purpose of ensuring that irreversible damage to the environment is avoided or at least considered properly before any construction of infrastructure begins.

The experience from Denmark shows that these important considerations can be handled efficiently in a digital process deployed within a short lead time. This means that fast-track permitting doesn't have to depend on emergency regulation, but is achievable anywhere. At the same time, it increases transparency allowing for efficiency gains amongst other agencies and stakeholders.

At cBrain we are proud to see our technology put to use at a time and in a function deemed crucial to society at large. We aim to bring this best practice model of digital environmental permitting to the attention of governments who seek to expedite their permitting for the good of both climate and environment.

# Bringing the circular

// **KEPRO is streamlining compliance for its members through KEPROms, - a cBrain powered F2 system. This secure, transparent, and fully auditable system offers members peace of mind with its data privacy protection. KEPROms is effortless to use, making it easier than ever for members to stay compliant.**

Isiaha Mumo, KEPRO Kenya

# economy to life

**Kenya is introducing extended producer responsibility to reduce plastic pollution and increase recycling across waste streams. The digital climate software platform deployed in a few months will ensure that waste producers pay their fees, and the revenue is invested in recycling.**

13 CLIMATE ACTION



### **Waste is a threat to climate and environment**

275 million metric tons of plastic waste is produced globally every year. Up to 12 million tons leak into oceans with dire environmental effects. Plastic, being a fossil material, also constitutes a severe climate problem. The circular economy seeks to regulate and incentivize the re-use and indefinite recirculation of resources, and to ensure that use

of virgin materials is minimized. In order to bring the circular economy to life, governments across the world are introducing Extended Producer Responsibility (EPR) regulation to make producers accountable for products and packaging also when it becomes waste.

In Kenya this means that all companies that produce or import packaged goods will bear responsibility for recycling the materials used for packaging. Companies must form producer responsibility organizations that collect monthly fees pursuant to the volumes of each company's packaging (plastic, cardboard, aluminum, glass, etc.). The fees will fund contracted recyclers who in turn make sure that the materials are collected, sorted and recycled.



### **A digital platform is paramount to rapid implementation in Kenya**

The Danish government has advised Kenya on the new regulation, and cBrain has developed and deployed the digital platform for the Kenya Extended Producer Organization (KEPRO). The solution covers membership management for all companies involved in the packaging waste cycle.

The digital platform also handles the monthly EPR reporting, which is when companies submit information regarding their use of packaging materials and are issued invoices for EPR fees accordingly. There is a similar process for contracted recyclers who report on volumes recycled to receive subsidies based on a quota system. Further, the data is used to report to authorities on compliance and performance in terms of increased sustainability and circularity.

### **Accountability, efficiency, and data integrity go hand in hand**

The platform developed must be able to handle a large number of declarations every month while securing the highly confidential data involved. Thus, scalability and data integrity are crucial. At the same time, free riders must be identified, so that no one can avoid taking responsibility. This call for transparency and accountability also stresses the need for a solid, digital platform.

The solution was developed by cBrain in a few months, preparing KEPRO for the enactment of the regulation. It is crucial that the solution is easy and effective to use for the producer responsibility organization and at the same time able to deliver on the promise of getting all actors in the packaging waste cycle to pay their dues, thus incentivizing increased recycling.



# Accelerated & accountable reforestation

**In Denmark, it took less than 12 weeks for the reforestation flagship initiative, The Danish Climate Forest Foundation, to conceive, configure and go live with an end-to-end digital platform for financing reforestation projects in an accountable and internationally compliant way.**

