



# COP Report 2021

FROM SMALL THINGS, BIG THINGS GROW

*From Small Things,  
Big Things Grow.*

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## A Letter from the CEO

Since we founded SproutWorld in 2013, we have been working towards our mission – Let's Make the World Sprout – to inspire each other towards greener production and consumer practices. As a UN Global Compact member since 2016, I am pleased to confirm that SproutWorld reaffirms its support of the Ten Principles of the United Nations Global Compact.

Sustainability is an integral part of our business and in accordance with the environmental principles, SproutWorld is committed to supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies.

After the challenges brought about by Covid-19 in 2020, SproutWorld had its most successful year to date in 2021.

We launched our newly developed beauty line with a small range of makeup liners, a brow pencil and two eyeliners, in collaboration with a leading European beauty firm. The purpose is to support and inspire the beauty industry to become more sustainable.

In this annual Communication on Progress, we'll describe the actions we've taken during 2021 to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture, and daily operations. We're also committed to sharing this information with our stakeholders using our primary channels of communication via our monthly newsletters and relevant social media channels.

I am proud of all the progress we've made as an organization on sustainability during 2021, and, in particular, of our partnership with the Polish State Forests. We entered their Forest Carbon Farms Project because we want to give back locally where we take resources.

We set a target for our products to be carbon neutral by 2022. We achieved this goal ahead of schedule in 2021. We are now looking ahead to our next major sustainability milestone – for SproutWorld to be climate positive in 2024.

From small things, big things grow. This is the idea behind the SproutWorld pencil. Our sustainability journey is only just beginning. It's a process and we are learning every step of the way – and through what we do, we want to bring as many people as possible along with us to transition to a greener future.

Yours sincerely,



Michael Stausholm  
Founder and CEO, SproutWorld



# About this Report

All information and data covered in this report runs from January 2021 to December 2021.

Our ambition for this report is to reaffirm our support of the UN Global Compact and to communicate our progress on the UN Sustainable Development Goals where we can deliver most impact. We believe that to do this in the most meaningful way, we need to show – **Action, Documentation and Transparency** – in everything we do. These three steps are critical for an efficient, value-creating, and credible green transition.

**Action**

This forms the basis of the green transition, and if green ambitions only remain as ideas without action, it neither creates climate progress nor business value.

**Documentation**

Validation of our green efforts is essential if we are to create a credible green transition, one that overcomes cynicism and combats greenwashing accusations. By clearly and thoroughly documenting our sustainability initiatives, we can demonstrate that our company is taking its responsibilities seriously. Whereas documentation used to provide a competitive advantage for companies to showcase its green credentials, it has now become an essential requirement for companies to quantify their actions and commitment towards operating sustainably.

**Transparency**

If we are to achieve our climate policy objectives, we need to be honest about how we’re doing in the sustainability arena. That means collaborating, sharing knowledge and best practice, and inspiring each other to keep trying and do better. It also means that we shouldn’t shy away from showing our sustainability journey, warts and all. And that’s how we can transition to a greener planet.





# About SproutWorld

In 2013, a group of robotics students at MIT developed the very first pencil with a seed capsule that could be planted when it became too small to write with. Michael Stausholm discovered it on Kickstarter and was so impressed with its potential, he bought the rights to sell the pencil in Europe and founded SproutWorld. Within a year, it had sold 70,000 pencils in Denmark alone, leading Michael to buy the patent and rights outright.

Since then, SproutWorld has developed different editions of the plantable pencil, introducing a range of seed types from daisies to cherry tomatoes, and even spruce trees. To date, SproutWorld has sold over 40 million pencils.

In 2021, SproutWorld launched its range of sustainable and plantable makeup liners, in collaboration with a leading European beauty firm. The idea was born of the desire to make the cosmetics industry think and be greener, one small step at a time.

We have a growing team headquartered in Copenhagen, Denmark, with a second office in Boston, Massachusetts, and production sites in Poland and the US.

## Mission and values

We believe that sustainable change is possible through small innovations. We do this by rethinking everyday products and making them sustainable by using simple, innovative solutions that inspire green change.

