



GripGrab

CLIMATE IMPACT REPORT 2021



INTRODUCTION

This is GripGrab's first carbon report. It provides an overview of our greenhouse gas (GHG) emissions and is an integrated part of our climate strategy.

Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon report enables us to benchmark performance indicators and evaluate progress over time. This report comprises GripGrab's total operations.

Going forward, we are committed to performing annual calculations of our GHG emissions, which will enable the analysis of trends over time as well as provide insights into how changes in consumption and purchases have affected our total emissions from year to year.

The 2021 carbon report will serve as the base year for our future reports and reductions. The calculations has been conducted by CEMAsys, and the report is made in cooperation with Sustaina Company. It has not been verified by a third party.

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1.1 ABOUT GRIPGRAB

GripGrab is a family run business, founded by brothers Kristian, Martin and Bjørn Krøyer in 2000. GripGrab is today run by Martin Krøyer as Chief Executive Officer, and Kristian Krøyer as Chief Product Officer.

Our team of Gripsters represents a strong engine that is constantly pushing us closer towards our vision: a future where every cyclist on the planet is inspired and enabled to live out their cycling potential. This might sound like a bold and high-flying vision: and that's because it is.

As our vision compliments our core ideology about how cycling can make a positive change. We set the bar high and are dedicated to our ambition to become a brand with a global reach.

The process of defining our brand values and our efforts distilling the results from this process have resulted in a very clear definition of the mission we're on and have provided us with a clear insight into establishing a solid brand identity and a unique market position.



MARTIN KRØYER



KRISTIAN KRØYER

1.2 WHY WE'RE CALCULATING OUR EMISSIONS

At GripGrab, we prefer to make well-informed decisions to be sure they have the desired impact. In 2022, we developed our very first carbon accounting report based on our activities in the fiscal year 2021 to learn more about the impact of our organisation, value chain and products. It allows us to analyse our emissions and identify any reduction opportunities, both big and small. Based on the report, we can set objectives and commitments to help us reduce our impact over time.

A transparent, objective and understandable report also allows us to communicate our impact and objectives to external stakeholders and employees. We want everyone to understand the level of our commitment, and know that every action and change matters, and that they can help be a part of our change.

1.3 OUR COMMITMENTS

Having concluded our first report, and calculations of our GHG emissions, we are ready to take the next step towards reducing our impact: setting reduction targets. We will do so in 2022, based on the emission levels and distribution we have seen in this year's report.



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2.1 ABOUT THE GHG PROTOCOL

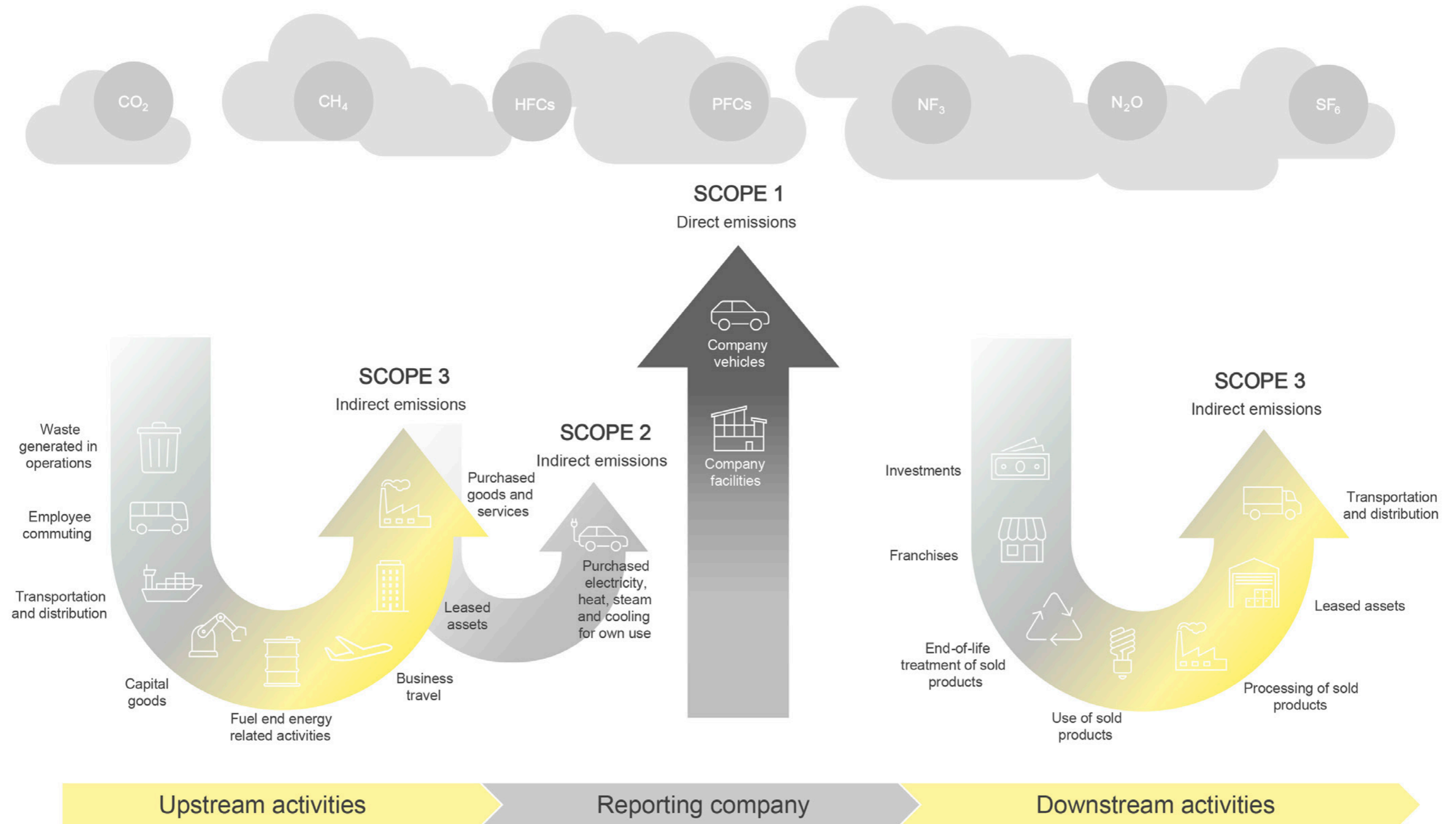
The GripGrab 2021 Carbon Report has been made in accordance with the guidelines of International Accounting and Reporting Standards, Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Standard.