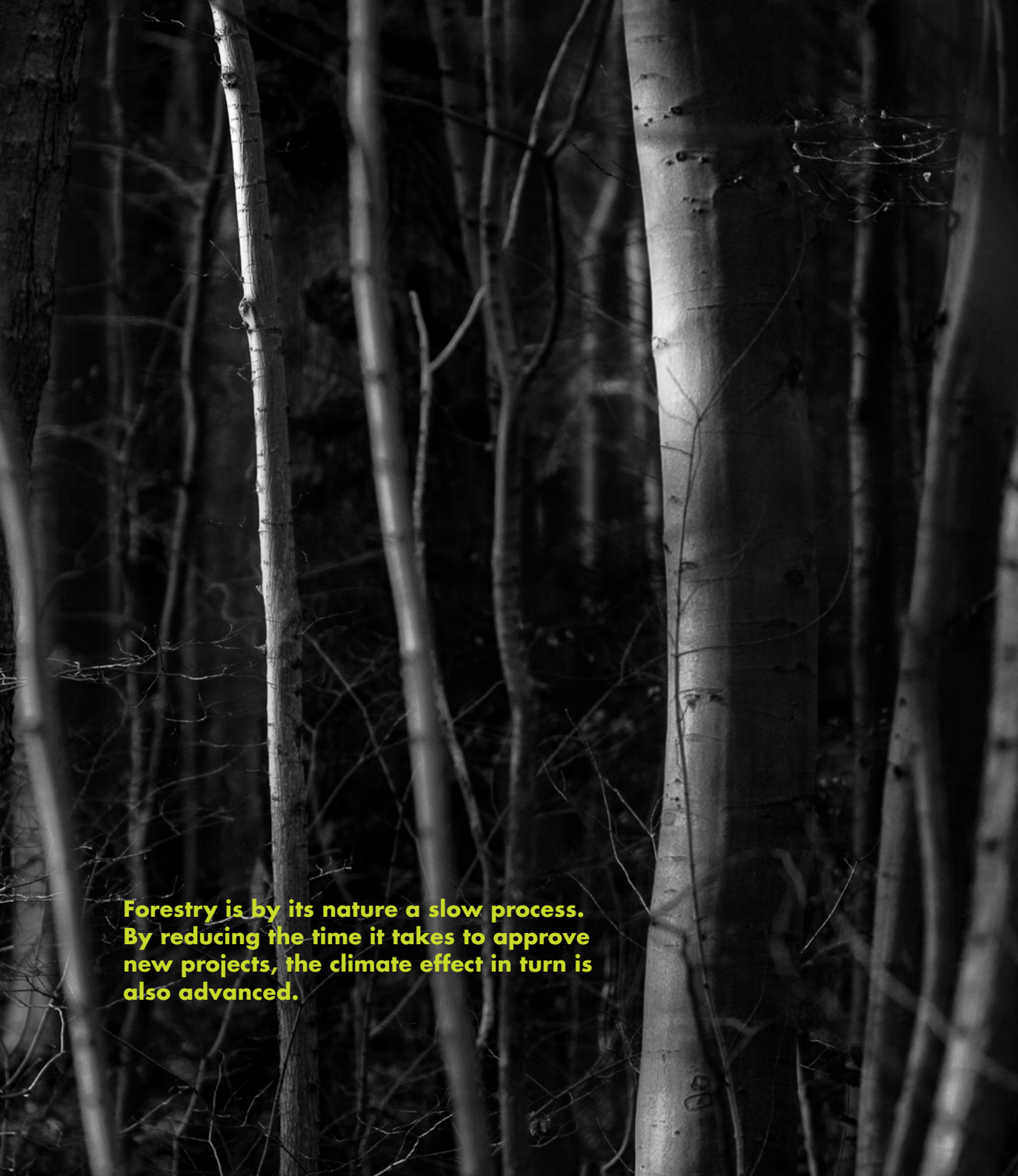


#### **Reforestation is pivotal to fight climate change**

Reforestation is on the global agenda. Since 1990, the rate of global deforestation has been equivalent to 800 football fields per hour. At COP26 in Glasgow, 100 countries agreed to stop deforestation by 2030, and significant funds have been allocated across the world for forest restoration. Reforestation remains a crucial part of climate action plans everywhere.

In Denmark, The Danish Climate Forest Foundation will contribute to the fulfillment of the ambitious Danish climate goals through the establishment of forests and changed use of carbon-rich lowland areas. The latter will be transformed from intensive farming to forests, whereby these lands will go from causing significant emissions to sequestering CO<sub>2</sub>. The Danish Climate Forest Foundation has been created by the Danish government and is to combine public and private funding for new forest and maintain a carbon registry, where contributing private stakeholders and the government can offset their emissions.

Urgency requires platforms to be deployed fast, but with strong accountability measures, such as Geographic Information System (GIS) data, to ensure full compliance with international carbon credit standards.



**Forestry is by its nature a slow process. By reducing the time it takes to approve new projects, the climate effect in turn is also advanced.**

#### **Accountability is key**

The Danish Climate Forest Foundation receives applications via the digital platform. They score the applications based on the price per sequestered unit and administer points for synergy effects on nature, safeguarding drinking water reserves, etc.

The Danish Climate Forest Foundation has developed a calculation method for CO<sub>2</sub> effects that is documented on every application case. There are also systematic checks to ensure that funded projects are truly additional to justify carbon credits.

Price scoring and synergy points are used to prioritize applications. To this end the foundation extracts a list of applications with cases in ascending order based on price and points for final prioritization and approval and communication to the applicants.

#### **Fast processing to maximize effect**

The Danish Climate Forest Foundation needed to establish their digital solution with a short lead time to deliver on their mandate. The project was concluded in less than 12 weeks including design, configuration, implementation and training.

The main effect for the new organization is that they can process fast and prioritize to achieve maximum effect. Forestry is by its nature a slow process. By reducing the time it takes to approve new projects, the climate effect in turn is also advanced.

Moreover, The Climate Forest Foundation needed a high level of accountability to ensure that the carbon credit system that follows the reforestation efforts remains unimpeached by irregularities with the projects.



# Advancing **climate-smart** agriculture in California

**Agriculture is the fifth largest source of California's greenhouse gas emissions. The Sustainable Land Initiative will help farmers plan, fund and execute plans to reduce their carbon footprint and enhance water protection without being held back by years of "green tape".**

13 CLIMATE ACTION



### **Agriculture and land use remain major climate sinners**

Agriculture, forestry and other changes in land use account for almost 20% of global greenhouse gas (GHG) emissions. A growing population increases the demand for food leading to unsustainable

farming, destruction of nature, and deforestation. The California Air Resources Board (CARB) estimates that agriculture is the fifth largest source of California's GHG emissions.

The Sustainable Land Initiative will accelerate the speed of action and exponentially increase the beneficial impact on the environment – not only in reduced emissions, but also in protection of water resources. What once took a landowner several years can now be achieved within weeks or months.

Representatives from counties, municipalities, Resource Conservation Districts (RCDs), private businesses, and landowners helped specify the process most appropriate for rapid implementation and maximum potential benefit to the region and landowner.

### **From years of planning in the office to rapid action in the field**

California's RCDs have intimate knowledge of local environmental needs and solutions that will improve environmental value in the local area. However, they have historically lacked consistent processes by which to identify, fund, execute and measure the impacts of those initiatives. The current process consists of engaging with a landowner to develop an action plan, funding and executing the plan and then actually implementing it. This typically takes years.

cBrain delivered a fully digitalized process for identifying and assessing sustainable practices that lead to rapid implementation of those practices and the sequestration or reduction in GHG. The digitalized process allows RCDs to rapidly connect landowners with funding and technical assistance to implement sustainable practices.

### **Central Coast California leading the way**

The Upper Salinas-Las Tablas Resource Conservation District's Sustainable Land Initiative has piloted the solution that proactively identifies properties with the greatest potential for water management and carbon reduction or sequestration and helps to streamline the funding, implementation and monitoring of those projects.

This will enable rapid, effective, and measurable reduction or sequestration in greenhouse gases and water retention through agriculture and other sustainable land practices. The project accelerates the implementation of sustainable farming initiatives in Central Coast California, while at the same time providing other regions of the state and country with a playbook for similar execution.

The future objective is to provide municipalities, counties, RCDs and other interested parties across the state with an immediate means to leveraging sustainable land practices, so they too can achieve their carbon reduction, water management, and other conservation goals while benefiting landowners.