Our business is built around making sustainability fun, accessible and easy to understand. We want to encourage people to make small changes in their daily lives that, when combined, can have a huge impact. Through our products, we aim to inspire others to think about what happens to products after use – and to find innovative ways to give products a second life.

As a global brand, we take our responsibilities as a sustainable organization seriously. Sustainability is not only something we encourage others to live by, but also what we live by – doing our best to incorporate it into every aspect of our operation. We strive to set a good example, and to be an inspiration for other companies in how to act, document and share knowledge.

*“We want to make sustainable actions manageable and tangible for everyone”*

Michael Stausholm,  
SproutWorld CEO




# Sustainability Highlights 2021


We implemented many sustainability initiatives in 2021 and have achieved a great deal in this area in the past year, exceeding the targets we set for ourselves. Here are some of the highlights:

- 🌱 We **undertook a detailed Life Cycle Assessment (LCA)** of the SproutWorld pencils, which quantified and documented our CO2eq footprint. The assessment identified specific areas where we can improve, and we will continue to work on minimizing our CO2eq footprint.
- 🌱 SproutWorld has **partnered with the Polish State Forest to plant 12,000 new trees**. We are the first company outside Poland to join the project and buy land for reforestation. Before this can happen, work will be done to ensure the soil is healthy and fertile for planting. Through this partnership with the Polish State Forest – the Forest Carbon Farms Project, we have purchased 1,516 Carbon Dioxide Units (CDUs). This is the equivalent of 1,516,000 tons of CO2eq that will be absorbed from the air. We compensate for the CO2eq footprint we cannot avoid within our current production process by purchasing CDUs.
- 🌱 With our LCA and CDUs in hand, we can demonstrate that **our products are carbon neutral**.
- 🌱 We **commissioned a third-party Transparency Report**, that verifies how we work with sustainability, looking more specifically at our initiatives towards our UN SDGs.
- 🌱 We **became a member of Sedex** – one of the world’s leading ethical trade service providers with over 55,000 members in 180 countries, across 35 industry sectors. As a member, we are committed to sourcing products and services responsibly through each tier of the supply chain and upholding responsible business practices.
- 🌱 In addition to our Sedex membership, **SGS conducted SMETA audits** (Sedex Members Ethical Trade Audit) of our production sites in the EU and the US, selecting the 4-Pillar audit, the most rigorous option.
- 🌱 Our SproutWorld pencils **renewed their EN71-1, EN71-2 and EN71-3 certification**, meaning that they meet the European standard EN-71 safety requirements for toys made or imported into the European Union.
- 🌱 We have continued to build partnerships that further our sustainability goals. We have **partnered with UPS on carbon neutral shipping** for our business customers.
- 🌱 We are **on track to gain B Corp certification** in 2022. This third-party verification process ensures we meet high standards of social and environmental performance, that we make a legal commitment to be accountable to all stakeholders as well as shareholders, and that we are transparent about our performance.
- 🌱 Our **Blockchain development project is progressing** – which in time will give full transparency and traceability of our supply chain – and is on schedule to launch in late 2022.
- 🌱 SproutWorld’s **CEO was named one of 2021’s ‘Worthy 100 Entrepreneurs’** by Worth Media, chosen for using their success and influence to make a positive impact on society, the planet, and beyond.
- 🌱 SproutWorld **won the award for Sustainable Merchandizing** at the European Business Awards 2021, recognizing people and companies achieving positive things and making us look to the future with hope.


# SproutWorld's Key Milestones

**2013**


- First Sprout pencil produced
- PEFC certified wood (SDG 15)

**2015**


- PEFC and FSC certified wood (SGD 15)

**2016**


- EN 71-3 certified (SGD 12)
- UN Global Compact Member (SDG 12)

**2017**


- Our first COP report for UN Global Compact

**2018-20**


- Continuous compliance through a fast growth period

**2020**

- REACH report
- Development of Sprout makeup liners

**2021**

- EN 71-1,2 and 3 certified and reach compliant (SGD 12)
- LCA of Sprout pencil (SDG 12)
- Partnership with UPS (SDG 17)
- SEDEX members (SMETA audit) (SDG 12 & 17)
- 3rd. part Transparency Report
- Blockchain (SDG 12 & 17) project
- Waiting for B-Corp Certification (SDG 12 & 17)
- Partnership with the Polish State Forest (SDG 15 & 17)
- Product Carbon Neutral