The Greenhouse Gas Protocol (GHG Protocol) is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the standard related to calculating and reporting GHG emissions ISO 14064-1. The GHG Protocol was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD).

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO₂-equivalents (tCO₂e).

The reporting considers the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄ (methane), N₂O (nitrous oxide), SF₆, HFCs, PFCs and NF₃.





2.2 SCOPE 1, 2 AND 3

The GHG Protocol divides emissions into three scopes, Scope 1, Scope 2 and Scope 3.

Scope 1

All emissions related to a company's direct GHG emissions should be reported in Scope 1. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions from e.g. chemical processes, industrial gases, direct methane emissions etc. For GripGrab, Scope 1 consists of litres of fuel for owned and leased cars.

Scope 2

All indirect emissions related to a company's activities should be reported in Scope 2. Specifically, this means all emissions from electricity as well as district heating and/or -cooling where the organisation has operational control.

Scope 3

Scope 3 gathers a company's indirect emissions resulting from value chain activities. The Scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect. Scope 3 consists of 15 categories, of which not all will be relevant for a company to calculate emissions for. Furthermore, unlike Scope 1 and 2, Scope 3 emissions accounting is not obligatory for a company for it to be aligned with the GHG standard. This allows for companies to develop their Scope 3 accounting with time as data collection processes and structures mature.

2.3 DELIMITATIONS AND FOCUS

We have, in addition to calculating direct (Scope 1) and indirect (Scope 2) emissions associated with our operations, chosen to investigate selected value chain emissions (Scope 3). The selected value chain emissions are related to materials purchased and used in either production or packaging, transportation (up- and downstream), and finally to business travel.

We have chosen to focus our resources on the categories where we expect the biggest emissions, resulting in some Scope 3 categories being left out, as we expect these to be insignificant. These are: waste, employee commuting, leased assets, end-of-life treatment of sold products and use of sold products.

Moving forward we might include these where the data can help us make better decisions to reduce our impact.

GripGrab does not have activities in the following Scope 3 categories: capital goods, fuel and energy related activities, processing of sold products, investments, franchises.

