Godt Smil
Danmarks førende tandlægekæde

GODT SMIL Holding ApS

SCOPE 1 & 2 REPORT

Audit 2023

Plandent

TABLE OF CONTENTS

Introduction

Executive summary

This report presents the Revised climate accounting baseline results of Godt Smil Holding ApS for 2023. The report showcases the same two result scopes:

Scope 1 & 2.

To update the company's environmental profile, Godt Smil Aps conducted an audit of their scope 1 and 2 GHG emissions accounting for 2022 to 2023. The total GHG emissions from the revised accounting of 2023 are illustrated in figure 1.1. Between 2022 and 2023, Godt Smil performed a total reduction of 220 tCO2e, corresponding to a 49,9% decrease. However, this calculation does not consider the relative indicators, accounting for organizational changes, which provide more accurate results. For more information, see section 2.

The rationale behind conducting this corporate carbon footprint audit is twofold:

1. To monitor progress towards reducing GHG emissions in alignment with Godt Smil's business activities and their commitment to the SBTi.
2. To establish a robust data foundation for making informed decisions regarding future operational, tactical and strategic aspects of business management.

Figure 1.1: Absolute result Scope 1 & 2

TOTAL EMISSION:

222,4 tCO_2e

Scope 1 & 2

Figure 1.2: split share of the scope 1 & 2 inventory

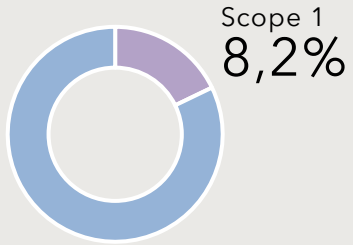
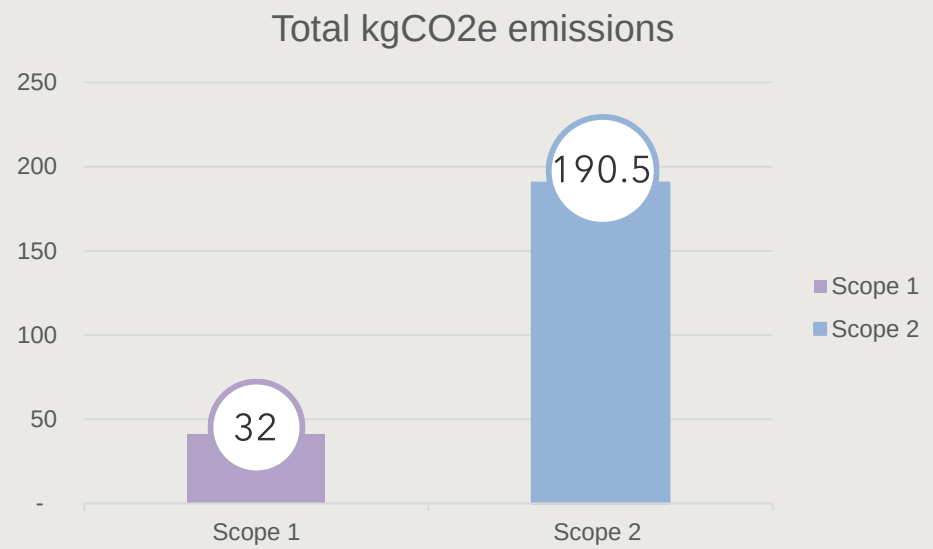


Figure 1.3: Absolute tCO2 emissions of the scope 1 and 2 inventory



Org. boundary: Operational control

Base year: 01.01.2023 - 31.12.2023

Third-party verification: No

PURPOSE AND ORGANISATIONAL BOUNDARIES

1.1 Purpose

The GHG emissions report has been performed in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. It includes all required information, except those details that the standard does not consider mandatory and has not been considered relevant following the principle of relevance. This report presents the GHG inventory and calculations results, which were carried out with the input from an internal steer-group representing the company in Denmark, supplying the inventory with relevant activity data.

1.2 Organisational boundaries

( ) Equity share

( ) Financial control

(X) Operational control

The organisational boundaries are set upon the consolidation approach of combining emissions data from separate operations in 'Operational control' by having the authority to introduce and implement operating policies. As Godt Smil has control over all internal operations, the company can greatly influence the reduction of emissions. The company has control over administrative costs and access to the necessary data for preparing the inventory.

SCOPE 1 & 2 INVENTORY

RESULTS

ABSOLUTE TOTAL EMISSION:

222,4 tCO_2e

Market-based

Year, 2023

Inventory information

Activity data

From 2022 to 2023, Godt Smil Aps expanded its operations, increasing the number of dental clinics from 32 to 35. Additionally, a new business segment comprising 19 clinics was launched. These changes are considered part of the company's natural growth and do not affect the calculation of CO2e emissions for previous years.

In the process of collecting inventory data for each included activity, a log has been made according to the data quality hierarchy, which can be seen in the methodology section. The data presented in this report are produced with the ambition of achieving accuracy, which is credible for decision making, and uncertainties have been reduced as far as is possible.

All data points logged as low are from Primary data. As no meters are used to account for tenants' consumption, a more precise split has not been possible.

In total, a split of data quality according to registered measure points (71 registrations in total) and share of emissions according to the data quality hierarchy has been made, along with a log for each scope category, see graphs to the right. Low data quality registrations are exclusively due to the allocation key used for energy accounting in facilities where tenants are being billed from landlords on behalf of square meters operated.