**2022**

- Social responsibility - Act local think global.
- Knowledge hub Sprout
- LCA on makeup
- Launch blockchain
- Vegan pencils & liners
- B Corp member
- Company Climate accounting, SBTi
- B Corp Beauty Coalition

**2023**

- Integration of financial and non-financial reporting
- Continue afforestation of sustainably managed forests

**2024**

- Enter into exciting new partnerships, both for the benefit and joy of the planet, consumers and as new exciting friends for SproutWorld where together we can drive the green agenda. Inspire each other and others
- SproutWorld is Climate Positive



# SproutWorld and UN Global Compact (UNGC)

SproutWorld joined the UN Global Compact – the world’s largest CSR corporate citizenship initiative – on March 1st, 2016. The UN Global Compact sets a common framework for companies worldwide to commit to and adopt sustainable and socially responsible policies. As a member of the UN Global Compact, we are committed to upholding the UN Global Compact’s Ten Principles and incorporating these within the company’s strategies, policies, and operations.

Based on a materiality analysis, we selected four of the ten principles to focus on: Human Rights, Environment, Labor Conditions and Anti-Corruption. In this section, we will communicate the progress we have made against our 2021 KPIs on the four principles we focus on, as well as setting out our KPIs for 2022.

## HUMAN RIGHTS

**Principle 2:** Ensure that we are not complicit in human rights abuses.

At SproutWorld, upholding high standards of human rights is paramount. Our focus is to ensure that we do everything possible to monitor and maintain transparency in our supply chain and be a positive influence on our suppliers and partners as we grow, through tools like our Code of Conduct, SMETA 4-Pillar, SGS audits, and Sedex.

We are committed to ensuring equal rights and opportunities for all in the workplace, and continually seek to minimize the risk of discrimination within our employment procedures.

### Progress against 2021 KPIs:

We met both our KPIs in the area of human rights in 2021. We became a Sedex member, and both our EU and USA production sites were SMETA 4-Pillar audited by SGS.

### 2022 KPIs:

Next year, we expect to go even further to ensure that our human rights policies are as watertight as possible. We will measure our policies against B Corp’s self-assessment tool to see how we perform and where we can make further improvements.

## ENVIRONMENT

**Principle 8:** Undertake initiatives to promote greater environmental responsibility.

Our goal is for our business activities to make a positive contribution to the Earth’s natural resources. We are committed to promoting greater environmental responsibility in all our actions.

We respect and preserve biodiversity, as well as consider the effects of our operations and the impact our products have for the environmental health for future generations.

This environmental focus is manifested through our entire production cycle – from R&D to product and packaging through to how our products will be used, and finally how it can be recycled or included in nature’s life cycle. We encourage all customers to plant their pencils after use to give them a second life.

### Progress against 2021 KPIs:

In 2021, we partnered with the Polish State Forest on a reforestation project – to plant new trees where most of the wood for our pencils comes from. We have bought the equivalent of two football fields of deforested land to plant 12,000 new trees. Our goal is to create a closed loop by directly redressing the balance of the resources we use – and where possible, add more. This new forest will absorb CO2eq, store water, produce oxygen, and contribute to greater biodiversity of flora and fauna. In the future, some of these trees will be harvested to produce sustainable wood products.

### 2022 KPIs:

We will conduct climate accounting and document our CO2eq on all three emissions scopes, where the base year is 2021, and report to Science Based Target Initiative (SBTi).

## LABOR CONDITIONS

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

At SproutWorld, we value all employees and job candidates as unique individuals, and we welcome the variety of experiences they bring to our company. As such, we have a strict non-discrimination policy, where respect, support, and diversity are key aspects. SproutWorld is an inclusive team effort, where we are all passionate about our work and the business, and where everyone takes part. We have a workplace culture that is enterprising, understanding, compassionate, fun, and helpful.