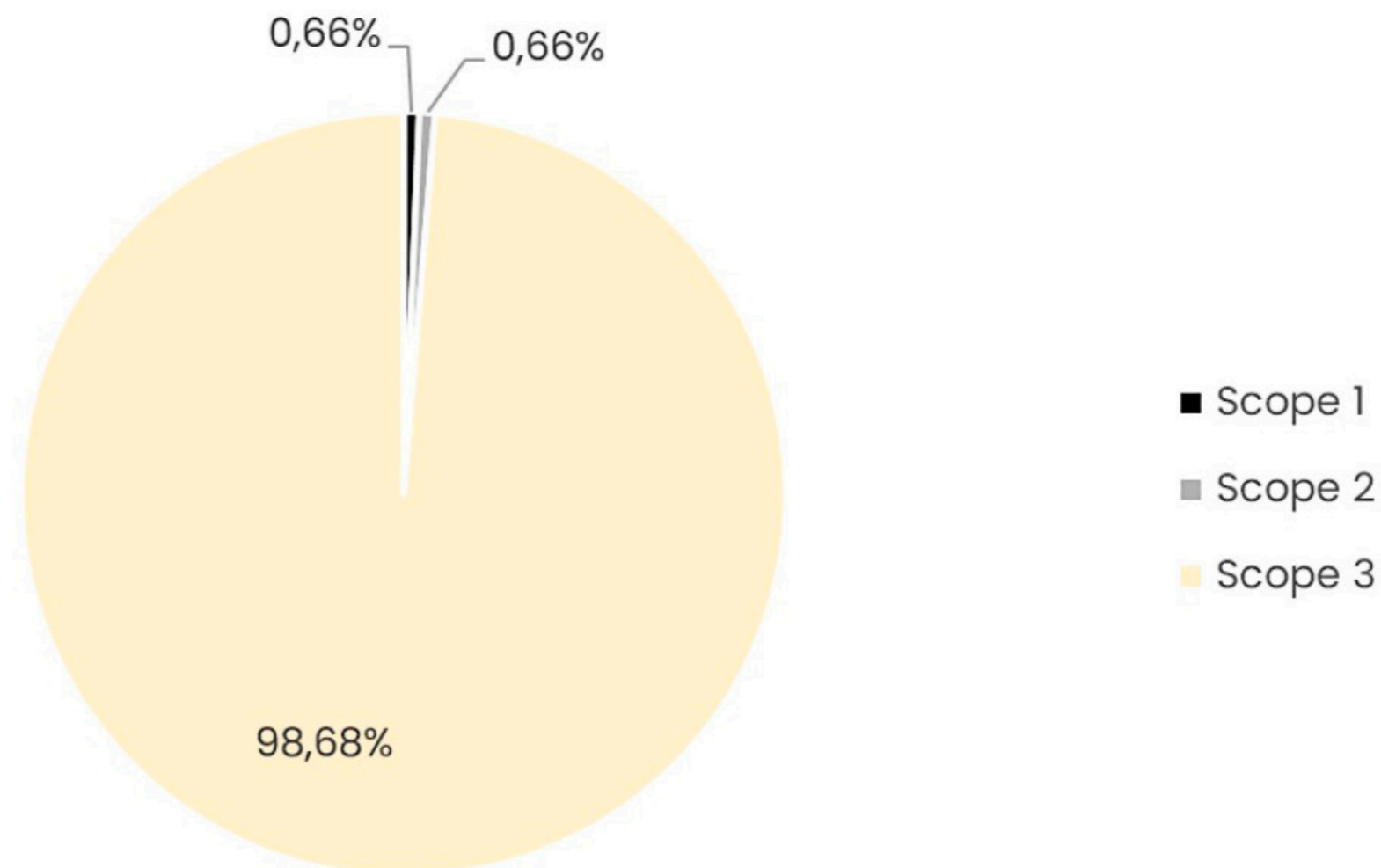


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3.1 SUMMARY

The vast majority of our emissions are placed in Scope 3. In fact, Scope 3 accounts for 98.68% of our emissions, whereas Scope 1 and 2 account for just 0.66% each. The category 'Purchased goods and services' alone accounts for 91.26%. This category includes all materials and products we have purchased and shows us that the area where changes can have the most significant impact is the materials used in our products as well as the production phase.