Figure 2.1: Data quality - number of measure points

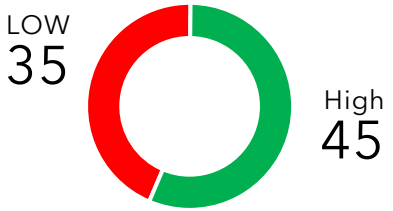


Figure 2.2: Data quality - share of absolute result

Figure 2.3: Data quality - scope 1. - share of emissions in category

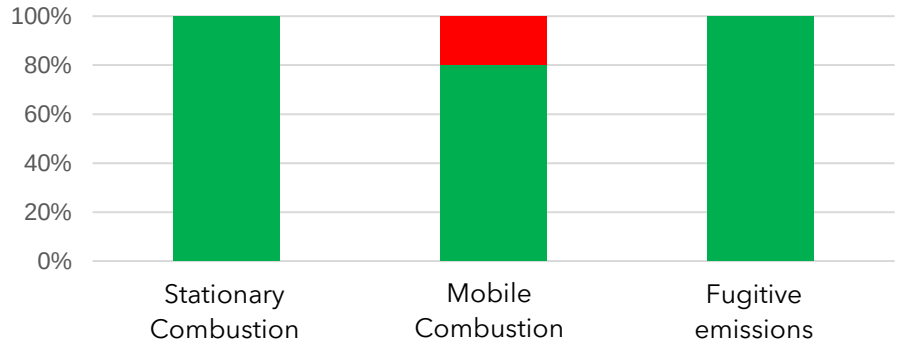
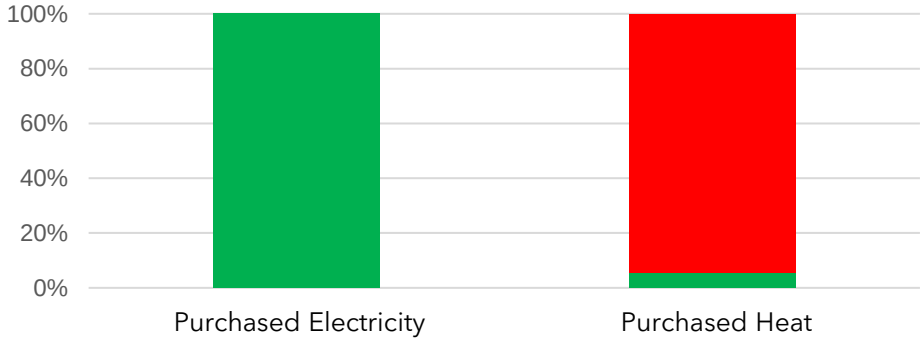


Figure 2.4: Data quality - scope 2 - share of emissions in category



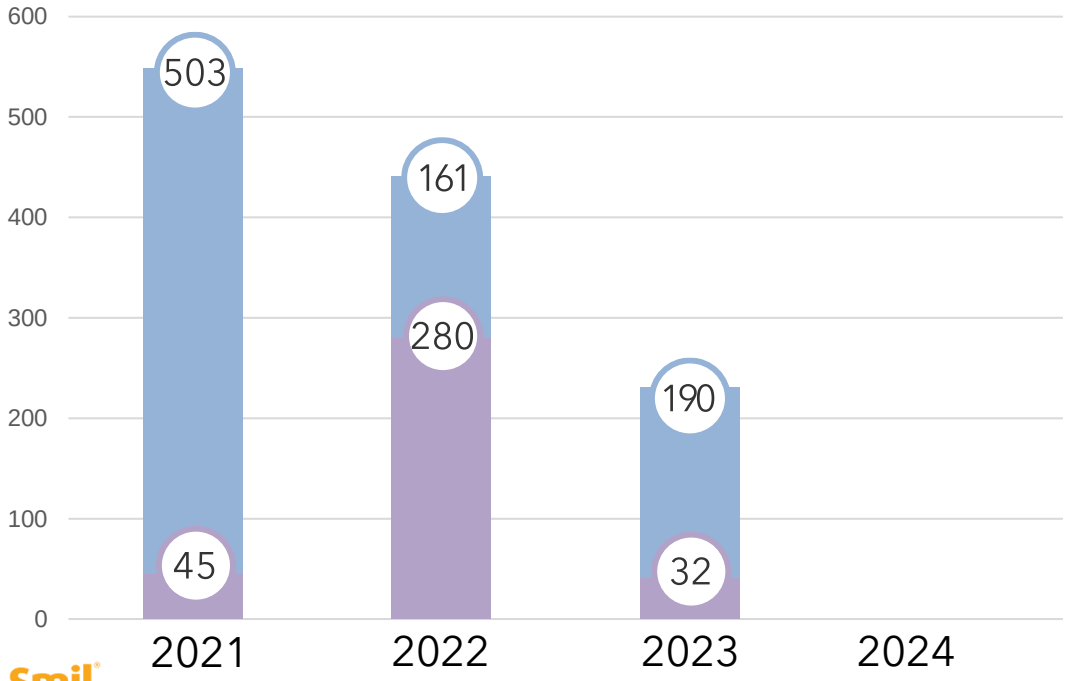
All shares are calculated with Market-based emissions

Total emissions absolute

Total inventory emissions

As a result of the full CO2 inventory calculation, the absolute emissions of all activities performed by Godt Smil Holding ApS in scope 1 & 2 are presented in figure 2.5 below. The absolute baseline result and future scope 1 & 2 results are reported with the use of the marked based methodology. For further information in this, please visit the methodology section.

Figure 2.5: Total inventory emissions: Marked-Based results kgCO2e



Info box

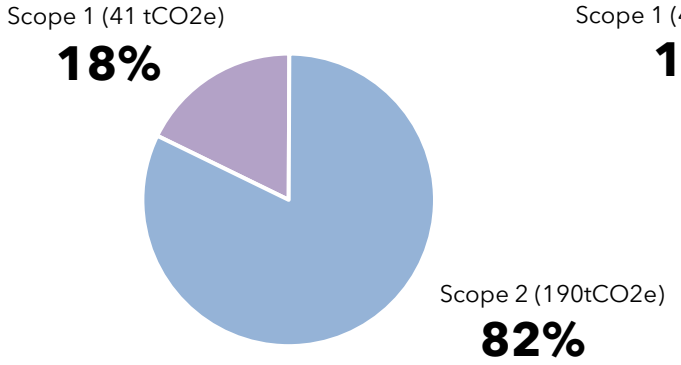
It is suggested by the GHG Protocol to showcase results from both methodologies, to show data transparently. Further, it showcases the relation between CO2e emissions from electricity usage and grid factors, emphasizing the need for collaborations between private and public actors in the energy market.

