

Communication on Progress (COP)

Period covered by this Communication on Progress:
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Statement of continued support

2022-03-30

To our stakeholders:

I am pleased to confirm that Cemsys reaffirms its support to the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this document, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders, using [our website](#) as our primary channel of communication.

2022 is the second year Cemsys releases an integrated sustainability report, which will cover more of our sustainability work than what is included in this Communication on Progress. When it is released, the sustainability report will be available on [our website](#).

Sincerely yours,

Jan W. Elmenhorst-Larsen
CEO



Our actions and indicators

As a still relatively small consultancy, our company's direct impact on people and the planet is limited. Yet, in our daily work, we improve our customers' negative impact on the environment by providing the methods and tools they need to enhance their sustainability strategies. Our online tool gathers, manages, and analyses the customers' ESG data, while our expert consultants perform a wide range of services, including ESG consulting and

strategy development, carbon footprint accounting, setting science-based targets (including scope 3 mapping), and low-carbon transition planning. We also help

our customers report according to the GRI and TCFD frameworks, submit answers to CDP, and map activities according to the newly released EU Taxonomy. We continuously respond to the changing needs of our clients and adapt our offerings accordingly. We believe that what we do has a great positive impact on the outcomes of our clients' sustainability efforts and that it in turn helps with the integration of the UN Global Compact's principles.

The following section presents Cemsys' actions during the reporting year to improve the implementation of the

principles in our own business. Indicators that enable us to track progress in these areas are also listed. For clarity, the text is divided into the four focus areas of

the principles: Human Rights, Labor, Environment and Anti-Corruption.

The Ten Principles of the UN Global Compact

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. The elimination of all forms of forced and compulsory labor.
5. The effective abolition of child labor.
6. The elimination of discrimination in respect of employment.

Environment

7. Businesses should support a precautionary approach to environmental challenges.
8. Undertake initiatives to promote greater
9. Encourage the development and diffusion of environmentally.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Connections to the Sustainable Development Goals

Cemsys core business contributes to several of the UN's Sustainable Development Goals (SDGs). We focus especially on SDG number 13: Climate Action, which is addressed by our work with clients' carbon accounting and reporting. In addition, the activities described in this document address other SDGs, such as goal number 5: Gender Diversity, number 8: Decent Work and Economic Growth, and number 17: Partnerships for the Goals. Our goal is to include our work in addressing the SDGs in our 2022 sustainability report.

Human Rights

We have a zero-tolerance policy for human rights violations in our own company and expect our suppliers to have the same approach. At Cemasys we follow internal routines to ensure our employees are provided with safe, suitable, and sanitary work facilities. Our policy for risk assessment declares that an assessment must be completed based on the risk factors that have emerged during the annual HSE mapping. Our expectations will become even clearer with the update of our Supplier Code of Conduct which is in progress. The risk assessment is performed to identify and prioritize which measures are to be implemented across our activities. We have a dedicated safety representative who is trained to look after the employees' interests, as well as matters concerning the work environment. This also includes implementing routines to protect workers from workplace harassment, injuries, illness, and other types of unacceptable conditions.

Indicator	2020	2021
Sick leave	8.14%*	2.1%*
Annual employee turnover rate	9.5%	6.7%

*All sick leave was due to non-work-related incidents

Labor

We are actively working toward minimizing the gender gap in our organization, by seeking to attract potential employees that increase our gender diversity. One concrete action taken during the reporting year has been to purposely develop job ads that attract a diversity of applicants. It has also been our strategy to always reflect the gender balance of applicants in the interview process. This has resulted in a more diverse workforce with an increase of 7 new male employees in 2021. We are following up on actors in our supply chain and making it clear that it is unacceptable to participate in any type of child or forced labor, and that the freedom of association needs to be upheld.