GHG Emissions

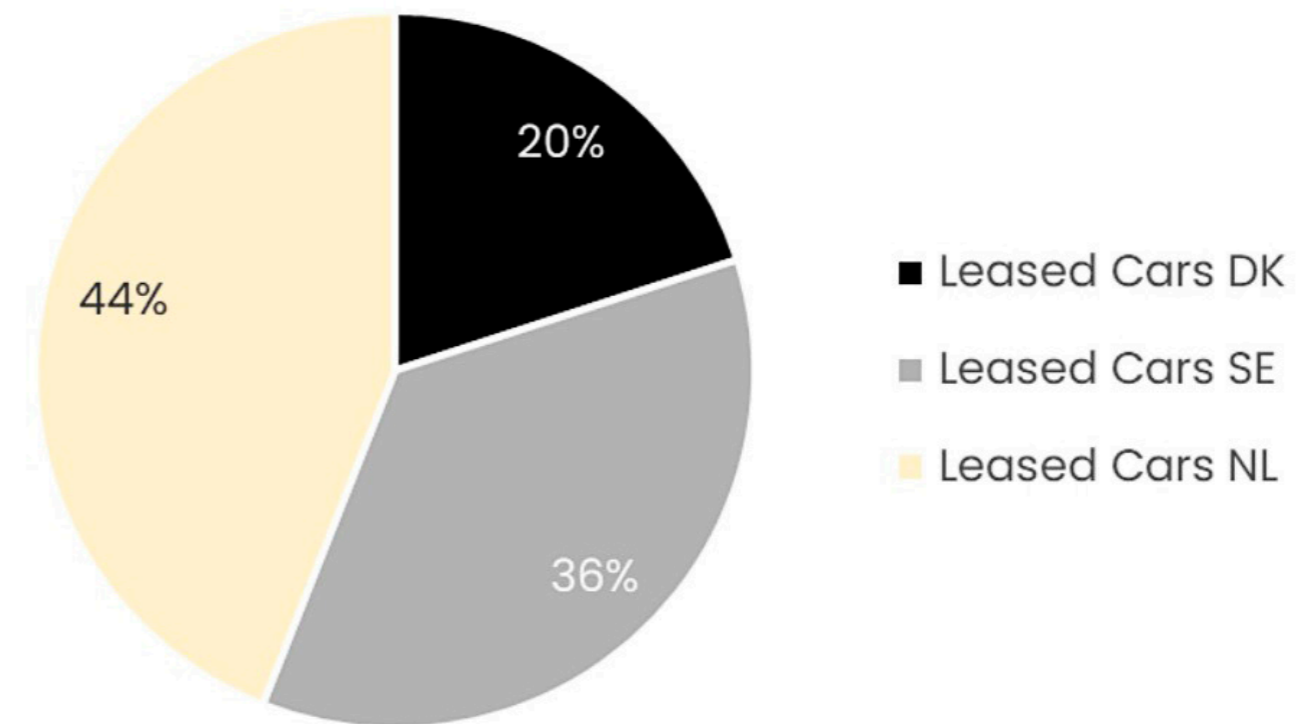


Emission Source	Emissions TCO ₂ e	% Share
Scope 1	13.2	0.66%
Scope 2	13.2	0.66%
Scope 3	1,978.9	98.68%
Total	2,005.3	100%

3.2 SCOPE 1 RESULTS AND COMMENTS

At GripGrab we do not heat our offices using gas or oil nor do we emit any greenhouse gases through process emissions. However, sales representatives in Denmark, Sweden and the Netherlands utilise leased cars in their work. Since we have taken an operational control approach to our carbon reporting, the emissions from leased assets must be included in our Scope 1 and 2 accounting. We have therefore included the sales personnel's leased cars in the Scope 1 emissions.

All in all, GripGrab's Scope 1 emissions account for 0.66% of the total emissions, corresponding to 13.2 tCO₂e. Of the 13.2 tCO₂e, the sales personnel in Denmark account for 2.7 tCO₂e (20%), in Sweden for 4.7tCO₂e (36%), and in the Netherlands for 5.8 tCO₂e (44%).