Knowledge-sharing between colleagues is an important part of the day-to-day business. At SproutWorld, a great work environment is characterized by a relatively flat and informal organization that respects the individual and provides responsible, operational independence to get the job done. Going to work every day and feeling that you are helping to make a difference is important to us all. This intrinsic motivation is important and a large part of the management responsibility. It is something we hold sacred and is always top of mind.

### Progress against 2021 KPIs:

In 2021, we composed an employee survey about our work environment. We will ensure this is reviewed at least every other year, with input to the process. 100% of employees who answered the survey are: proud of working at SproutWorld; feel they have influence; feel trusted; recognize and see their leader as a great role model; and would recommend SproutWorld as a great workplace to others.

### 2022 KPIs:

The CEO and CSO will visit production sites in Poland and the US to check in person that all guidelines are being followed and that recommendations stated in the SMETA 4-Pillar audit are being implemented.

## ANTI-CORRUPTION

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

SproutWorld is against corruption in all its forms. Our Code of Conduct, published in 2017, lists the principles that we operate by, and the practices, that should, as a minimum, be managed. We expect our suppliers to establish adequate processes to counter corrupt practices within their supply chains. Such processes should support and be in line with the United Nations Convention against Corruption.

### Progress against 2021 KPIs:

We have implemented an Anti-Corruption policy and have issued a modern slavery and human trafficking statement.

### 2022 KPIs:

We are committed to upholding our policies to counter corrupt practices internally and within our supply chain.



# SproutWorld and UN SDGs

The UN Sustainable Development Goals (SDGs), or Global Goals, is a collection of 17 individual goals that obliges all UN members to contribute to and promote sustainable development. It is a 'shared blueprint for peace and prosperity for people and the planet, now and into the future'. At SproutWorld, we focus on three SDGs where we believe that we can make the greatest impact and ensure sustainable development.

In 2021, we commissioned a third party to undertake a 360° review of our business to clearly identify, document and communicate our previous, present and future efforts in sustainability. This Transparency Report outlines not only the progress we have made in general terms towards the SDGs that are most relevant to our business, but the report also details the progress we have made towards specific targets that sit beneath each of the three SDGs to which we are committed.



# Responsible Consumption and Production #12

Our planet provides us with an abundance of natural resources, but right now, the world consumes far beyond what the planet can produce. We urgently need to adopt a more sustainable economy and lifestyle to halt and reverse the damage done to the planet. SproutWorld is committed to doing all we can to promote responsible production and consumption, with the goal of producing zero waste products.

**Progress against 2021 KPIs**  
We conducted a Life Cycle Assessment on our pencils to quantify and document the environmental impact of a SproutWorld pencil, and to identify where we have the biggest negative impact and find ways to further reduce this.

**KPIs for 2022**  
Our focus for 2022 will be to address what more can be done to minimize the negative impact from transport and packaging. We will also focus our attention internally to reduce waste in our offices, such as developing a waste management system in our Copenhagen headquarters for sorting daily waste. Having conducted an LCA on our graphite pencil, in 2022 we plan to conduct an LCA on our makeup liner range. Furthermore, we are planning to launch our Blockchain tool, which in time will show transparency and traceability throughout the whole life cycle of production and consumption of our products.

The total global warming impact of producing one SproutWorld pencil is 3.64g CO2eq. For comparison, a single use plastic bag emits 1,580g CO2eq during production and its life. Transport and packaging contribute most to the pencil's environmental impact. In 2021, we also renewed our EN71-1, 2, and 3 certifications for all our graphite and color pencils.



# Life on Land #15

A flourishing and diverse life on land is the foundation for life on the planet. Forests and trees make the Earth livable and provide us with clean air and water, while storing vast amounts of carbon dioxide. All over the world, ecosystems face massive threats as forests are harvested because of our rising population and hunger for land and resources. To protect life on land, we all must promote sustainable use of natural habitats, which constitute a huge part of our sustainable efforts.

At SproutWorld, we aim to do this through designing sustainable products that can have a second life as plants, and by reforesting areas directly linked to where we have utilized natural resources to produce the wood in our pencils. All wood used in our production process is certified wood. It takes one tree to produce approximately 170,000 pencils.

