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Taking action for the better

Message from our CEO

At group.ONE, our purpose is to enable every person and every company without regard for their technical ability to create and manage their unique online presence. The internet is a powerful platform for fostering global economic growth and prosperity, and it is our mission to empower as many people as possible to join in.

Taking action for the better has always been in our DNA. This report adds a new level of focus, transparency, and accountability for incorporating UN's Sustainable Development Goals (SDGs) into our business practices. Here, you can read about our ongoing efforts to ensure gender equality, create new opportunities for economic growth, and to dramatically reduce our emissions.

The latest <u>COP27 UN report</u> states that we are not on track to securing a climatesustainable future, and that offsetting or greenwashing won't get us there. Companies, state actors and individuals must join forces to dramatically cut emissions before it is too late.

Our decarbonisation plan outlines the ambition to reach net-zero emissions by 2040. It covers emissions across the entire value chain and follows a robust methodology aligned with SBTi, the Science-Based Targets initiative. We have already submitted the first report for independent validation through the Carbon Disclosure Project.

For us, green is not simply a colour: all our one.com customers' websites are already <u>powered by renewable energy</u>. Further capital and organisational investments are being made to complete the green transition for other group.ONE brands, and to reduce our operational carbon footprint.

The road to a better future is tough, but the going gets easier when we walk together. This SDG report is an important milestone, but it is our collective efforts across group. ONE that matter. Everyone has a role to play in making a positive impact on the world around us.

Together we are ONE.

- Stephan Wolfram



About this report

Global businesses like group.ONE share responsibility for tackling global issues outlined by United Nations in the Sustainable Development Goals (SDG) framework. We must set an example in shaping a more inclusive, secure, resilient, and sustainable future for everyone, everywhere.

In full transparency, group.ONE publishes an annual SDG report outlining our ambitions and tracking progress towards our goals. And while we only started reporting on sustainability recently, sustainability is already embedded in our business operations. This report sets a higher level of ambition toward long-term sustainable solutions.



Gender equality



Decent work & economic growth



Responsible consumption & production



Climate action



Goal 5: Gender equality

<u>Target 5.5</u>: ensure women's full and effective participation and equal opportunities for leadership at all levels

In group.ONE, we firmly believe everyone should be given equal opportunities and is accepted for their differences. To prevent any potential discrimination, we will develop new comprehensive policies on diversity, inclusion, and equality in 2023. Our strong focus continues to be on providing equal opportunities for women to hold leadership positions. To foster a work environment where women can advance and thrive, group.ONE will launch several initiatives:

1. Improve our unbiased hiring. Continuing with changes made in FY22, we are committed to educating both HR and hiring managers across the organisation on conducting a more diverse hiring process. The new training will help reduce the likelihood of biased interactions and hiring decisions. Our hiring staff of group.ONE will serve as champions for raising awareness, which is critical in combating implicit bias.

2. Improve parental leave conditions. Following the creation of a new parental leave act in Europe in 2022, we revised parental leave conditions in our Danish office to make parental leave equal. Next year, we will review and identify any improvements to parental leave policies across all sites.

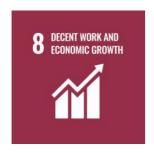
Targets

- Over 40% representation of women in managerial positions within group.ONE by 2025.
- Anti-bias training program launched for all recruiting staff and hiring managers within the 2023 financial year.

• Policy review and potential parental leave adjustments carried out across group.ONE in 2023.



This is Nanna Drud Kofod, Head of Development Copenhagen, and her two children. Aside from advancing in her career with group.ONE, she has also become a mother to two children since joining the company in 2014.



Goal 8: Decent work & Economic growth

<u>Target 8.3</u>: Support entrepreneurship and encourage the formalization and growth of micro-, small-, and medium-sized enterprises

In group.ONE, we help businesses grow and become successful online. One of our core values is "experts at making it simple" as we strive to deliver modern easy-to-use solutions for all. Our customers actively help us through surveys, interviews, and co-creation so we are able to stay close to their needs.

E-commerce is a central component of economic growth and prosperity, and group.ONE continues to focus on enhancing our web shop offering for small businesses. Latest web shop developments include easier navigation and integrations with online accounting apps. With easier onboarding and operation, we hope to create more shops, and make them more successful than ever. We measure our customers' success with e-commerce through the gross merchandising value of the web shops we host.



Committed to customer success

We also firmly believe that accessibility is not only about tools, but also cost.

Therefore, we are expanding the **strategic partner program** to more institutions - and a more diverse set of institutions - all across the Nordics.

The goal remains the same: to create effective programs that help students and new entrepreneurs be successful online.

Targets

- Grow Gross Revenue Value by 25% year on year (target: €21M)
- Increasing the number of active websites in our strategic partner program by 50% compared to FY22, to reach 6,000 subscriptions.



Experts at making it simple

<u>Target 8.6</u>: Substantially reduce the proportion of youth not in employment, education, or training.