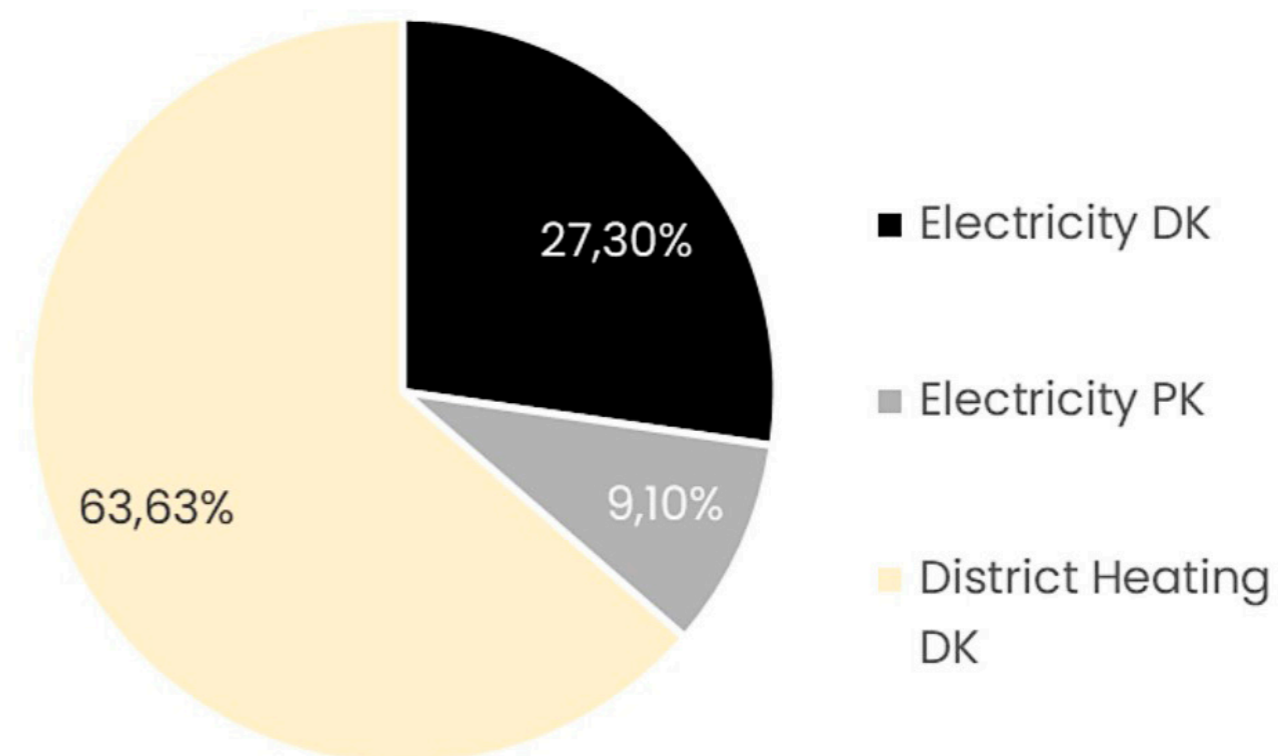
Emission Source	Description	Consumption	Unit	Emissions TCO ₂ e	% Share
Transportation total				13.2	0.66%
Petrol	DK	1,150.0	Liters	2.7	0.13%
Petrol	SE	1,990.6	Liters	4.7	0.23%
Diesel	NL	2,157.2	Liters	5.8	0.29%
Scope 1 total				13.2	0.66%

3.3 SCOPE 2 RESULTS AND COMMENTS

We have emissions from electricity used in our offices in Denmark and Pakistan as well as district heating used in Denmark. The Pakistan office does not use district heating or cooling.

In total, our Scope 2 emissions account for 0.66% of the total emissions, which translates to 13.2 tCO₂e. Of the 13.2 tCO₂e, total electricity consumption accounts for 36.4% or 4.8 tCO₂e using the location-based method.

75% (3.6 tCO₂e) of the total electricity-related emissions are from the Danish consumption, and the remaining 25% (1.2 tCO₂e) are from the Pakistani electricity usage. District heating in Denmark accounts for 8.4 tCO₂e, or 63.63% of the total Scope 2 emissions.



Emission Source	Description	Consumption	Unit	Emissions TCO ₂ e	% Share
Electricity total				4.8	0.24%
Electricity	Denmark	29,123.0	kWh	3.6	0.18%
Electricity	Pakistan	3,369.0	kWh	1.2	0.06%
District heating location total				8.4	0.42%
District heating	Denmark	74,093.0	kWh	8.4	0.42%
	Mix				
Scope 2 total				13.2	0.66%

3.3 SCOPE 2 RESULTS AND COMMENTS – CONTINUED

When using the market-based method to calculate emissions from electricity, the Scope 2 increases by 7.4 TCO₂e. This equals an increase of 0.34% in the total emissions.

Emission Source	Emissions TCO₂e	% Difference from location-based
Electricity market-based	12.2	+154.17%
Scope 2 market-based total	20.6	+56.06%
Total market-based	2,012.7	+0.34%