Indicator	2020	2021
Total number of employees (at end of the year)	24	37
Gender diversity <i>whole company</i>	87.5% (21 women, 3 men)	73% (27 women, 10 men)
Gender diversity <i>management</i>	40% (2 women, 3 men)	75% (3 women, 1 man)
Gender diversity in <i>other employees</i>	100% (19 women)	73% (24 women, 9 men)
Gender diversity <i>new hires</i>	100% (6 women)	59% (10 women, 7 men)

Environment

Since the start of our company in 2007, one of our main priorities has been to improve our clients' environmental performance. We are also actively working to reduce the environmental impact of our operations, with a focus on our climate impact. In 2021, we are continuing to work with the Climate Policy that we presented last year. The policy defined how we, as a company, are going to manage our impacts on climate, meet our climate ambitions and goals, and set a high standard for the companies we conduct business with. The policy focuses on the areas considered most relevant for our business: sustainable purchasing, waste management, and reduction, and business travel.

The following principles are included in our Climate Policy:

Cemasys:

- follows all applicable laws and regulations in the country where it operates, as well as other relevant frameworks.
- applies a structured management approach based on continuous improvement, target setting, monitoring, measuring, and evaluating impacts and risks, to minimize its negative climate impacts.
- promotes circularity by applying the principle of Reduce, Reuse, Recycle in its own operations.
- encourages all forms of employee transport and deliveries to take place in the most climate efficient way possible.
- uses and promotes climate efficient technology, products, and services in its operations and to its customers.
- engages in research and knowledge sharing with relevant stakeholders on topics that promote climate responsibility.
- communicates its most material climate performance in a transparent, reliable, and timely manner.

The full climate policy can be viewed on our website.

In addition, each year we measure our direct and indirect greenhouse gas emissions (scope 1, 2, and 3) in accordance with the GHG protocol and prepare our annual carbon footprint report. Our 2021 report will be published in Cemasys' Sustainability Report, which is coming out in May 2022. In this report, you will be able to see detailed information about our total greenhouse gas emissions and other relevant KPIs.

In 2020, Cemasys set a science-based target (SBT) in line with the 1,5°C scenario presented by the IPCC. We have committed to reduce absolute scope 1 and scope 2 GHG emissions by 50% by 2030 from a 2018 base year and to measure and reduce our scope 3 emissions. The target has been approved by the Science Based Targets initiative (SBTi) and will be revised every five years.

In addition, we compensate annually for the CO₂e emissions we are unable to reduce. In 2021, this was done by investing in a project for biomass-based power generation in Maharashtra, India. For more information about the project, please refer to the CDM project 4078 at the UNFCCC website: <https://cdm.unfccc.int/Projects/DB/SGS-UKL1288172340.56/view>

We constantly consider possibilities to minimize our negative impact on the environment in our daily work and from our purchases. This is done through continuous improvements when it comes to, for example, efficient usage of our office space and equipment, reducing and recycling our waste, as well as buying environmentally friendly products, and minimizing our use of consumables. Moreover, in 2021, when we changed offices throughout the year, one of our main focuses was our climate policy. In practice, we focused on implementing reduction technologies when possible, buying sustainable or recycled products as well as recycling all equipment we do not need anymore.

In 2019, Cemasys funded the planting of 150 000 mangrove trees in the Thor Heyerdahl Climate Park in Myanmar. This is a continuous project, and we see it as a unique opportunity to contribute to mitigating climate change and improving the socio-economic conditions of the local community. Planting new forests bind carbon dioxide from the atmosphere; one new mangrove tree can bind approximately 1-tonne carbon dioxide over twenty years. Mangrove forests are also breeding grounds for fish populations and foster biodiversity and crucial habitats for otherwise threatened and endangered animal and plant species. You can read more about this project here: <https://www.heyerdahl-parks.com/>

Anti-corruption

We assess the risk of corruption when doing business and entering new contracts. We have not yet discovered any cases of possible corruption or bribery. Our project in Myanmar may expose us to the risk of corruption or unethical behaviors. We are aware of this risk and are thus continuously monitoring this through dialogue with all relevant actors, such as the Worldview International Foundation (WIF), which has an agreement with the forest department in the country to recreate destroyed coastal areas.

We also assist our customers in how they can facilitate notification mechanisms on corruption and other unethical behaviors, and how they should report on this. We maintain a good dialogue with our customers and continuously encourage them to be as transparent as possible in the reporting of their sustainability work.

Relevant indicators for our organization in this area are under development.