# Security-screening foreign direct investments



Denmark passed a new investment law which meant the Danish Business Authority needed a system for the screening of Foreign Direct Investments (FDI). The purpose of the investment screening mechanism was to prevent foreign investors from gaining ownership of or control over Danish companies that could lead to negative consequences for Danish security or public order.

The Danish Business Authority had to process applications regarding specific investments from foreign investors if these investments met certain criteria. As part of the case processing, the Danish Business Authority had to facilitate consultation processes with Danish authorities, prepare permits based on an approval process and handle classified information.

## **Accountability is key**

The screening scheme is designed as a combination of a statutory permit requirement for particularly sensitive sectors (defense, dual-use, IT security, critical infrastructure and critical technology) and a voluntary notification option for the other sectors.

The foreign investor, i.e. a foreign citizen, foreign company or other entity, must apply for permission to carry out an investment or enter into a special financial agreement. The foreign investor may also make use of the voluntary notification option. Which foreign nationals and companies are covered by the scheme depends on the respective investment or special financial agreement as well as the sector it pertains to.

For investments or special financial agreements covered by the voluntary notification option, but for which no notification was submitted, the Danish Business Authority can go back five years to investigate and possibly take action.

The solution is divided into three phases.

**cBrain delivered the solution in 3 months.**

- **FDI Prescreening:** If the foreign investor is in doubt as to whether they are subject to the permission requirement, they can request a prescreening. The investor is then directed to apply for FDI screening if they are subject to the requirement.
- **FDI Screening:** Contains applications from foreign investors for permission to carry out an investment or enter into a special financial agreement with a Danish company.
- **FDI Control Case:** A permit to carry out an investment may be subject to certain conditions and require annual checks. For this, the control case type is used.

#### Dashboards and transparency

A management dashboard provides a graphic overview of a number of cases or files in the organization. It provides both employees and management with an overview of the amount of cases/files, their progress, deadlines and assignment of responsibilities. The dashboard functions like a traditional control rack, but instead of carrying around paper by hand, the entire process is digitalized.

#### Search examples

- All cases awaiting distribution
- All cases awaiting consultation responses
- All cases the case manager is responsible for
- All cases whose deadline is close or about to be exceeded

#### Secure communication

When issuing permission or rejection in relation to FDI screening, an extra layer of security may be needed. In F2 it is possible to publish material to external parties via a link which is accessed with an SMS code.

External access to the material can be configured to a limited amount of time. The link is created and sent in an email to the external party. On the website, the link recipient can view and download the material after entering the SMS code. A prerequisite for this solution is that the party has been created in the party register in F2 with an email address and a mobile number.

In the form for FDI screening, e-mail address and mobile number are entered, and the parties are automatically created in F2. Therefore, the above solution is simple to utilize. The advantages of sending a decision via link is that an extra security layer is introduced (text login), and that the decision is only available for a limited time.



# Getting ready for net zero

**With our 2021 sustainability report, we began our journey towards becoming a net zero company by 2030. This year we have taken the first major steps and remain committed to reducing our carbon footprint.**

## **Jumping ahead with solar power**

As we don't have scope 1 emissions, our efforts in 2022 focused on neutralizing scope 2 as well as our travels and datacenter usage in scope 3. These elements by far constitute our biggest sources of emission.

In 2022 cBrain used around 278 MWh power. These are essentially unnecessary emissions, as wind and solar energy are mature technologies, ready to replace fossil-fueled power plants. In cBrain, however, we cannot decide how the power in our sockets is generated. Instead we make sure that that we add as much solar power to the grid as we consume.

Through The 0-Mission, a Danish solar park subscription service, we subscribe to a solar park in the town of Vandel near the city of Vejle. The park is 100% privately financed and expected to reach full production capacity in 2024. Our consumption corresponds to the production of approximately 1200 m<sup>2</sup> of solar panels. The change in land use from agriculture to solar park provides for better protection of groundwater and more biodiversity.

## **Compensating through projects in developing countries**

For heating and scope 3 emissions (travels and datacenter), we can only compensate.

As the world has reopened and our internationalization process continues, we will be seeing increased emissions from travels as we have this year (see ESG reporting on page 30).

Until green options are available, we will continue compensating. We will do so by buying credits from the UN's Clean Development Mechanism through which we support projects in developing countries that lower their emissions equivalent to ours.





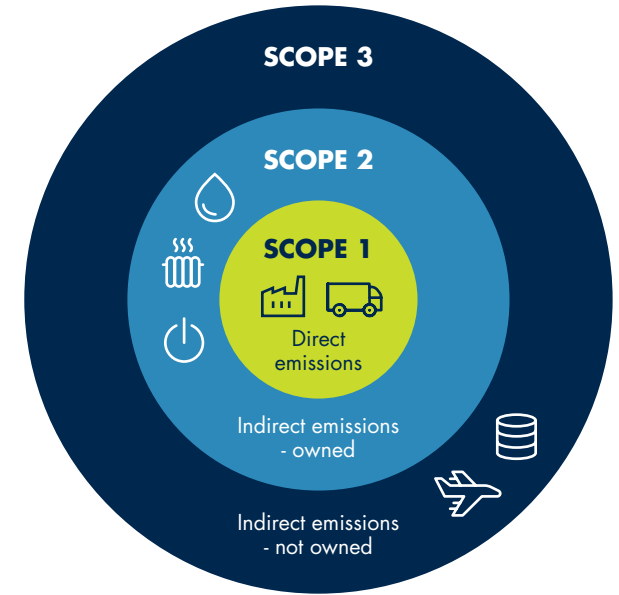
### Getting a better grip on scope 3

The coming year we will intensify our efforts to measure, reduce and report on our emissions. Like many other companies we will face challenges as we venture further into scope 3 emissions. At the same time we want to be able to provide clients and investors with clear documentation of our sustainability efforts.

In 2023 we will therefore strengthen our internal environmental management to achieve our goals, prioritize the most impactful initiatives and document the results according to international standards. Denmark emits only 0.1% of the world's GHG emissions.