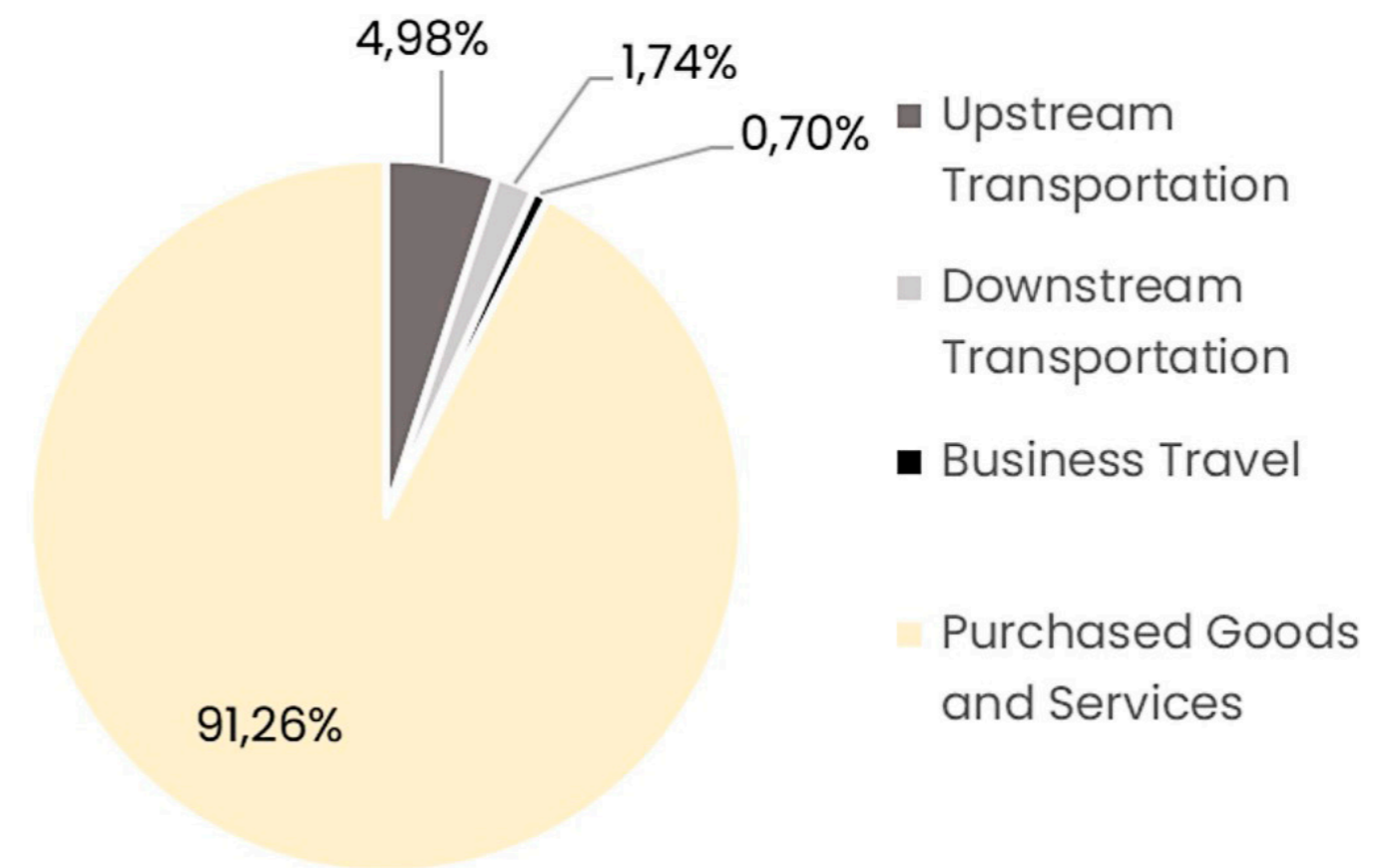
3.4 SCOPE 3 RESULTS AND COMMENTS

Our value chain emissions in 2021 consist of emissions from our production-related purchasing, packaging, transport (up- and downstream) and business travel. GripGrab's total Scope 3 emissions of 1978.8 tCO₂e account for 98.68 % of total Scope 1, 2 and 3 emissions.

Transportation: GripGrab's transportation emissions are divided between upstream transportation (99.9 tCO₂e) and downstream transportation (34.9 tCO₂e). Around two thirds of the emissions from upstream transport, 66 tCO₂e, stem from shipping by sea, while the remaining third, 34 tCO₂e, stems from air freight. All downstream transportation is done on land and by truck. The total transportation emissions of 134.8 tCO₂e is equal to 6.72% of the total company emissions and to 6.81% of Scope 3 emissions.

Business travel: GripGrab's business travel emissions in 2021 were spread over plane, train, taxi and ferry travels as well as hotel nights. Except for flights and hotel nights, the emissions associated with business travels are extremely small (< 0.1 tCO₂e) and are therefore not reflected in the carbon accounting. Emissions from business travels total 14 tCO₂e (0.7% of all emissions) split between flights, which account for 78% of the total, or 10.9 tCO₂e, and hotel nights, which account for 22% of the total, equalling 3.1tCO₂e.