## Progress against 2021 KPIs

In 2021, we partnered with the Polish State Forests, where the wood for our pencils originates. We have bought 1.4 hectares of wasteland where 12,000 new trees will be planted.

## KPIs for 2022

The Polish State Forest will begin work on the 1.4 hectares of wasteland and prepare the ground for planting. They are working towards a target of March 2023 to begin planting, when the soil should be fertile enough for the trees to flourish.

# Partnerships for the Goals #17

The Global Goals can only be met if we work together. The world is more closely connected than ever, and international investments and support are needed to ensure innovative technology development, fair trade, and market access. To build a better world, we need to be supportive, empathetic, inventive, passionate, and above all cooperative. We can do this via meaningful partnerships. This is one of the key elements in our sustainable development.

At SproutWorld, building meaningful partnerships is a key element in our sustainable development strategy. At all stages of the production process, we need to work closely together with suppliers, customers, and partners.

## Progress against 2021 KPIs

In 2021, we partnered with UPS and their carbon neutral shipment program. We became a member of Sedex, and also established a partnership with the Polish State Forests.

## KPIs for 2022

As well as continuing to work with UNGC and our existing partners, our goal is to become a B Corp member and part of the B Corp community, offering further opportunities for collaborating and partnering with other businesses committed to sustainable business practices.

We will also sign up to the Science Based Target Initiative (SBTi) – a globally recognized collaboration between the Carbon Disclosure Project (CDP), the World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the UN Global Compact (UNGC).

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LIFE ON LAND

**Target 15:1**  
**Conserve and restore terrestrial and freshwater ecosystems** by focusing on conservation, restoration, and sustainable use of forests.

**Target 15:2**  
**End deforestation and restore degraded forests** by focusing on sustainable management of forests, restoring degraded forests and increasing afforestation and reforestation.

**Target 15:5**  
**Protect biodiversity and natural habitats** through collaborations, that focus on planting new forestry to create greater biodiversity and living spaces for forest species.

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PARTNERSHIPS FOR THE GOALS

**Target 17:16**  
**Enhance the global partnership for sustainable development** by focusing on partnerships and collaborations through projects.



# SproutWorld's Strategic Goals

## - THE WORLD NEEDS IMPACT ACTION, NOT JUST IMPACT REPORTS

Today, many companies are working strategically with sustainability. It's no longer 'nice to do', it's essential for businesses to act. Only brands with a clear purpose who are committed to 'doing better' on sustainability issues will be around in the future.

At SproutWorld, we strive to be a lighthouse in the green transition, with ambitious sustainability goals for our future business. This involves being an inspiring role model and leading by example – raising awareness and inspiring others to undertake more responsible production and consumption patterns.

As a global brand, we work with globally recognized and trusted certifications and labeling. Product certification sets a benchmark for product quality, provides signposts to reliable manufacturers, and helps consumers to make informed purchasing decisions. At SproutWorld, our certifications are controlled by third-party independent organizations. They demonstrate our commitment to quality, safety, and reliability – and affirm that our products have passed specific performance and quality assurance tests.

For more information about our business and product certifications, please visit our website:  
<https://sproutworld.com/values-and-certifications/>

In accordance with the Paris Agreement, we all need to take responsibility and continue our work with the UN SDGs, climate accounting, partnerships and collaborations, and green efforts, if we are to achieve a climate neutral world by the middle of this century. The most critical KPIs for SproutWorld in the coming year are: our work with climate accounting on all three scopes, the development of our Blockchain tool and to become B Corp certified. We also plan to carry out a Life Cycle Assessment of our makeup liners in 2022.

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Although our products are 'born' sustainable, it is our ambition to continually improve on our positive impacts, mitigate any negative impacts, and document all our actions. For SproutWorld in 2022, our aim is to calculate our emissions through a climate accounting report. To prepare for this, we will be seeking advice, guidance, and the right tools through third parties. We will undertake our climate accounting through the globally recognized framework of the Science Based Targets initiative (SBTi). Once we have established our climate accounting processes, we will be able to prepare our own climate accounts in the future.

