

# ENVIRONMENT, SOCIAL, GOVERNANCE

REPORT 2022/2023

PROVEN SUSTAINABLE BUSINESS







# FOREWORD

Presenting Envidan's first ESG report under the new Corporate Sustainability Reporting Directive is a landmark achievement in our sustainability journey.

You are about to read a report that sets a robust baseline for our ongoing efforts, guiding us towards our goal of being 'proven sustainable' by 2026.

Our ambitious vision is to be a leading sustainable water specialist in Northern Europe focusing on utilities, municipalities, and industries. Our business is built on our five values: Durability, Decency, Entrepreneurship, Frontrunner and People Centric. We want to be a sustainable company both in own operations and when we use our strong competences together with our customers.

Over the past 3-4 years, we have strategically pivoted towards sustainability, placing us at the forefront of the water industry. With prioritized investments in R&D, more precisely 20% of our profits, we have encouraged innovation, attracted top talents and strengthening our leadership in sustainable water management.

Our governance structures, marked by transparency and ethical practices, have built a strong foundation of trust. This report, aligned with the ESRS, reflects our dedication to reducing our environmental footprint, enhancing social well-being, and maintaining strong governance.

We see this report as a starting point, a commitment to continuous improvement and a guide for our path ahead. We are excited to share our journey and inspire a collective movement towards a sustainable future.

Sincerely,

Mads Uggerby  
Managing Director for Sustainability & Innovation



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# INTRODUCTION

Corporate sustainability starts with our company’s value system and a principles-based approach to doing business. This means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment, and anti-corruption. We as responsible businesses enact the same values and principles wherever we are present, and make sure that good practices in one area do not offset harm in another. We strive to establish a culture of integrity, upholding responsibilities to people and the planet, and setting the stage for long-term success.

At Envidan, we place great demands on ourselves, our approach to doing business and our ability to take a shared responsibility in all areas of ESG: Environment, Social, and Governance. We strive to create value for customers, employees, suppliers, and other stakeholders and together contribute to sustainable water and sustainable development because there is no planet B. Envidan supports the UN’s 17 global goals for sustainable development, and at Envidan we actively work to ensure that the global goals are incorporated into our collaborations and projects, so that these are a natural part of our everyday work and our solutions.

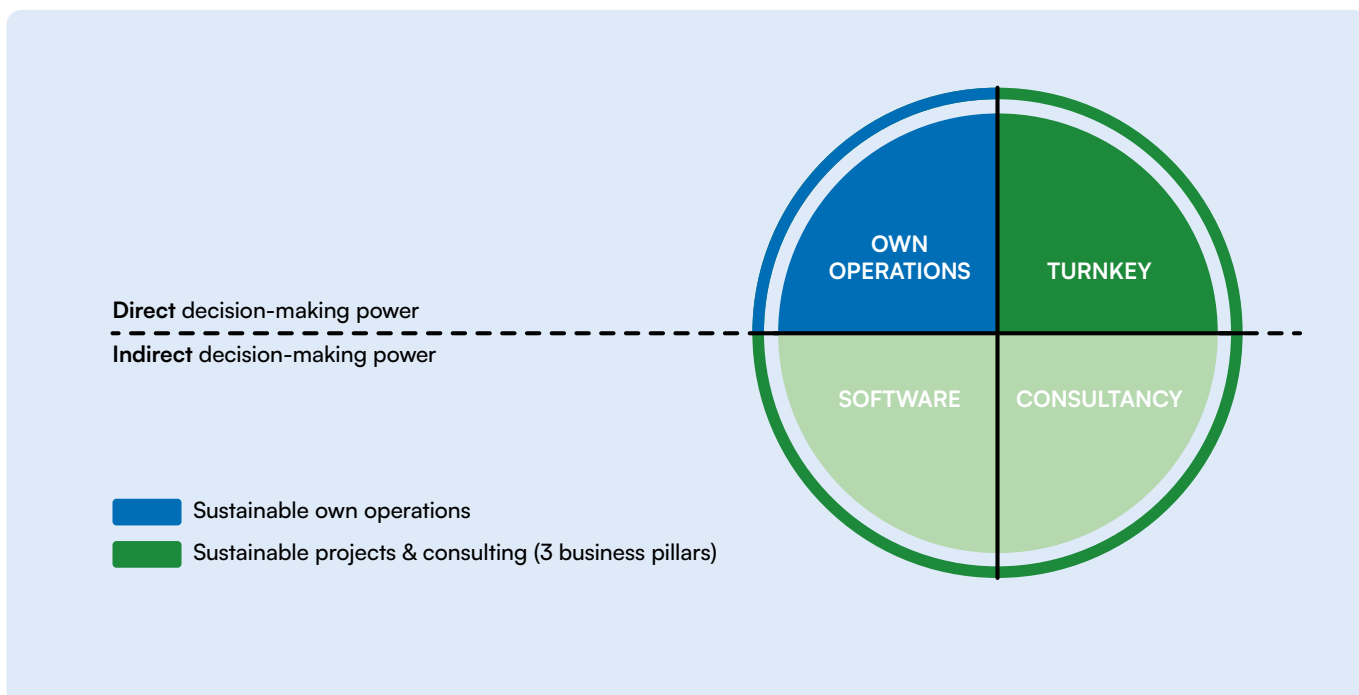
## ABOUT THIS REPORT

ESG reporting is a cornerstone of our sustainability governance. It provides both us and the outside world with insights into Envidan as a sustainable company and serves as a catalyst for our ongoing improvement efforts and strategic work towards becoming a proven sustainable business, which is an integrated objective in our corporate strategy.