Purchased goods: The largest category in the carbon accounting is 'Purchased goods and services', which in total equals 1830.1tCO₂e, or 91.26%, of total emissions. Emissions from packaging equals 41.5 tCO₂e, or 2.3%, of emissions in this category. Packaging includes plastic and cardboard purchased in relation to the packaging of products being sent from GripGrab to the end user. The remaining 97.7%, or 1788.7 tCO₂e, of emissions in this category are from the purchasing of materials used in the production of our different products, thus, mainly textiles.



3.4 SCOPE 3 RESULTS AND COMMENTS – CONTINUED

In the following, purchased textiles and materials used in our products are summarised in terms of tCO₂e emissions, the percentage of the textiles in relation to total category emissions, and the total purchased weight of the material in kilograms.

The material purchased in largest quantity is polyester, and this correlates with polyester accounting for the largest share of emissions within the category.

Following polyester both in terms of amounts purchased and associated emissions is polyamide. The emissions per kilo of polyamide are higher than the emissions per kilo of polyester, and this is illustrated when comparing the relationship between the two materials' emissions to the relationship between the weights.

The third-largest emission source on the materials list is wool, accounting for 14% of the combined emissions of this category. The emissions per kilo of wool is markedly higher than for many other textiles, as the emissions for textiles include all production emissions, also raw material production, which for wool includes the emissions related to livestock.

Altogether, the three highest-emitting materials account for 83% of emissions related to materials and 73% of the combined materials weight.

Emission Source	Description	Consumption	Unit	Emissions tCO ₂ e	% Share
Upstream transportation and distribution total				99.9	4.98%
Sea Cargo Avg load		24,380.5	kgCO ₂ e	24.4	1.22%
Sea Cargo Avg load		34.3	tCO ₂ e	34.3	1.71%
Sea Cargo Avg load		507,775.7	tkm	6.8	0.33%
Air freight avg.		118,779.9	tkm	34.4	1.72%
Downstream transportation and distribution total				34.9	1.74%
Truck avg.	DK	812.0	kgCO ₂ e	0.8	0.04%
Truck avg.	DK	12.6	tCO ₂ e	12.6	0.63%
Truck avg.	Nordic	534.0	kgCO ₂ e	0.5	0.02%
Truck avg.	Europe	21,010.0	kgCO ₂ e	21.0	1.05%
Business travel total				14.0	0.70%
Flight	Continental/Nordic	12,4432.0	pkm	10.2	0.51%
Flight	Intercontinental	4,130.0	pkm	0.4	0.02%
Flight	Domestic	1,730.0	pkm	0.3	0.02%
Hotel nights	Europe	148.0	nights	3.1	0.15%
Purchased goods and services total				1,830.1	91.26%
Polyester fabric		64,535.0	kg	679.6	33.89%
Cardboard, virgin	Export boxes	25,000.0	kg	20.5	1.02%
Cardboard, virgin	Packaging	19,440.3	kg	16.0	0.80%
Plastic (PET), RECYCLED	Packaging	1,355.7	kg	0.8	0.04%
Nylon fabric	Polyamide	32,749.0	kg	553.5	27.60%
Nylon fabric	Polyethylene	3,081.0	kg	52.1	2.60%
Nylon fabric (6)	Other	41.0	kg	0.7	0.03%
Plastic avg. (virgin)	Packaging	1,355.7	kg	4.2	0.21%
Rubber, TPE		12,781.0	kg	35.0	1.75%
Acrylic fabric		8,838.0	kg	93.6	4.67%
Elastane/Spandex fabric		6,794.0	kg	72.8	3.63%
Wool, fine		5,992.0	kg	242.5	12.09%
Polyurethane fabric		4,594.0	kg	43.9	2.19%
Cotton fabric, conventional		987.0	kg	9.2	0.46%
Viscose/Rayon fabric		394.0	kg	5.7	0.28%
Scope 3 total				1,978.9	98.68%

3.5 PROGRESS

As this report constitutes our first carbon accounting and baseline for our emissions, we are not yet able to provide any insights into our current performance and progress.

We are, however, curious to see the coming years' development, especially taking the current pandemic and its effect on our business into account.