We are committed to actively reducing our emissions through long-term commitments, targets and policies. This will take us closer to our net zero goal and to become climate positive by 2024. SproutWorld and every other company produce emissions. Climate protection includes the measurement and documentation (registration) of these emissions, as well as the continuous reduction and avoidance of the same. When we cannot avoid producing emissions, we compensate for this through climate protection projects. In this way, we can demonstrate that SproutWorld pencils are climate neutral.

We plan to launch our Blockchain tool in 2022. This will set the foundation for transparency and traceability of our sustainability efforts throughout our product supply chain. At SproutWorld, transparency and traceability are paramount, and it is important for us to demonstrate our credibility. Blockchain technology can help us do that. Beyond this, blockchain can help us identify any gaps where we can do better in the future.

Once we have implemented blockchain, it will be used on an ongoing basis, with the database being continuously updated with new information – on suppliers, materials, social contracts, products, etc.





## APPENDICES

### SproutWorld Pencil Life Cycle Assessment Report

- RELATED TO OUR WORK WITH SDG #12 & #15

In 2021, we conducted a Life Cycle Assessment (LCA) on our SproutWorld pencils. An LCA is a standardized method to quantitatively assess the environmental impact at each stage of a product's life cycle and consider all aspects of its fabrication, including raw material extraction, manufacturing, transportation, distribution, usage and disposal, material recycling and new life. This information means that we can measure and document our CO<sub>2</sub>eq emissions in the production of a SproutWorld pencil and calculate how much we need to compensate for any carbon emissions we do emit. With an LCA in hand and the purchase of CDUs from the Forest Carbon Farms Project, we can demonstrate that our products are carbon neutral.

You can read the report on our website:

<https://sproutworld.com/values-and-certifications/>

### Carbon Neutral Shipment with UPS (for business customers)

- RELATED TO OUR WORK WITH SDG #12 & #17

Through initiatives like our LCA, we know that the majority of our climate footprint is in freight transport. We made it a top priority to reduce the CO<sub>2</sub>eq in this area, and we entered a partnership with UPS, our shipping partner.

In partnership with UPS, SproutWorld monitors, measures and offsets all the emissions from shipping our pencils. This means that every time a business-to-business order is shipped, we invest in certified climate protection and carbon management projects that neutralize the impact of those products' journey right up to your door. The UPS Carbon Neutral Shipment program supports projects that improve forest management, methane and landfill gas destruction, and wastewater treatment.

This action is a natural part of our brand DNA. Our next step on this road is for the whole company to become climate positive.



# Carbon Neutral & Climate Positive

- RELATED TO OUR WORK WITH SDG #12 & #15

Our SproutWorld pencils are carbon neutral. To transform a SproutWorld pencil from being carbon neutral to climate positive requires our customers to act. Closing the loop by planting the pencil’s seed capsule at the end of the pencil’s life, gives it a second life – with no waste. That’s because when a pencil is planted, it will sprout and grow, absorbing carbon dioxide and emitting oxygen, which contributes to the carbon capture cycle. Granted, it’s a small action to plant a pencil, but From Small Things, Big Things Grow.

*In everything we do, we focus on reducing our carbon footprint and documenting our processes. It means that we’re able to prove that we’re doing the right thing, and improve on it, too.*

## What does it mean to be:

### Carbon Neutral

‘Carbon neutral’ means, in business terms, that a company has calculated its carbon emissions, documented and reduced them, and subsequently paid for carbon credits to mitigate for anything it can’t reduce. It means that when you take their products from raw materials to the product you hold in your hand, thanks to those calculations, on balance, no additional carbon dioxide emissions have been created.

### Climate Positive

‘Climate positive’ means that an activity goes beyond achieving net-zero carbon emissions, to create an environmental benefit by removing additional carbon dioxide from the atmosphere. If a product is stated to be ‘climate positive’, it means that after a product is made, there is less CO2eq in the atmosphere than if the product had not been manufactured in the first place.