But our ability to leapfrog towards a zero-emission society serves as an example to the world and has an impact far beyond the actual emission cuts.

We believe that our biggest contribution in the fight against climate change is helping governments act on their intents and execute their climate and environmental decisions in a fast, effective, and transparent manner. However, we embark on our own net zero journey because we too need to change and execute our intent: to contribute to the green transition of the society we serve.



## OUR POINT OF DEPARTURE

We take our venture point with 2021 as our baseline

		2022	2021	Units	Emission strategy
<b>SCOPE 1 (Direct emissions)</b>	cBrain does not have company cars or other sources of direct emissions	N/A	N/A		
<b>SCOPE 2 (Indirect from purchased energy)</b>	cBrain's scope 2 emissions are electricity, heating and water				
	Electricity	40.4	45.3	Tons CO <sub>2</sub>	Solar power 
	Heating	58.8	50.2	Tons CO <sub>2</sub>	Compensation 
	Water	0.15	0.15	Tons CO <sub>2</sub>	Compensation 
<b>SCOPE 3 (Other indirect emissions)</b>	Brain will develop our ability to monitor and reduce or offset scope 3 emissions gradually. Our point of departure includes the elements.				
	Business travel	74.0	41.5	Tons CO <sub>2</sub>	Compensation 
	Datacenter	0.5	0.13	Tons CO <sub>2</sub>	Compensation 

# The cBrain DNA

**cBrain was founded on the basis of a technological vision and a core set of values, often referred to as the cBrain DNA.**

Today, those values are guiding the company exactly as they were in the early days. Our company values are important to us, and we strive to act in accordance with them in our interactions with both our employees and our customers.

Our most important responsibility towards employees is to provide a good place to work. A simple aim, yet a constantly evolving one as we grow as a company. We want to be an inspiring and motivating workplace with strong leaders for those who want to join the journey of delivering an F2 world-class platform for e-government. Our values give us a common direction in the process of maintaining, nurturing, and evolving the company.

## **Strengthening culture through core values**

Our values express a boldness in how we do business and a warmth in how we act as colleagues. Our ambition is to succeed and grow the business as one company while maintaining a strong culture. Therefore we actively invest in securing the culture and values in our daily business. When you enter cBrain as a new employee, you are faced with a patchwork of value-driven initiatives to help you form the hopefully best job you ever had.

To further utilize the power of our values and as fuel for the high-speed growth organization that we are, cBrain has built a series of activities around the values. To mention a few, we have an end-to-end introduction week and a Beginners' Club program, which onboards and welcomes new employees, just like we have our internal training, cUniversity, which strengthens our employees' F2 knowledge. We also have a company-wide Tuesday breakfast meeting centered around our passion for software. And last, but not least, our employee-driven events, such as board game nights, wine tastings, parties, a running club, and many more reflect the strong collegiality. We have also initiated a leadership development program, as we believe that strong leaders are crucial for maintaining strong employee engagement.

## **A new domicile – a new beginning**

In October 2022 cBrain moved to a new domicile designed by the world-renowned architect Jørn Utzon. The building is known as the Utzon House and situated in Nordhavn overlooking the harbor. As the new headquarters, the Utzon House supports cBrain's international growth plans with an attractive location for both foreign visitors and employees. The new iconic domicile creates a unique and creative work environment and makes it even more attractive for our employees to work at cBrain with its great bistro, nice coffee, fitness facilities and beautiful surroundings.



# cBrain culture & values

## Passion for software

There is always a new way to solve an issue. We are inspired by the new designs and new technologies that constantly appear. We believe in design-driven innovation, because new ideas often come to life in close collaboration with customers.

## People business, happy customers

We sell and deliver software for people. Happy customers are essential for us.

## I like my colleagues

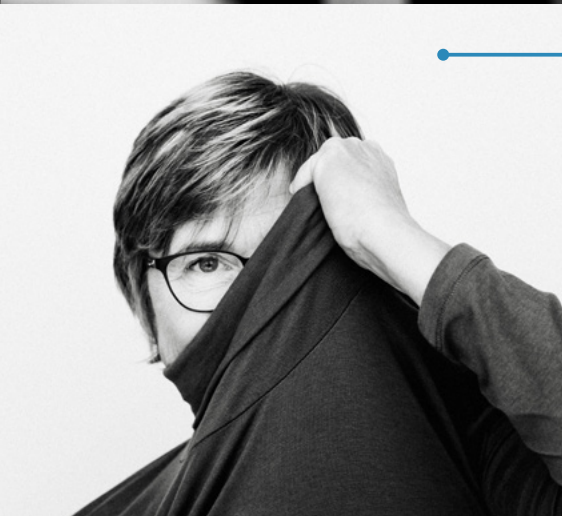
We like each other and have carefully chosen our colleagues. That makes work much more fun, motivating, and inspiring. We create results through vision, excitement and harmony; both internally and in collaboration with our customers. We believe that innovation and new ideas are created through excitement and passion rather than through conflict and spreadsheet management.

## Extreme and easy to do business with

It must be easy to do business with us. We are using “extreme” concepts when we design, code and communicate and when entering agreements.

## Yin & Yang

We want to make money and have fun. But we don't want to make so much money that we don't have any fun, and we don't want to have so much fun that we don't make any money.



Do you want to join the cBrain journey?  
Then look here



# Our Policies to ensure Responsible Business

At cBrain, we do our utmost to be trustworthy, responsible, and ambitious in all our business activities. Integrity is essential if we want to make a positive impact on the world. We therefore regularly assess how we conduct responsible business. For us, the very basis of conducting responsible business is to comply with all applicable national and international laws.

Furthermore, it is important for us to contribute positively to both our internal and external environments beyond what is required from us by law. Our policies, which are based on the Ten Principles of the UN Global Compact and cBrain's core values, reflect this responsibility, together with our commitment to the United Nation's Sustainable Development Goals.