Location-based method

Emission Source	Base year	Previous year	Current year	% Change from previous year
	2021	-	2021	
Transportation	13.2	-	13.2	-
Scope 1 total	13.2	-	13.2	-
Electricity	4.8	-	4.8	-
District heating location	8.4	-	8.4	-
Scope 2 total	13.2	-	13.2	-
Upstream transportation and distribution	99.9	-	99.9	-
Downstream transportation and distribution	34.9	-	34.9	-
Business travel	14.0	-	14.0	-
Purchased goods and services	1,830.1	-	1,830.1	-
Scope 3 total	1,978.9	-	1,978.9	-
Total	2,005.3	-	2,005.3	-

Market-based method

Emission Source	Base year	Previous year	Current year	% Change from previous year
	2021	-	2021	
Scope 1 total	13.2	-	13.2	-
Scope 2 total	20.6	-	20.6	-
Scope 3 total	1,978.9	-	1,978.9	-
Total	2,012.7	-	2,012.7	-

See 4.3 on page 25 regarding the differences between Location-based and Market-based methods.

3.6 NEXT YEAR'S REPORT

Our focus for 2022 will be to not only set specific reduction targets, but also to collect more accurate data to make well-informed decisions.

To achieve better data, we will progressively move away from calculating our emissions based on secondary data using the average-based method. Instead, we will begin to collect more primary data focusing on our products, as this is where we see the majority of our emissions and can make the biggest difference.



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4.1 METHODOLOGY

This analysis is done in accordance with A Corporate Accounting and Reporting Standard Revised edition, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions.

In general, the carbon accounting should include information that users, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms. GripGrab has chosen the operational control approach, meaning that leased assets should be included in Scope 1 and 2.

GHG accounting and reporting must be based on the following principles:

Relevance

The GHG inventory must reflect the GHG emissions of the company, so they can serve the decision-making needs of users.

Completeness

Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

Consistency

Companies must use consistent methodology so they can compare emissions over time. If changes are made, methods must be described and explained.

Transparency

All limitations and methodology choices are explained and justified.

Accuracy

The quantification of GHG emissions is neither over nor under actual emissions, as far as can be judged, and uncertainties are reduced as far as practicable.

4.2 CALCULATION METHOD

When doing carbon accounting, several calculation methods can be used to calculate scope 3, all with different advantages and disadvantages. The chosen calculation method usually depends on which data is available.

When lacking data, the spend-based method is often used. When using the spend-based method, emissions are calculated based on finances spent on that activity. Using emission factors converting monetary value into greenhouse gas emissions, this will provide an indication of which business activities have the biggest impact, but lacks the necessary accuracy to set targets and measure progress.

To be able to do that, more precise data is needed. Using emission factors, the concept is similar to the spend-based method, but the input for the average-data method will be a more relevant unit of measure than monetary value, such as kg for materials or km for business travel. This is called the average-data method.

The spend-based and the average-data method both rely on emission factors from existing scientific research resulting in industry averages. This is also referred to as secondary data.

To obtain even more knowledge on a company's impact, it needs to collect data specific to the facilities or processes in which an activity takes place. This is also referred to as primary data.

When the carbon accounting is based on a mixture of primary and secondary data, it will be referred to as using the hybrid method. Usually, it will be a result of using supplier specific data for suppliers' scope 1 and 2 emissions and average data for the remaining emissions.

Lastly, the calculations can be done using the supply-specific method, where all calculations are based on primary data and average emission factors are not used. The goal should be to aim for an increased use of primary data, as this will provide a more accurate representation of the impact.

4.2 CALCULATION METHOD – CONTINUED

This report is based on consumption data collected by GripGrab for the fiscal year 2021, which has been recalculated into CO₂e using relevant emission factors, i.e., the average-data method. The only exception to this is transportation, which is partly based on reports on CO₂e-emissions provided by the transportation companies, i.e., the supplier specific method. The combination of these approaches results in the hybrid method, which is expected to be the calculation method used going forward, but with an increase of primary data used.



4.3 SCOPE 2 EMISSION FACTORS

The electricity emission factors used for this report are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organisations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity and the market-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs). The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

4.3 SCOPE 2 EMISSION FACTORS – CONTINUED

The location-based method

The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilise a mix of energy resources, where the use of fossil fuels (coal, oil and gas) result in direct GHG emissions. These emissions are reflected in the location-based emission factor.

The market-based method

The choice of emission factors when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which have an emission factor of 0 grams CO₂e per kWh. However, for electricity without the GoO or REC, the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately seven times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs/RECs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Since GripGrab has not yet obtained GoOs or RECs, the calculated emissions from electricity are 4.8 TCO₂e using the location-based method, while the market-based method results in approximately 2.5 times higher emissions at 12.2 TCO₂e.

GripGrab

GRIPGRAB CLIMATE IMPACT REPORT 2021
SUSTAINA COMPANY & GRIPGRAB

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