# Transparency Report

- RELATED TO OUR WORK WITH SDG #12, #15 & #17

Today many companies are working strategically with sustainability. The rise of ‘greenwashing’ means that many organizations have become more wary of talking about what they are doing on sustainability issues. This is known as ‘green hushing’. Being as transparent as possible is the best way to avoid greenwashing and green hushing. To make progress, it’s important that we acknowledge and celebrate the good work we are doing, but also be honest about our pain points and what we can do better. It’s also vital that we share that knowledge so that we can inspire, be inspired, and learn from each other. After all, From Small Things, Big Things Grow. That’s why we commissioned a transparency report to be made by an independent third party. This Transparency Report is a 360° insight into SproutWorld’s sustainability profile and is a means to communicate, verify and validate previous, present, and future efforts.

You can read the report on our website:  
<https://sproutworld.com/values-and-certifications/>

**The Transparency Report documents how we work with sustainability and the UN SDGs, in particular how we:**

- *Align to SDG targets, not just the overall goals*
- *Measure and report on actual impact, not just activities*
- *Partner and collaborate*
- *Show impact measurement and management.*

# Blockchain Development

- RELATED TO OUR WORK WITH SDG #12 & #15

At SproutWorld, documenting our work within sustainability is part of our DNA, and developing our Blockchain tool is the next step of that journey.

Blockchain is a relatively new technology that allows companies to show complete transparency and traceability of their supply chain. At its core, blockchain is a distributed digital ledger that stores data of any kind. Blockchain offers a better, safer way to record data and maintain up-to-date records, while also keeping all historical data records. Once the data has been entered into the blockchain, it cannot be corrupted, altered, or even deleted.

Using blockchain technology, we will in time be able to verify our sustainability claims with documentation. Our customers, partners and suppliers will have full transparency and traceability of all activities within our supply chain.

Our blockchain will eventually contain all relevant data related to our production of SproutWorld pencils i.e. all the contracts, certifications, raw material originates from, CO2eq impact – and end of user data. This data will help us make better choices as to where our priority for improvement must be.

In the field of sustainability, there has long been a need for a tool that can verify the green claims that many companies make. In time, we hope to have a common European blockchain with all the necessary documentation held in one place, thereby reducing some of the many EU initiatives, requirements, databases, and rules that are currently in place – of which many companies are not aware of, and consumers even less so.

At this stage, there’s still a need for more education of blockchain and its uses, and the technology needs to be developed further because blockchain is still in its infancy – but blockchain has the potential to become the universal language of sustainability.

For more information on the importance of blockchain, listen to our Chief Sustainability Officer explaining why we’re investing in blockchain technology here:

<https://youtu.be/f7Qtrq62XMA>

*‘With blockchain, it’s all about “show, don’t tell”.*

# B Corp Membership

- RELATED TO OUR WORK WITH SDG #12 & #17

SproutWorld is in the process of becoming a certified B Corporation. When you do business with us as a B Corp certified company, it’s your guarantee that you can purchase from us with total peace of mind. Being a B Corp company is about being a business that (aside from making money) also does what’s best for the planet. You also become part of a like-minded community committed to using businesses as a ‘force for good’.

Certified B Corporations are businesses that meet high standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose (B Lab). There are currently around 5,000 Certified B Corporations in more than 70 countries and over 150 industries working hard together for one unifying goal: to be the best for the world.

It is a third-party certification which means that our assessment will be verified by 3. Party, B Lab, the American non-profit behind the B Corp Certification.





# The Polish State Forests

- RELATED TO OUR WORK WITH SDG #15 & #17

## ‘Act Global Think Local’ (Global Compact)

We use our business to protect nature and plant trees, for you, for our children, and for the future generations to come. In 2020, our goal was to establish a partnership with the Polish State Forests, and in 2021 this partnership became a reality. We are the first company outside Poland to join the project and buy land for reforestation. We entered their Forest Carbon Farms Project because we want to give back locally where we take resources. Through this project, new forests will be planted and in time absorb CO<sub>2</sub>e, store water, produce oxygen, and contribute to greater biodiversity for various forest species.

In the future, some of these trees will be harvested and dedicated to ecological and certified wood production. SproutWorld bought 1.4 hectares of wasteland where the Polish State Forest will plant 12,000 new trees. Because the forests grow on the poorest soils, mainly due to the development of agriculture in previous centuries, much work precedes the actual planting. In the year up to March 2023, they are preparing the ground to make sure the soil is rich and fertile.