Scope breakdown - **Total Scope 1 & 2 emissions**

In this inventory, two scopes have been used for the investigation and calculation of CO2 emissions related to Godt Smil Holding ApS activities. In the baseline year 2021, Godt Smil Holding ApS is not using any certificates for the purchased of electricity (e.g. guarantess of Origin). As the Maked-based emission factors is higher due to the residul electricity mix, a large result in tCO2e emissions is produced. From 2022 and 2023, Godt Smil Holding Aps uses certificates.

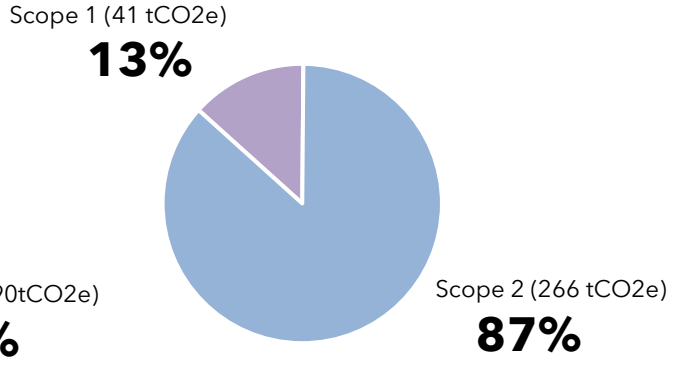
Marked-based

Figure 2.6: Scope breakdown, Location-based



Location-based

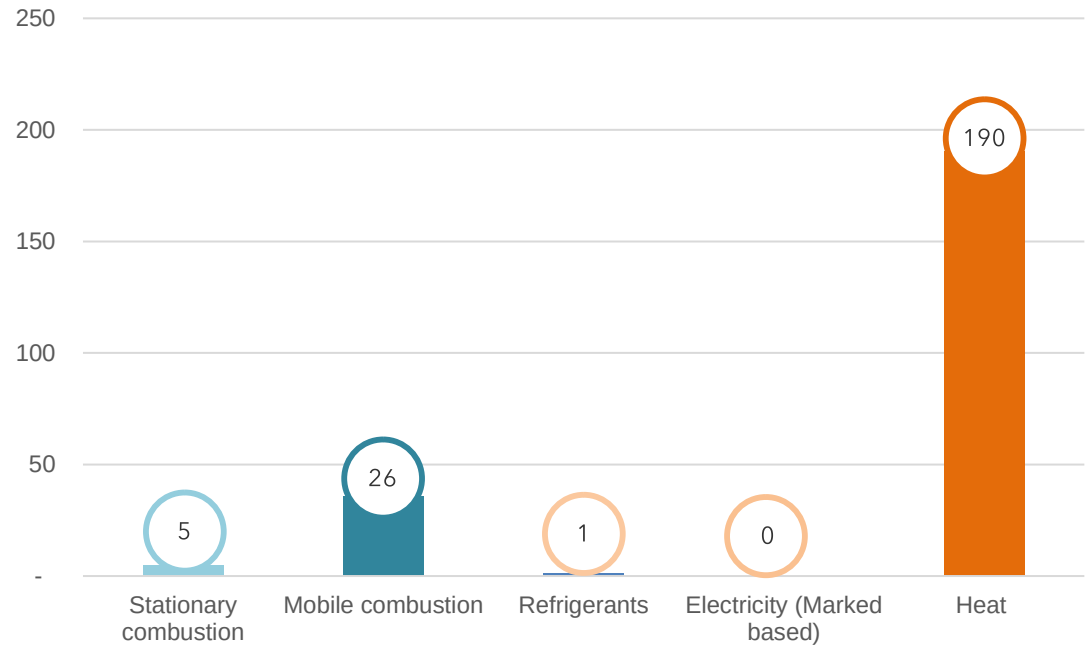
Figure 2.7: Scope breakdown, Market-based