## HUMAN RIGHTS

### Risks

We strongly believe that diversity contributes to ensuring quality and innovation in all of our activities. As the company has continued its growth, we acknowledge that this calls for a strong leadership and management focus to strengthen and promote diversity in relation to gender, ethnicity, and cultural differences. In 2022, we have therefore reviewed and updated our diversity policy to make sure that it reflects our focus on diversity. We further added a whistleblower scheme in 2021 to make sure that any possible misconduct can be addressed. As our products are dealing with citizens' data, it is important that we focus on protecting these individuals from having their data misused or leaked to third parties. This risk is central to our operations, as public institutions must be able to trust our products and services. To ensure quality, we constantly allocate substantial resources to product development. In 2022, there has not been identified any cases of harassment and discrimination.

### Policy

cBrain fully supports and respects all parts of the Universal Declaration of Human Rights (UDHR). This means that all internal, external, direct, and indirect activities performed by cBrain must be in alignment with the declaration. cBrain acts in line with the UDHR and therefore treats all stakeholders fairly and does not engage in any discriminatory behavior. cBrain will only engage with suppliers who comply with the UDHR. All employees are to be educated once a year in our Code of Conduct. In the future, we continue with the annual training of all employees in human rights and will update our policy when necessary. For the coming years, we will strive to uphold our high standards and continue to enforce our policies throughout the organization and our external stakeholders.

## ANTI-CORRUPTION

### Risks

We are working to help governmental institutions deliver value to their citizens. It is therefore important that we have high standards for how to act with integrity. Since 2007, Denmark has ranked as either number one or two on the Corruption Perceptions Index performed by Transparency International. This means that we mainly operate within a context where the threat of corruption is at its lowest. However, as we continue to expand internationally, it is important to continually ensure that we are not complicit in any forms of corruption, as we are operating within new contexts and cultures, where we cannot automatically expect the same level or high standard.

### Policy

We distance ourselves from any form of corruption in all of our activities. We will not be complicit in neither direct nor indirect corruption. We will not be involved in bribery or any other form of activities that will unfairly benefit us or any other actors. We do not perform activities that undermine market competition. We do not perform aggressive tax calculations or use transfer pricing to avoid paying taxes in any country. Once a year, all employees are informed about the company's anti-corruption policy to ensure that they are up-to-date on the company's guidelines for how to conduct responsible business with external parties.

To make sure that we continue to be ambitious, we have established an SDG committee with dedicated resources led by the CEO and monitored by the CFO. The board of cBrain will oversee the activities of this committee to ensure that cBrain continues to act responsibly and pursue a business strategy which is in line with the goal of SDG 16, 17, and 13. We have incorporated the Ten Principles into our way of doing business, and this is reflected below. Proper processes for due diligence and ethical assessment are implemented.

## Find our Code of Conduct

[cbrain.com/csr](https://cbrain.com/csr) - code of conduct



## LABOUR RIGHTS

### Risks

Our point of departure is Denmark where legal requirements for employee rights are strict, and the cultural context both values and demands fair treatment. This means that all of our activities and internal processes are designed to fulfil these requirements and expectations. The cultural context has enabled us to adopt a value-based leadership style which empowers our employees to act independently. Furthermore, we mainly hire highly educated personnel, and this means that we need to offer competitive pay, benefits, and working conditions to be able to attract the talent that we need to deliver high-quality services and products. The main risk concerning labor rights is that we fail to uphold our high standards when we hire personnel or engage with external stakeholders outside of Denmark's borders. The level of this risk will increase as we continue to expand into new geographical markets in line with our business strategy.

### Policy

cBrain will neither directly nor indirectly be complicit in the treatment of labor which is not in line with principle 3, 4, 5, and 6 of the Ten Principles. We commit ourselves to giving our employees the best possible working conditions by continuously evaluating work processes and following industry trends for employee benefits. We are actively working towards promoting a culture in cBrain that embraces a healthy balance between work and private life. We believe that we are only able to develop and deliver innovative products and services of high quality if all our employees are motivated. To create a culture of creativity and innovation, all employees must feel confident in raising their ideas and concerns. We have therefore adopted a flat company structure where it is the quality of the argument rather than the title of the position that counts.



## ENVIRONMENT

### Risk

Although our risk of affecting the environment negatively is relatively low due to the nature of our products and services, we must still act responsibly in all that we do. In relation to moving to a new domicile in 2022, we have sought to make environmentally friendly decisions whenever possible, and we continue to look for environmentally friendly alternatives as we settle in to our new building. In our latest strategy, we expanded our scope by supporting government with Climate Governance Software to close the time gap from political decision to execution and thereby enhance governments' possibilities of addressing the CO<sub>2</sub> and biodiversity challenge. Failing to address the market appropriately and efficiently may lessen the positive impact on the environment.

### Policy

We commit ourselves to continuously improve the impact we have on the environment. In all of our business activities, the environmental impact of our actions should be recognized and minimized. In cBrain, we support a precautionary approach to environmental challenges. We do not conduct cost-saving initiatives which compromise environmental responsibility. We are raising awareness about environmental challenges through committing our suppliers to act in line with principles 7, 8, and 9 of the Ten Principles of the UN Global Compact. We are committed to delivering a product of high quality that creates transparent and accountable institutions. This is the very basis of ensuring positive environmental development, since without transparency or accountability, no actors can be held responsible for their actions.



# ESG REPORT 2022

# Introduction to ESG

**In cBrain we hold ourselves accountable and are passionate about having a positive impact on the environment for our customers, for each other and for our society.**

## About this ESG report

This ESG Report is an integral part of Management's Review in cBrain's Annual Report for 2022 which can be found at [www.cbrain.dk/aarsrapporter](http://www.cbrain.dk/aarsrapporter). The report describes our approach to and performance on our most material ESG issues: Environmental (E), Social (S), and Governance (G) for the fiscal year January 1<sup>st</sup> to December 31<sup>st</sup> 2022.

All data and activities cover the entire cBrain Group.

## Reporting Framework

The report serves as our statutory statement on corporate social responsibility in accordance with §99a in the Danish Financial Statements Act. It also forms the basis for our 2022 Communication on Progress to the UN Global Compact, which will be submitted in spring 2023 in line with new requirements.