In group.ONE, we are committed to supporting young people in their educational pursuits. Through quality internships, employers can help young people explore career options, grow professionally, and acquire new skills. We are therefore concentrating on internships in our efforts to support this target.

With 10 successfully completed internships and 5 more currently active, group.ONE is well underway to achieving a steady pipeline of internship opportunities across many functions. Growing program awareness and prioritising internships across all sites will help increase the number of internship opportunities further.

Targets

• Increase the number of internships to above 15 across sites in group.ONE in the next financial year.



In this photo, you can see our interns with their manager and team lead from our office in Cebu. From the left: Alpha Mary, their team lead, Gelma, Kathleen Rose, Kerry Ann, Jaylord and Dinesh, their manager.



Goal 12: Responsible consumption & production

<u>Target 12.5</u>: Substantially reduce waste generation through prevention, reduction, recycling, and reuse.

In group.ONE, we want to create a stronger sustainability mindset in all corners of our organisation. Several initiatives are already in place within group.ONE, such as recycling IT scrap across all one.com sites, but much more can be done. It is a joint effort, and our goal is to encourage all employees to take more responsibility for our material footprint. We plan to tackle the issue of waste from two perspectives:

- 1. Site-specific measures like waste sorting and can recycling in Scandinavian offices, and the recent measures for reducing single-use plastics in India and the UAE.
- **2. Group-wide measures** under a new "recycling playbook" to be formulated in FY23 by a sustainability task force with representatives from each location. By pooling ideas from around the world, we will unlock new knowledge and adapt to the realities of a distributed organisation.

Targets

- Formation of a sustainability task force across group.ONE.
- Implementation of a "recycling playbook" for waste handling on all sites.



Goal 13: Climate action

Target 13.2: Integrate climate change measures into policy and planning.

Climate change is a crucial point of concern when it comes to sustainability in the IT sector. Today, few hosting and web providers are serious about their emissions and the toll on the planet. In group.ONE, we are committed to reducing our carbon footprint and making our business truly green. Here is our plan:

- 1. Fully understand our current carbon footprint across all types of emissions with the help of specialists.
- 2. Set independently verified targets for reducing emissions and stay compliant with rapidly evolving sustainability regulations. We plan to hire a dedicated Group Environmental, Social and Governance (ESG) Manager to ensure compliance and drive our efforts toward the goal.
- **3.** Actively reduce carbon emissions through investments and changes to operational activities, not through offsetting. Implementation strategies will evolve along the way, but an initial timeline is already included in this report.

Targets

- Reduce Scope 1 & 2 emissions by at least 90% by 2026
- Become net-zero by 2040

1. group.ONE 2021 Carbon Footprint

In 2021, group.ONE emitted an estimated 3.200 tons of CO2 equivalent (tCO2eq) across its data centres and office locations, or an equivalent of 5.24 tCO2eq per employee. For reference, Apple produced 154 and Amazon 47 tCO2eq per employee in 2020_[2] against the global target of 2 tCO2eq per capita.

Following international convention, group.ONE emissions are classified into three buckets (also illustrated below):

Scope 1: direct operation of the firm. Due to the nature of our business and the way we operate, only 1% of all emissions of group.ONE are in this bucket.

Scope 2: indirect emissions, primarily from consumed electricity and heating at the firm's facilities. In 2021, these accounted for nearly 40% of our carbon footprint.

Scope 3: indirect emissions up- or downstream of our company, such as employee travel and commuting, equipment, and materials we purchase, and so on. These account for 59% of our emissions and are the most difficult to tackle.

[2] Ramboll analysis based on "Our world in Data" and companies' websites

Breakdown of emissions in 2021							
Emissions source	Scope 1 [t CO2]	Scope 2 [t CO2]	Scope 3 [t CO2]	Total [t CO2]	Share [%]		
Heating	15.028			15.028	0.47%		
Company owned vehicles	23.195			23.195	0.72%		
Refrigerants	0.000			0.000	0.00%		
Electricity (market based)		909.072		909.072	28.41%		
District heat		354.737		354.737	11.08%		
Purchased materials			603.495	603.495	18.86%		
Capital goods			702.700	702.700	21.96%		
Business travel			71.311	71.311	2.23%		
Employee commuting			273.957	273.957	8.56%		
Upstream fuel and energy (market based)			246.886	246.886	7.71%		
Total	38.223	1,263.809	1,898.349	3,200.381	100.00%		

2. Transparency on goal setting

In group.ONE, sustainability goals will be set for the entire group in accordance with the Science Based Targets initiative (SBTi)[3], an independent verification organisation that helps companies understand how and when they need to cut emissions to prevent the worst effects of climate change.

Our first step toward sustainability is already taken. We have recently joined the Carbon Disclosure Project (CDP)₄], a global voluntary framework where 18,000+ companies share concrete plans around their sustainability goals. This disclosure will allow us to assess how effective our sustainability strategies are, identify potential gaps, and assess business value. Our first report is submitted and is awaiting scoring.