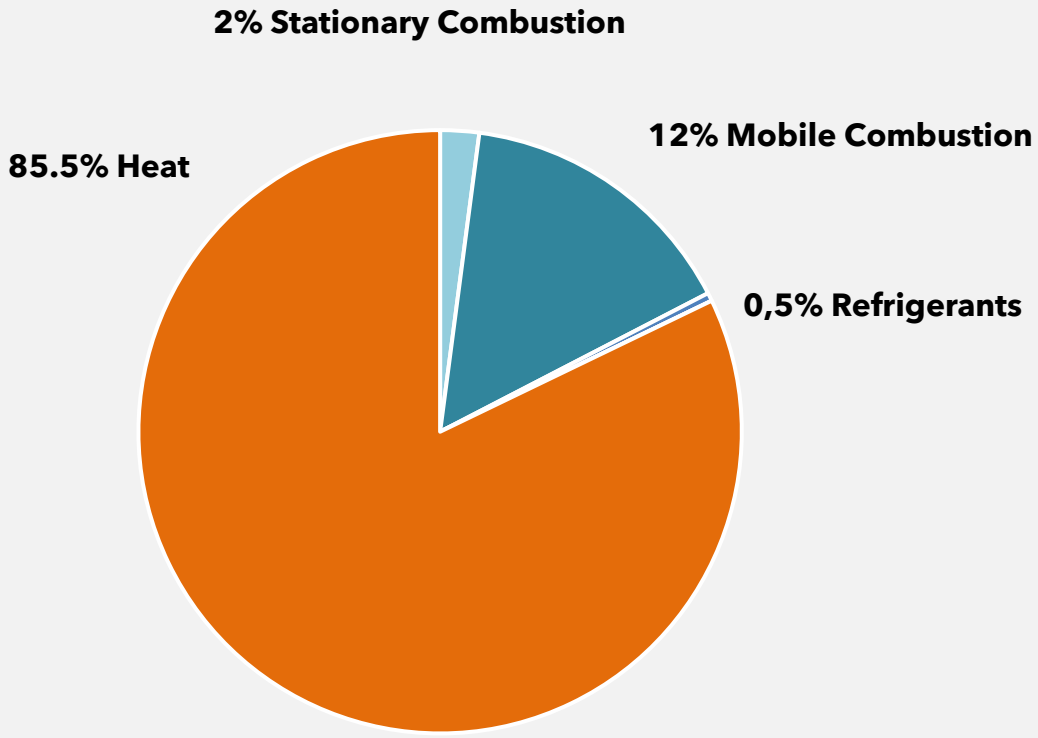
Total GHG emissions

Based on a complete CO2e assessment, the absolute emissions from all activities carried out by Godt Smil in Scope 1 and 2 are presented.

Figure 2..4 Total scope 1 og 2 in tCO2e



Total CO2e assessment in percentage



Total GHG emissions

Figure 2.4 and 2.5 show the relative difference in total GHG emissions between 2022 and 2023. As Godt Smil business grows, a natural increase in their total GHG emissions will increase as well. Hence, two relative indicators has been used to Show Godt Smil GHG emissions relative to the growth of their business. See page 12 for this.

Godt Smil A/S total GHG emissions for Scope 1 and 2 have increased across all activities, with the exception of refrigerants. The notable emissions from refrigerants in 2022 were primarily driven by the installation of AC units in most of the Godt Smil A/S clinics. Refrigerants have a significant impact on GHG emissions, as reflected in the 2022 accounting. In 2023, only a few facilities needed to replenish refrigerants, and those used were of a newer type with a significantly lower GHG impact.

The overall increase in emissions related to heat is attributed to the launch of three new dental clinics and 19 dental prosthesis clinics .

Stationary and mobile combustion were not impacted by the increased business activity from 2022 to 2023. However, emissions in these two categories have had a minor rise, making them key focus areas for further investigation by Godt Smil A/S.

Figure 2..4 Total scope 1 og 2 emissions in tCO2e (2022)

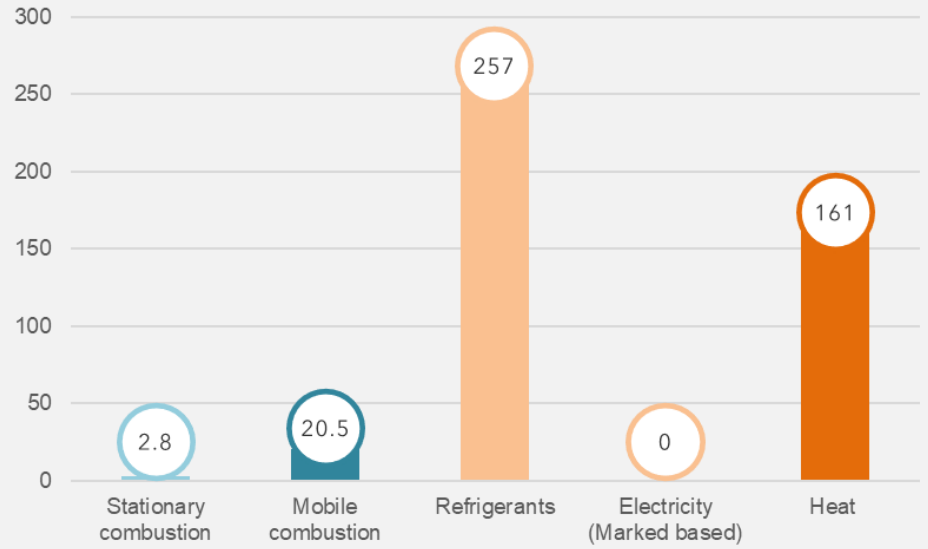
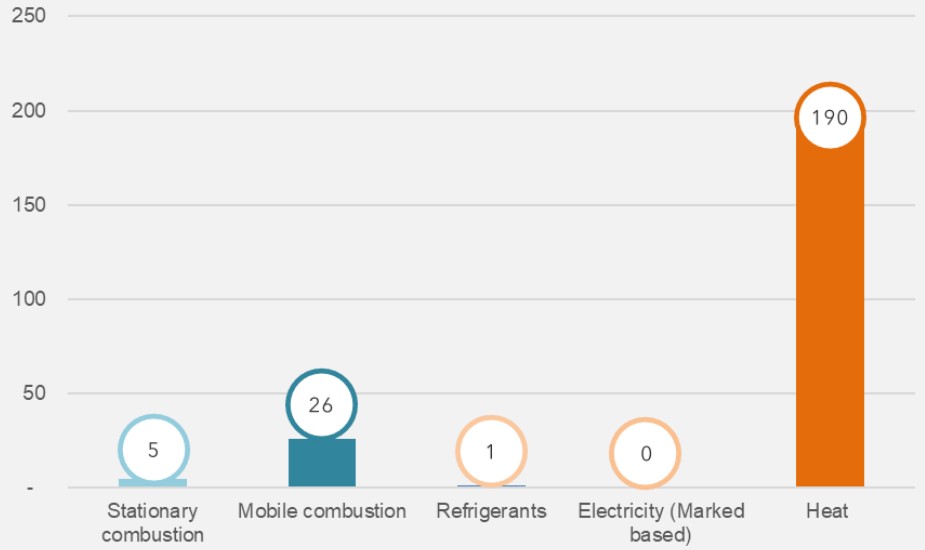


Figure 2..5 Total scope 1 og 2 emissions in tCO2e (2023)



Relative indicators

Total inventory emissions in key ratios

The relative indicator divide the absolute emission of the market-based method into a relative unit of selected business metrics. For this report, the revenue has been chanced to number of employees and number of units.