The ESG data is reported using the ESG Reporting Guide 2.0 by Nasdaq and presented in accordance with ESG Key Figures and Ratios in the Annual Report by Nasdaq, CFA Society Denmark and FSR – Danish Auditors.

For each section of the ESG report we present an overview of the most material ESG figures and ratios for cBrain as well as our achieved results in 2022 compared to the past 4 years. For some of the ratios we have further added a note that explains accounting policies and applied estimates. To ensure a transparent report, we have linked our sources and stated our methods where possible.

## Extended reporting on non-financial data

In our 2021 Corporate Sustainability & Responsibility Reports, cBrain pledged to a net zero goal by 2030. This year we have reevaluated and broadened which parameters we will report on. In our 2021 report, we pledged that in the future we would report on scope 3 type emissions currently limited to our flights for business travels and our data centers emissions. Therefore, in 2022, we are extending our reporting to include these new aspects.

The expansion of scope 3 and the work pertaining to this is ongoing. We expect to widen our reporting on scope 3 even further in the coming years, i.e. to cover CO<sub>2</sub> emissions related to purchased goods and services, including purchases of computers and mobile phones as well as waste generated in connection with cBrain's operation and activities.

## Scope of reporting

The basis of our ESG report is the ESG factors that we in cBrain have determined to be most material from our business' standpoint and activities, as well as our ambition to be a market leader in environmental aspirations. As it is our belief that this report should be as candid as possible, we have included areas where we have made a positive development as well as areas with stagnation or even a negative development in 2022.

## Fiscal approximations and estimates

Throughout the year we work on gathering the necessary information and ensuring the validity and integrity of the

data we present in this report. As a security measure, we have implemented internal data validation to ensure the data quality. The objective is to have a consistent and transparent source of data for our ESG report.

## Net zero mission

In 2022 cBrain had a fossil fuel energy consumption of approximately 278 MWh, which corresponds to roughly 114 tons of CO<sub>2</sub> or the equivalent of 27 round trips from Copenhagen to Sydney by plane. This has resulted in emissions that are essentially unnecessary, as wind and solar energy are mature technologies, ready to replace fossil-fueled power plants.

In cBrain, however, we cannot decide how the power in our sockets is generated. Instead we make sure that we add as much solar power to the grid as we consume. cBrain has therefore partnered up with The 0-Mission, a solar park subscription service, and taken out a subscription to an unsubsidized solar park.

Through The 0-Mission we subscribe to a solar park in in the town of Vandel, close to the city of Vejle. The park is 100% privately financed and expected to reach full production capacity in 2024. We are proud to be part of the mission, but also aware that solar parks take up land resources. Therefore it is important to us that the park is constructed with respect for the neighbors, local communities and designed to enhance biodiversity. The land used for the solar park in Vandel was previously an airbase.

# E - Environment

Reporting on our climate and environmental impact encompasses everything from our CO<sub>2</sub> emissions to our usage of the Earth's resources. The practices used to calculate our results are set for us in the Greenhouse Gas Protocol (GHG Protocol). This protocol can be applied to any of the three scopes, depending on where emissions originate. This ensures that the data we present is comparable across industries and national borders.

This year, in contrast to earlier ESG reports, we are reporting our CO<sub>2</sub> emissions using both "market-based" method and "location-based". We previously only used the "location-based" method. The market-based method allows us to move closer to our "Science Based Target (SBTI)" initiative. SBTi is a corporate climate action initiative that we at cBrain find inspiring. SBTi is a step on the way to cBrain becoming a net zero company by 2030 as pledged.

Our reporting on our environmental impact encompasses our consumption when heating our offices, electricity, and water, with the primary contributor being Copenhagen HQ office, Denmark.

## Expansion of scope

**Scope 1:** in cBrain we do not own company cars or other sources of direct emissions. Therefore, our scope 1 emissions are zero.

**Scope 2:** encompasses our consumption from indirect sources, i.e. heating our offices, electricity, and water usage. It is our clear goal to continue being neutral in scope 2 as we continue towards the net zero strategy i.e. through green certificates.

**Scope 3:** in this scope we expand outwards from our indirect emissions in scope 2 to other indirect emissions. This year we have included our business travels and electricity from our datacenter in this reporting.

<sup>1</sup> <https://sciencebasedtargets.org/>

ESG STANDARD	2022	2021	2020	2019	2018	UNIT
<b>CO<sub>2</sub>e scope 1</b> , direct emissions	0	0	0	0	0	Tons
<b>CO<sub>2</sub>e scope 2</b> , indirect emissions	99	65	56	95	99	Tons
<b>CO<sub>2</sub>e scope 3</b> , business travel (flights) and data center	74	41,6	N/A	N/A	N/A	Tons
<b>Total Net Zero ambition</b>	173,2	106,4	56,3	94,7	98,6	
CO <sub>2</sub> e scope 3, other selected categories	N/A	N/A	N/A	N/A	N/A	Tons
<b>Reported CO<sub>2</sub>e emissions, location based</b>						
CO <sub>2</sub> e compensation bought	114	0	0	0	0	Tons
CO <sub>2</sub> e emissions, net	59,2	106,4	56,3	94,7	98,6	Tons
CO <sub>2</sub> e emissions pr. FTE	0,4	0,8	0,5	1,0	1,0	Tons
CO <sub>2</sub> e emissions by net earnings	2,3	3,1	3,5	7,3	8,9	Tons/MEUR
Thereof Green Energy	-	-	-	-	-	%
<b>Energy</b>						
Energy consumption	709	675	529	533	585	MWh
Energy consumption per FTE, location-based	5	2	5	5	6	MWh
Energy Intensity	N/A	N/A	N/A	N/A	N/A	
Energy Mix	N/A	N/A	N/A	N/A	N/A	
<b>Water</b>						
Water usage	757,3	748,6	732,2	858,6	599,9	m <sup>3</sup>
Water reclaimed at headquarters	0	0	0	0	0	m <sup>3</sup>
Water usage per FTE	5,0	5,5	6,3	8,8	6,1	m <sup>3</sup>
<b>Environmental Operations</b>						
Does the company follow a formal Environmental Policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
Does the company follow specific waste, water, energy, and/or recycling policies?	No	No	No	No	No	Yes/No
Does the company use a recognized management system?	No	No	No	No	No	Yes/No
<b>Climate Oversight/Board</b>						
Does the Board of Directors oversee and/or manage climate-related risks?	No	No	No	No	No	Yes/No
<b>Climate Oversight/Management</b>						
Does the Senior Management Team oversee and/or manage climate-related risks?	No	No	No	No	No	Yes/No
<b>Climate Risk Migration</b>						
Annual investment in climate-related infrastructure, resilience and product development	-	-	-	-	-	