To give both projects enough support and ensure continuity, group.ONE has established a new role of Group Environmental, Social and Governance (ESG) Manager. We hope to have the right person onboard as soon as possible.





[3] SBT, https://sciencebasedtargets.org/

[4] CDP, https://www.cdp.net/en

3. Our journey toward carbon neutrality

Developing a reduction pathway across all emission sources indicates that carbon neutrality without significant amounts of carbon offsets requires a long-term commitment. That said, group.ONE can achieve significant reductions by 2025 and 2030 across all scopes. While carbon neutrality by 2040 remains the goal, it is expected that there will be changes along the way.

Areas of action	Cooper	Locations	Reduction profile [%]							
Areas of action	Scope	Locations	2022	2023	2024	2025	2030	2035	2040	Total
Company cars	1	Offices: Hostnet, Gurugam, WP Media Syse & Digital garden, MMX	35%	32.5%	32.5%	-	-	-	-	100%
Green electricity - Offices	2	All Offices besides CPH & MMX	62%	7%	11%	20%	-	-	-	100%
Green electricity - Data Centres	2	Data centre: Telia, Previder, EN 1, EU Networks	5%	42%	53%	-	-	-	-	100%
Green Cloud services	3	Offices: CPH, Hostnet, Antagonist, WP Media, Syse & Digital Garden, Zoner	-	25%	5%	5%	25%	25%	15%	100%
Hardware related emissions reduction	3	All offices & data centres (invoicing mostly at office locations, therefore carbon accounting on office level	-	5%	5%	5%	25%	40%	20%	100%
Business travel	3	Offices: CPH, Hostnet, Antagonist, WP Media, Syse & Digital Garden, Zoner	-	-	5%	5%	25%	25%	25%	85%
Commuting patterns	3	All Offices	-	-	5%	5%	25%	25%	25%	85%

Overall, the Carbon Footprint 2021 project is a huge milestone for group.ONE. Acting on it requires the participation of individuals from all parts of group.ONE. The support you provide in this journey is greatly appreciated. We will continue to keep you informed when updates are available.

Overview

Goals/Target	Activity/Projects	Outcome/Target
Gender equality		
Target 5.5: ensure women's full and effective participation and equal opportunities for leadership at all levels	 Increase the focus on diversity, inclusion, and equality. Bias training program. Parental leave adjustments. 	 More than 40% representation of women in managerial positions within group.ONE by 2025. Implement an antibias training program for all recruiting staff and hiring managers within the financial year. Investigate potential parental leave adjustments across group.ONE to enhance equality.
Decent work & econon	nic growth	
Target 8.3: Support entrepreneurship and encourage the formalization and growth of micro-, small-, and medium-sized enterprises	 Continue to collaborate across group.ONE to deliver modern and easy-to-use solutions for website building for all. Collaboration with educational institutions 	 Grow Gross Revenue Value by 25% year on year (target: €21M) Increasing the number of active vouchers by 50% compared to FY22.
Target 8.6: Substantially reduce the proportion of youth not in employment, education, or training	 Increasing awareness and prioritising internships in group.ONE 	 Increase the number of internships to above 15 across sites in group.ONE in the next financial year.

Overview

Goals/Target	Activity/Projects	Outcome/Target				
Responsible consumpt						
Target 12.5: Substantially reduce waste generation through prevention, reduction, recycling, and reuse.	 Recycling playbook Form a sustainability task force 	 Formation of a sustainability task force across group.ONE. Defining and implementing the Recycling Playbook for waste handling on all sites. 				
Climate action						
Target 13.2: Integrate climate change measures into policy and planning.	 Following the roadmap towards carbon neutrality. Hire a ESG Manager 	 Achieving carbon neutrality across Scope 1 & 2 by at least 90% by 2026 and becoming net-zero by 2040 				

Priority SDGs

There are 17 SDGs and 169 targets in total, and while all are important, group.ONE has chosen to focus on 4 goals where we believe we can and should make a difference.



Gender equality

Goal 5: Achieve gender equality and empower all women and girls. In the tech industry, there is a particularly skewed gender distribution. Therefore, it is relevant for group.ONE to work with this goal to improve the representation of women within the industry.



Decent work & economic growth

Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. Our core business at group.ONE is to assist our customers in bringing their businesses online, and goal 8 is closely related to our endeavor to help entrepreneurs grow their businesses.



Responsible consumption & production

Goal 12: Substantially reduce waste generation through prevention, reduction, recycling, and reuse. The global material footprint continues to grow. It is therefore imperative, that group.ONE as a global organisation takes action towards lowering our material footprint and finding ways to recycle the materials, that we use.



Climate action

Goal 13: Integrate climate change measures into policy and planning. Climate change is a crucial focus when it comes to sustainability actions. In group.ONE we want to take responsibility for our carbon footprint and take action towards making our business green.





We thank you for your continued support in our efforts to contribute to the SDGs.