Based on the relative indicators, it can be concluded that Godt Smil achieved a reduction in CO2e emissions of approximately 56% between 2022 and 2023

The intensity of CO2e emissions per employee was reduced by 55%.See figure 2.8
The intensity of CO2e emissions per unit was reduced by 58%. See figure 2.9

The relative indicator are useful when managing emissions according to performances or assets and can represent emissions relative to changes in company size and activities.

Info box: When reporting by a decentralized approach, the GHG Protocol requires ratio indicators to be reported. Further, these indicators are useful when making GHG reduction plans with intensity targets. Here, the target goal is to reduce the ratio of emissions relative to a business metric over time.

Figure 2.8 CO2e intensity of employees

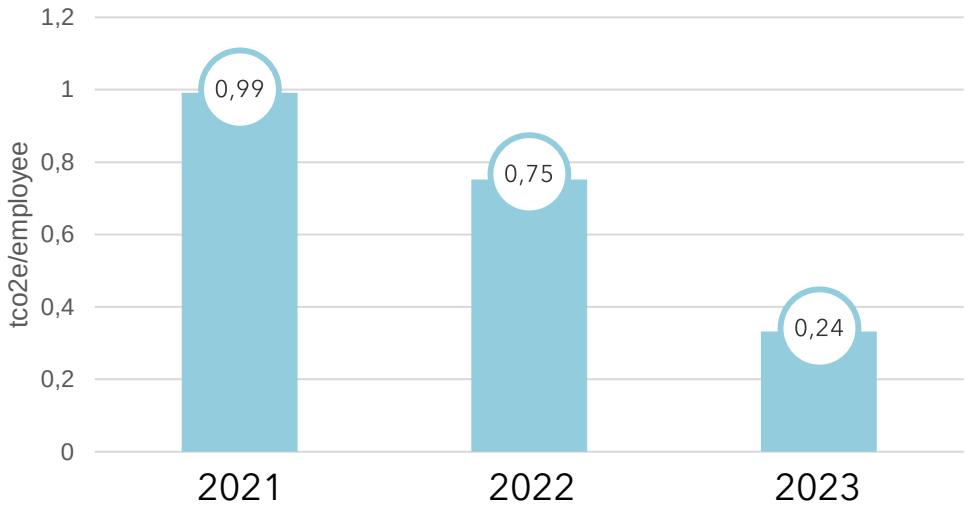
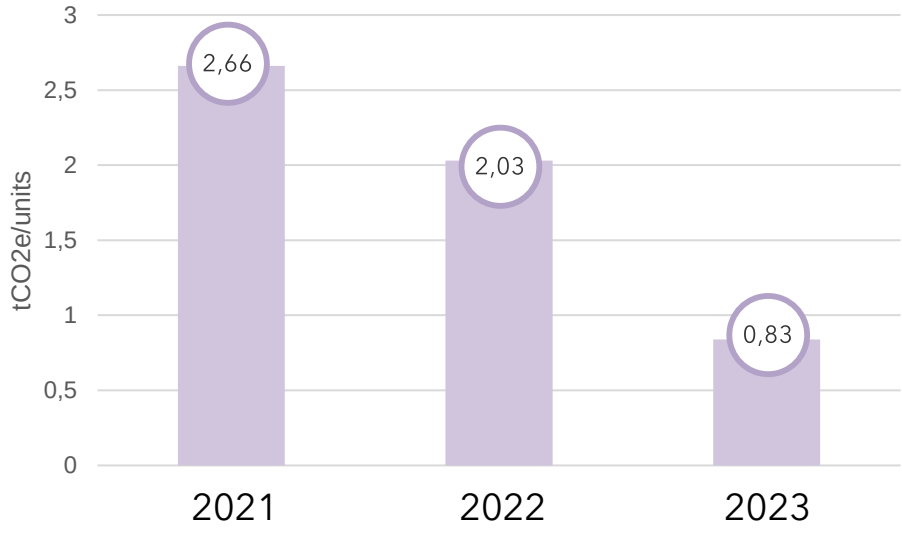


Figure 2.9 CO2q intesity of units



Renewables & biogenic emissions

Electricity certificates

For 2023 certificates (e.g. Guarantees of Origin) or Power Purchase Agreements (PPAs) have been utilized for Godt Smil A/S.

Figure 2.10: List of certificates used in the baseline inventory

Location of use	Certificate provider	Certificate requirements	Energy source	Certificate coverage
Denmark	Natur-energi	None	Wind and solar	100%

Info box: Purchased certificates stating the acquired amount of electricity from renewable sources (according to current market trade methodology) can be used in market-based calculations and are named Renewable Energy Certificates (REC) in North America and Guarantees of Origin (GO) in Europe.