# S - Social

Our reporting on social factors includes selected parameters regarding our full-time and part-time employees as well as external consultants. Furthermore, our reporting includes an overview of cBrain's most material policies related to work environment.

cBrain's business is based on skilled, talented, and dedicated employees. Our growth strategy requires a continual influx of new, skilled employees and development of existing employees. At the same time, it is crucial to be able to maintain and further develop cBrain's unique DNA and position, which together define cBrain's mission: to be a trustworthy partner in the development of sustainable, responsible, and transparent public administrations and thus increase trust in democracy and its institutions.

A weakening of cBrain's culture and DNA, including the strong innovative power, could lead to the loss of employees. A failure to develop cBrain's reputation in the market and in educational institutions could lead to challenges in attracting talent. cBrain's management is very aware of the value of the cBrain culture. Establishing our own domicile, developing a management program, continuing intensive method development, well-developed onboarding processes and a strong focus on a healthy work-life balance are key elements in addressing this risk. Another key element is reinforcing cBrain's narrative and value proposition to the market as an actor who takes the climate agenda seriously.

Please note that the reporting on "CEO wage gap" has been moved to Governance this year in accordance with the reporting framework.

ESG STANDARD	2022	2021	2020	2019	2018	UNIT
<b>Full time employee</b>	152	137	117	98	98	FTE
<b>Gender diversity</b>						
- Total enterprise headcount held by women	43	44	40	38	34	%
- Entry- and midlevel positions held by women	37	39	42	40	-	%
- Senior- and executive-level positions held by women	35	35	30	25	-	%
<b>Gender pay ratio</b>	1,32:1	1,40:1	1,30:1	1,32:1	1,48:1	Ratio
<b>Employee turnover</b>						
- Full time employee turnover	12	9	12	14	19	%
- Part time employee turnover	17	40	40	40	-	%
- Consultant turnover	0	22	14	17	-	%
<b>Injury rate</b>	0	0	0	0	0	
<b>Temporary Worker Ratio</b>						
- Total enterprise headcount held by part-time employees	16	15	8	9	-	%
- Total enterprise headcount held by contractors and/or consultants	5	7	5	5	-	%
<b>Non-Discrimination</b>						
Does the company follow a sexual harassment and/or non-discrimination policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
<b>Global Health &amp; Safety</b>						
Does the company follow an occupational health and/or global health & safety policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
<b>Child &amp; Forced Labor</b>						
Does the company follow a child and/or forced labor policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
Does the company's child and/or forced labor policy also cover suppliers and vendors?	Yes	Yes	Yes	Yes	-	Yes/No
<b>Human Rights</b>						
Does the company follow a human rights policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
Does the company's human rights policy also cover suppliers and vendors?	Yes	Yes	Yes	Yes	-	Yes/No

# G - Governance

cBrain has a two-tier management structure consisting of our Board of Directors and our Executive Management.

The Board of Directors, which is appointed by the shareholders, is responsible for the overall strategic management and checks that the cBrain Group is managed properly and ensures that necessary procedures are in place to manage the Group's risk in accordance with legislation and articles of association.

The Board of Directors of cBrain currently consists of five members, one of whom is a woman. Five board meetings were held in 2022. All members attended all meetings.

## Remuneration Committee

A remuneration committee has been set up with two members to assist the Board of Directors by preparing and presenting proposals and recommendations on matters related to the remuneration of the Board of Directors and Executive Management.

The committee held two meetings in 2022. The committee has determined remuneration for the board and management based on a level that reflects the company's size and complexity.

## Share of women at cBrain

cBrain has, over a number of years, systematically worked to achieve a more equal distribution between the genders, because diversity strengthens the cBrain Group's competitiveness cf. the company's diversity policy.

This approach has contributed to a good development in recent years, resulting in a very satisfactory gender distribution in relation to the IT industry. Thus 43% of cBrain's total workforce today are women.

ESG STANDARD	2022	2021	2020	2019	2018	UNIT
<b>Board gender diversity</b>						
Total Board seats occupied by women	20	20	20	20	0	%
Committee chairs occupied by women	25	25	25	50	0	%
<b>Board Independence</b>						
Does the company prohibit the CEO from serving as board chair?	Yes	Yes	Yes	Yes	Yes	Yes/No
Total Board seats occupied by independents	40	40	40	40	60	%
<b>Incentivized Pay</b>						
Are company executives formally incentivized to perform on ESG metrics?	No	No	No	No	No	Yes/No
CEO total compensation to median FTE total compensation	4,3:1	4,0:1	4,55:1	3,67:1	5,02:1	Ratio
<b>Supplier Code of Conduct</b>						
Are the company's vendors and suppliers required to follow a Code of Conduct?	Yes	Yes	Yes	Yes	No	Yes/No
Supplier adhering to Supplier Code of Conduct	94	93	91	50	-	%
<b>ESG Reporting</b>						
Does the company publish a sustainability report?	Yes	Yes	Yes	Yes	Yes	Yes/No
<b>Ethics &amp; Anti-Corruption</b>						
Does the company follow an Ethics /Anti-Corruption policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
What percentage of the company's workforce has formally certified their compliance with the policy?	96	91	97	79	-	%
<b>Collective Bargaining</b>						
Total enterprise headcount covered by collective bargaining agreement(s)	0	0	0	0	0	%
<b>Data Privacy</b>						
Does the company follow a Data Privacy policy?	Yes	Yes	Yes	Yes	Yes	Yes/No
Has the company taken steps to comply with GDPR rules?	Yes	Yes	Yes	Yes	Yes	Yes/No
<b>Disclosure Practices</b>						
Does the company provide sustainability data to sustainability reporting frameworks?	Yes	Yes	Yes	Yes	Yes	Yes/No
Does the company focus on specific UN SDGs?	Yes	Yes	Yes	Yes	Yes	Yes/No
Does the company set targets and report progress on the UN SDGs?	Yes	Yes	Yes	No	No	Yes/No
<b>External Assurance</b>						
Are the company's ESG disclosure assured or validated by a third party?	No	No	No	No	No	Yes/No