It will take years until the trees are big enough to achieve their full function. Therefore SproutWorld purchases Carbon Dioxide Units to offset carbon emissions until the forestry is big enough to make a climatic difference. For every Carbon Dioxide Unit, one ton of CO<sub>2</sub>e will be absorbed from the atmosphere and stored in the tree trunks and soil on farms in the Forests Carbon Farms Project.

Through this project, SproutWorld can contribute to both natural and climatic functions, by protecting and restoring degraded forests and promoting afforestation. Furthermore, this project is a way for SproutWorld to promote and advocate for a more sustainable use of materials. To find out more about the Polish State Forests, go to:

<https://www.lasy.gov.pl/en/timber/where-does-the-wood-come-from>





# Overview of CoP 2021

SDG	Our Goal	SDG Target	Our KPI	Our Progress
— <b>Responsible Consumption &amp; Production #12</b>	— SproutWorld’s SDG 12 goal is to achieve zero waste products.	— <b>Target 12.5:</b> Substantially reduce waste generation through prevention, reduction, recycling, and reuse by focusing on the production and products life cycle.	— Minimize our packaging to reduce waste.	— Collecting data regarding materials, shipping volume and disposal.
			— Develop a waste management system and collect data at our Copenhagen HQ.	— Collecting data regarding our consumption and finding a best practice solution.
		— <b>Target 12.4:</b> Responsible management of chemicals and waste by focusing on the production and important certifications and memberships	— EN71-1, 2, and 3 certifications for all our graphite and color pencils.	— Reaffirm EN71-1-2-3 certification.
			— Conduct Life Cycle Assessment of our pencil.	— LCA is finalized.

SDG	Our Goal	SDG Target	Our KPI	Our Progress
— <b>Life on Land #15</b>	— SproutWorld’s SDG 15 goal is to contribute to the extension of forest areas, biomass within the forest areas, protect and maintain biodiversity and natural resources through collaboration with the Polish State Forest.	— <b>Target 15.1:</b> Conserve and restore terrestrial and freshwater ecosystems by focusing on conservation, restoration, and sustainable use of forests.	— Only use sustainable harvested wood.  Find a way to support forest management.	— Joined the Polish State Forest program – Forest Carbon Farms Project – in 2021.
		<b>Target 15.2:</b> End deforestation and restore degraded forests by focusing on sustainable management of forests, restoring degraded forests and increasing afforestation and reforestation.  <b>Target 15.5:</b> Protect biodiversity and natural habitats through collaborations, that focus on planting new forestry to create greater biodiversity and living spaces for forest species.		



# Overview of CoP 2021

SDG	Our Goal	SDG Target	Our KPI	Our Progress
— Partnerships for the Goals #17	— SproutWorld’s SDG 17 goal is to continuously enter meaningful and value creating partnerships that benefit both people, planet, and profit.	— Target 17.16: Enhance the global partnership for sustainable development by focusing on partnerships and collaborations through projects.	— To be certified by B Corp as one of their ‘Best for The World’ businesses, balancing purpose and profit.	— In review phase of B Lab assessment.
			— Carbon neutral shipping on all B2B orders.	— Working with UPS, our logistics partner.
			— Give back to where we take resources from – closed-loop.	— Entered a partnership with the Polish State Forest to plant trees in the location where the wood for our pencils originates from.
			— To become a Sedex member. Sedex is an ethical trade membership organization that helps businesses to uphold responsible business practices.	— Proud to be a Sedex member. As a Sedex member, SproutWorld’s production sites have undergone a four pillar audit in connection with Sedex Members Ethical Trade Audit (SMETA).

# Disclaimer

In 2023, the UN Global Compact is transitioning all its members to a new standardized Communication on Progress (COP) platform. All UNGC members will be required to disclose their progress using this new system. We will continue our work showing our responsibility to respect the UN Global Compact’s ten principles and our commitment to internalize these within our company’s strategies, policies, and operations through the new standardized platform. In line with this change, the UN Global Compact will introduce a universal submission period that runs from February through to May each year, starting in 2023. As a result of these changes, from next year, we will no longer product a COP report like this for publication on our website.

# Contact

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