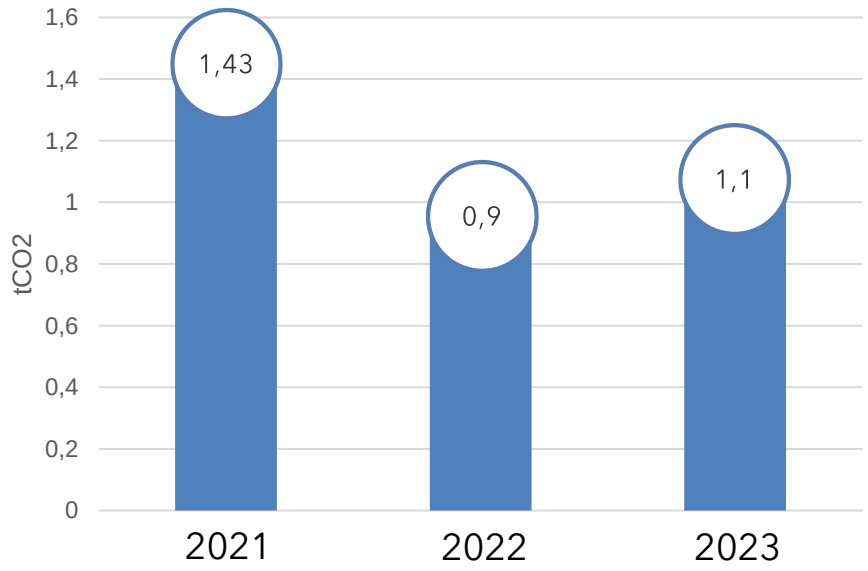
Out of Scope emissions

Direct CO2 emissions from Biogenic combustion

The biogenic emissions from combustion of fuels with a share of biofuels are illustrated in figure 2.10 below, to show data on emissions categorized as 'Out of Scope' transparently. The biognic emissions are calculated from the activity 'mobile combustion' and the tCO2 is derived from the share of biofuel blend in petrol and diesel. Calculations are based on the product datasheet from the fuel supplier used for vehicle activities. For more information on the accounting methodology, please visit the methodology section.

It is known that the Danish energy sectors utilises biomass for the production of both electricity and heat. Due to a lack of data insight from energy institutions towards a split in emission factors, no 'out of scope' emissions have been reported from scope 2.

Figure 2.11: Out of scope - biogenic emissions



GHG INVENTORY

METHODOLOGY

Data inventory

The activity data for the Scope 1 & 2 inventory is compiled from a string of meta data, shown in figure 3.1. The activity data is then qualified through the data quality hierarchy shown in figure 3.2

Primary - Measured (HIGH quality. This is data measured directly within the organisation, for example by reading meters for gas or electricity usage.)
Primary - Calculated (MEDIUM quality. This is data calculated based on input from own organisation, for example km driven)
Primary - Estimated (LOW quality. This is data estimated based on input from own organisation, for example petrol use based on km driven)
Secondary - Measured (HIGH quality. This is data retrieved from a valid external source, for example invoices and bills from electricity and gas providers)
Secondary - Calculated (LOW quality. This is data calculated based on an external source, for example allocating a buildings overall electricity use, based on an office's rented m2)
Secondary - Estimated (LOW quality. This data is estimated based on an external source., for example estimating 2018 office electricity based on 2019 electricity bills)

Figure 3.1: Meta data string

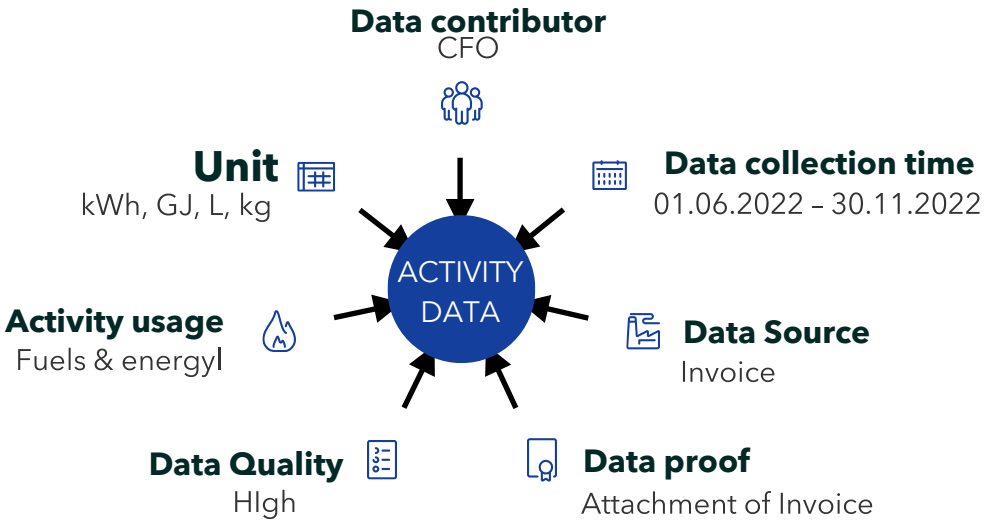
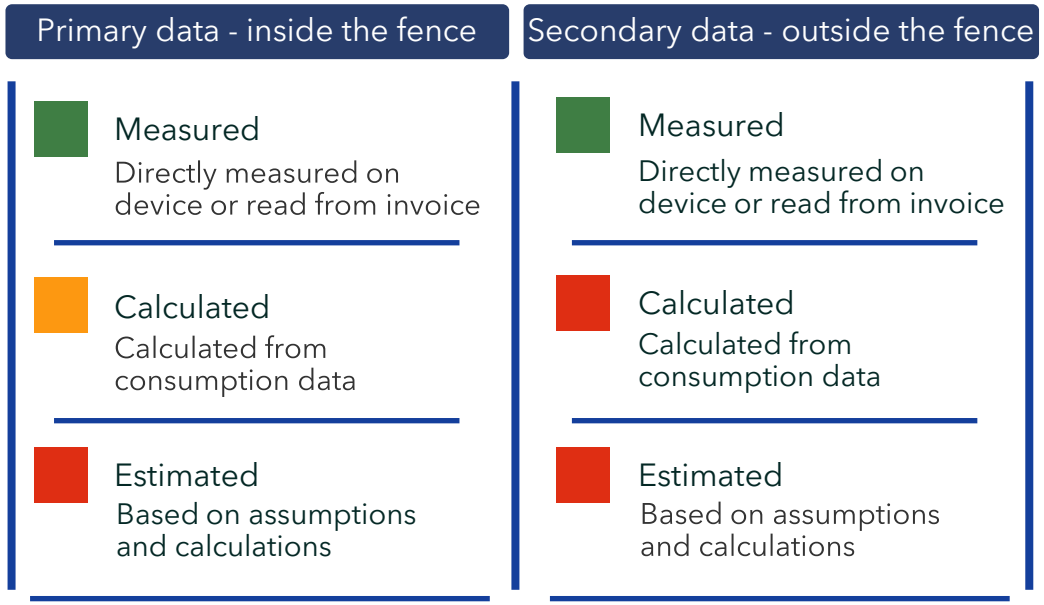