# Notes - and basic accounting principles

## Note 1 – Basis for preparation

**Scope:** This year in scope 3, we have included business travels made by all employees in the cBrain Group and electricity consumption from cBrains external datacenter.

**Accuracy:** In our data collection and our calculations, we strove for high quality and reliable data.

Our goal was to collect as much data as possible in order to present the most accurate picture of our consumption.

## Environment

**Scope 1:** cBrain do not have any direct usage of fuel or energy.

**Scope 2:** Our offices in Denmark were able to deliver data of our energy consumption. Some of the smaller offices outside Denmark, i.e. in Berlin and Dubai, have not been able to deliver these data and therefore these offices are not included. We will require this data from landlords going forward.

**Scope 3:** We have gone over all our registered flights and calculated the total kilometers traveled in 2022. Based on gram of CO<sub>2</sub> emitted per kilometers traveled, we then calculated the

## Data source

TYPE	SOURCE
District heating HQ	Hofor Varne
District heating from other locations	SEAS NVE
Electricity HQ	Modstrøm
Electricity other locations	SEAS NVE

total emissions. We were able to collect two months of data from our data centers, November and December 2022. Going forward we will require this information every month.

## Note 2 – Scope 2, indirect emissions

Scope 2 includes the emissions in relation to cBrain’s energy consumption, which includes indirect emissions resulting from the electricity, district heating or cooling purchased from other sources.

Reporting of energy consumption and emissions is based on the GHG Protocol definition. Data is collected from bills received from suppliers to calculate energy consumption.

cBrain’s consumption of district heating is calculated by collecting consumption data from invoices and statements from landlords. The CO<sub>2</sub>e emission is calculated as the total consumption in gigajoules (GJ) multiplied by the applicable emission factors.

In accordance with the principles of the GHG Protocol, the emissions for electricity are calculated by using the market- and location-based methods.

The market-based method is based on emissions resulting from the purchase of energy and linked to the financial products and agreements of these purchases. The statement of the market-based CO<sub>2</sub>e emission reflects emissions from the specific purchased electricity, where the purchased amount (KWh) covered by green certificates for electricity can be counted as zero CO<sub>2</sub>e emissions.

The location-based approach is based on the actual power grid that cBrain offices are connected to and on available emission

factors from the Danish Energy Agency. When calculating according to the location-based method, the CO<sub>2</sub>e emissions are calculated without offsetting the effect of purchased green certificates for electricity and an average emission factor for electricity based on the electricity mix in the given fiscal year. The market-based approach is used for tallying and for setting targets.

Green electricity is calculated as the part of our consumption that is covered by renewable energy from certified facilities.

## Specification of indirect emissions, location-based

	2022	2021	2020	2019	2018	UNIT
District Heating	58,8	50,2	26,5	44,9	51,7	Tons CO <sub>2</sub>
Electricity	40,4	14,6	29,8	49,8	46,9	Tons CO <sub>2</sub>
<b>Total</b>	<b>99,2</b>	<b>64,8</b>	<b>56,3</b>	<b>94,7</b>	<b>98,6</b>	Tons CO <sub>2</sub>

## Specification of indirect emissions, market-based

	2022	2021	2020	2019	2018	UNIT
District Heating	58,8	50,2	26,5	44,9	51,7	Tons CO <sub>2</sub>
Electricity	0	14,6	29,8	49,8	46,9	Tons CO <sub>2</sub>
<b>Total</b>	<b>58,8</b>	<b>64,8</b>	<b>56,3</b>	<b>94,7</b>	<b>98,6</b>	Tons CO <sub>2</sub>

# Applied Climate Software for Governments

F2

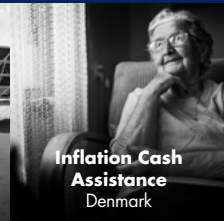
Energy Efficiency



Home Energy Audit  
Denmark



Energy Efficiency in Companies  
Egypt



Inflation Cash Assistance  
Denmark



Heat Pump Grant  
Denmark

Sustainable Land Use



Climate Lowlands  
Denmark



Sustainable Land Initiative  
USA



Climate Forest Grants  
Denmark

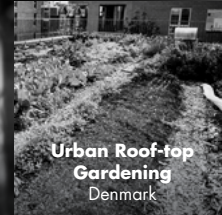
Protection of Biodiversity



Licensing of Trade Endangered Species (CITES)  
Denmark & Guyana



EU Natura 2000 Protected Areas  
Denmark



Urban Roof-top Gardening  
Denmark



Wildlife Regulation  
Denmark



Circular Economy and Waste



Extended Producer Responsibility  
Kenya



International Waste Export and Import  
Denmark



Protection of Nature



Dredging  
Denmark



Lake and Stream Restoration  
Denmark



Environmental Support in the Arctic  
Denmark



Genetic Resources



License and Control of Genetically Modified Organisms  
Denmark



Access Benefit Sharing Nagoya-convention  
Denmark



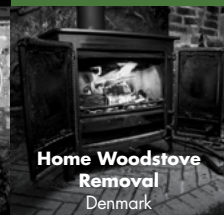
Clean water and air



Drinking Water Protection  
Denmark



Waste Water Control  
Denmark



Home Woodstove Removal  
Denmark



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