Figure 3.2: data quality hierachy



Exclusion

In the Scope 1 & 2 inventory, company wide activities were screened and included after relevance. Where datapoints were not sufficient, exclusion were made.

Exclusion:

Electricity data from Randers and heat data from Horsens was not included in the baseline report from 2021 based on missing data. This data is however included for the 2022 and 2023 accounting.

Emission calculation approach

Measure points were calculated with the following formula (using conversion factors in tCO2e): Activity data x emission factor = tCO2e

Approach

Each emission factor must be complemented with a basic methodology:
- Inclusion of greenhouse gases
- origin or database name and version
- time period the emission factor is valid for
- units
- assumptions and calculations for performing conversions.

If the emission factor is modified from the database, a methodology and results approach have to be documented.

Scope 1

Stationary combustion:
Market average emission factor from dataset.

Company vehicles:
Supplier specific emission factor

Refrigerants:
Gas specific emission factor from dataset. The Top-up method, was used to measure the emissions related to leakage from air-conditions at Godt Smil Holding ApS. The top-up method assume that any piece of equipment is charged with refrigerant gas, and any leaked gas must be replaced. Assuming that the system was full before the leakage occurred and is full again after a top-up, the amount of top-up gas is equal to the gas leaked or lost to the atmosphere.

Scope 2

Purchased electricity:
Location-based: emission factor produced from eloprindelse.dk (specific for 2023)
Market-based: Residual emission factor from energinet.dk (El-deklarationen 2023)

Purchased district heating:
Supplier specific emission factor selected from the dataset made available by Energistyrrelsen (data om fjernvarmenettet 2023) and the specific declarations from district heating plants.
Danish energy institutes offer emission factors accounted for by two types of methodologies: 200% and 125% method. This method refers
to the allocation of emissions relative to production of energy for electricity and heat. As recommended by 'Energistyrelsen', the 125% method has been used for bothelectricity and heat emission calculations.

Emission Factors

The following sources have been used for inventory emission calculations. The inclusion of GHGs are represented in figure 3.3, 3.4 and 3.7 with the reference number shown in the source column. Individual emission factors has been used if possible.

Scope 1

1. Energistyrelsen

2. DEFRA, 2022 Government Greenhouse Gas Conversion Factors for Company Reporting

Scope 2

1. Energinet, el-deklarationer

2. Energistyrrelsen, data om fjernvarmenettet

3. Individual district heating plants

Forecourt fuel

To account for purchases of fuels for mobile combustion from various suppliers (forecourt fuels), the DEFRA conversion factors have been used to account for average bioblend diesel and petrol emissions. This average bioblend factor is representative for the UK market, but due to EU regulations of biofuel share they are estimated to be representative of the Danish market as well.

Figure 3.3: GWP multiplication factor of each GHG to CO2 equivalent. HFCs and PFCs range due to variation of the gas.
Source: IPCC Fifth Assessment Report, 2014 (AR5)

Global warming potential (GWP) values relative to CO2 100 year time horizon						
CO_2	CH4	N_2O	HFCs	PFCs	SF_6	NF_3
1	28	265	4 - 12400	7910 - 9540	23500	16100

Figure 3.4: Greenhouse gases included in the scope 1 inventory

Scope 1 - Direct emissions		
Process / activity	Included GHGs	Source
Stationary combustion	CO_2, CH_4, N_20	1
Mobil combustion	CO_2, CH_4, N_20	2
Refrigerants	CO_2, CH_4, N_20	2

Figure 3.5: Greenhouse gases included in the scope 2 inventory

Scope 2 - Indirect emissions		
Process / activity	Included GHGs	Source
Purchased electricity	CO_2, CH_4, N_20	1
Purchased district heating	CO_2, CH_4, N_20	2,3

GHG INVENTORY

POLICIES

Re-calculationpolicy

If significant changes affecting emissions are identified during the preparation of future GHG Inventories the baseline year must be recalculated.

Significant changes can be:
1) Structural changes in the reporting organization, such as mergers, acquisitions, divestments, outsourcing, and insourcing (not reported on in other scopes)
2) Changes in calculation methodologies, improvements in data accuracy, or discovery of significant errors
3) Changes in the categories or activities included in the scope 3 inventory

Figure 4.1: Thresholds for recalculation of scope 1 & 2 baseline

Thresholds for recalculation of scope 1 & 2 baseline:

- >5 % of deviation from baseline year due to company changes that affect the comparability between the years.
- Errors in data that are greater than 10% or affect the result by more than 5% in total or 10% in each category.

Exclusions

To manage organizational changes that might, or do affect the baseline inventory, a change log has been established, see figure 4.3. No exclusions were however made for the 2023 accounting of Godt Smil Holding.

Figure 4.2: forecast of new facilitites due to organic growth

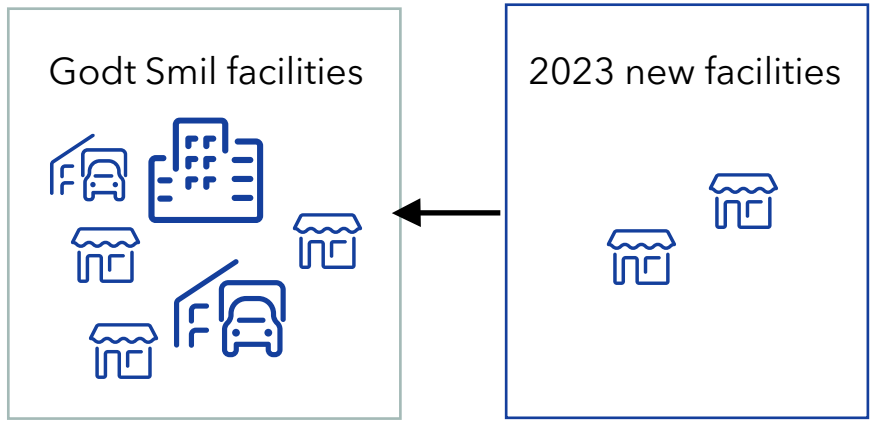


Figure 4.3: Change log for recalculation

Change	Reason	Scope	Structural change	Change in result
Exclusion				
Exclusion				
Exclusion				

Reporting

As the yearly climate accounting inventory is depending activity data to be confirmed and emission factors to be up-to-date, the reporting and publishing of results has a series of temporal considerations.

Activity data can be collected and logged throughout the year, for current calendar year. Due to closing activities, supplier invoicing and system updates, an inventory should not be confirmed until the end of the calendar year. Furthermore, as emission factors of various activities depend on the collection and processing of sector data from relevant agencies, and governmental- and sector-specific bodies, emission factors are updated at a period of generally 9 months, after end of year. For this reason, it is recommended to publish inventory data with a delayed time period af approximately 12 months, see figure 4.4. For the full-year inventory management, the cycle of figure 4.5 is used to manage completeness.

Figure 4.4: Temporal considerations for publishing results

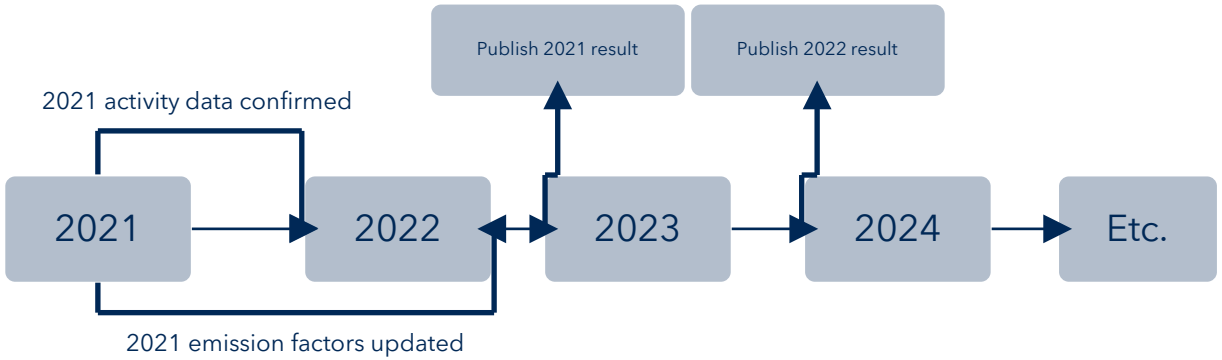


Figure 4.5: Yearly considerations for reporting

Climate strategy

Action plan

2022

- Data was collected from all facilities for the 2021 Scope 1 & 2 GHG emissions calculations. Some refrigerant gas replacements might not have been recorded during 2021, but every facility will record air-conditioning maintenance and gas replacements from this year on.
- The 2022 Scope 3 GHG emissions were screened with the use of GHG protocol scope 3 screening tool or the Danish "klimakompasset"
- Godt Smil considers the environmental impact of purchased services and capital goods. Lightbulbs, ovens, new refrigerating appliances, air conditioners, LED lamps and other electronic devices should have a minimum "Energy Efficiency Rating" B.
- Suppliers that are more sustainable than their competition are preferred..

2023

- All necessary data from all facilities will be collected to perform very precise Scope 1 & 2 GHG emissions calculations, including all electricity, heating, fuels and fugitive refrigerant gas emissions.
- The car fleet will start being replaced by greener alternatives, like hybrid and electric cars.

2024

- Complete data collection system and very precise Scope 1 & 2 GHG emissions calculations.
- Create a dedicated agenda for climate goals. Start considering potential investments, their risks and benefits, as well as potential "Carbon Sinks" like forestry
- Further improve data collection protocols, for scope 3 GHG emission. Some subcategories will be quantified.
- Godt Smil Holding A should further consider the environmental impact of purchased services and capital goods. New cars, lightbulbs, ovens, new refrigerating appliances, air conditioners, LED lamps and other electronic devices should have an "Energy Efficiency Rating" A.
- Suppliers that are more sustainable than their competition, even if they are sometimes more expensive, should be preferred.

2025

- Complete data collection and quantification of Scope 1,2 & 3 GHG emissions.
- Actively reduce emissions in accordance with Science Based Targets.
- Source electricity via long-term renewable energy contracts and potentially on-site renewables, like solar panels.
- Consider replace all natural gas heating systems with a greener alternative.
- Preform the first Proprietary Carbon Sink (avoidance via nature-based solutions, like forestry).

In 10 years

- Continuous data collection and complete quantification of Scope 1,2 & 3 GHG emissions.
- Achieve most of the goals of the dedicated climate agenda set up in 2023. Renew and reevaluate the climate agenda, where necessary.
- Disclose all progress on the Science Based Targets.
- Active efforts to achieve net zero.
- At least 85% renewable electricity sources.
- Several "Carbon Sink" Investments.
- Completely electric fleet.
- Purchases of green goods and services and collaborations with suppliers that have green certificates.