**This report follows the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD).**



Envidan has, compared to other engineering consultancies, a unique business structure providing both **consultancy**, **software** and **turnkey**. Those of our service areas which should be covered by our ESG-report are within our own operations where we have direct decision-making power (see Figure 1), consequently, in this first ESG report we will focus on this area.





# LETTER FROM EXECUTIVE MANAGEMENT TEAM

*Dear valued stakeholders,*

*In today's rapidly changing world, sustainability has emerged as a pressing necessity that demands immediate attention. As a team at Envidan, we firmly believe that the path to a brighter and prosperous future lies in adopting sustainable practices across all aspects of our business.*

*The global challenges posed by climate change, resource depletion, and environmental degradation require collective action from businesses, governments, and communities alike. As a responsible player in the water sector, we recognize the crucial role we must play in addressing these challenges and actively contributing to a sustainable future.*

*Our commitment to sustainability is not just driven by external pressures; it is rooted in our core values and shared belief in making a positive impact. We understand that our actions today will shape the world which future generations will inherit. By integrating sustainability into our DNA, we can pave the way for a greener, more resilient, and equitable world. It is with this sense of purpose and responsibility that we have chosen to embrace sustainability as a discipline that permeates every aspect of our organization. From the projects we undertake to the services we provide, and of course in our own operations, we strive to align our actions with our commitment to sustainability.*

*We firmly believe that by taking our share of responsibility and acting sustainably, we cannot only make a significant difference in our projects and services but also set an example for the wider industry. As advocates of transparency and progress, we have chosen to create an ESG report following the Corporate Sustainability Reporting Directive (CSRD) to demonstrate our dedication to sustainable practices and support the water sector's journey towards a more sustainable future.*

*At Envidan, we recognize that the social and governance aspects of sustainability are equally critical to our mission. We are committed to fostering an inclusive and diverse workplace that values our employees' well-being and professional growth. Moreover, we place great emphasis on ethical business practices and transparent governance, ensuring accountability and trustworthiness in all our interactions.*

*In addition to our focus on environmental sustainability, we are actively engaged in mitigating climate change and reducing the effects of climate change caused by flooding. Our expertise in water management and innovative solutions allows us to play a crucial role in reducing environmental impacts while building climate resilience and protecting communities from the impacts of flooding.*

*In conclusion, sustainability is not just an option; it is an imperative. As a team, we are united in our vision to create a positive impact, and we are dedicated to working hand in hand with our stakeholders to build a sustainable world for generations to come. We hope that this report showcases our ambitions and actions in greater details, because we want to walk the talk.*

*Thank you for your unwavering support and partnership on this transformative journey.*

*Sincerely,*

*The Executive Management  
Envidan*

# ENVIDAN IN BRIEF

## CORE NARRATIVE



### LEADING NORDIC WATER SPECIALIST

Envidan is the Nordic region's leading water and wastewater specialist with three primary business areas: Consulting, Turnkey and Software.

We help utilities, municipalities, and industries operating within the water cycle. And regardless of whether we advise on climate adaptation, deliver turnkey projects, or develop innovative software solutions, water expertise and digital thinking are always our focal point.

From our offices in Norway, Sweden, and Denmark, +450 employees contribute to solving some of the water sector's greatest challenges: Sustainable water management, climate adaptation and securing clean drinking water for the future. As such, our business is born with a sustainable DNA. But our ambitions go further. Through our strong technical expertise, we will provide practical, sustainable solutions to our customers' specific challenges.

### ACTION BEHIND WORDS OF SUSTAINABILITY

High expertise obliges. We know that. That is why we want to be the preferred expert in sustainability within the water cycle. Thus, we train all colleagues in sustainability to build a strong base of specialists that can push the sector in the right sustainable direction.

We are already underway. And we dedicate ourselves to setting binding targets year after year. This is our promise: We will be proven sustainable in order to ensure that we meet the needs of the present without compromising the ability of future generations to meet their needs. This entails that by 2026, we will advise our customers to choose solutions, projects and products that are sustainable and within the planetary boundaries.

We can do all that because we invest at least 20 percent of our profits in research and development every year. This is unique in our sector. With that investment, we can attract the sharpest minds and collaborate with the foremost research institutions in the field.

### WE REMEMBER WHERE WE COME FROM

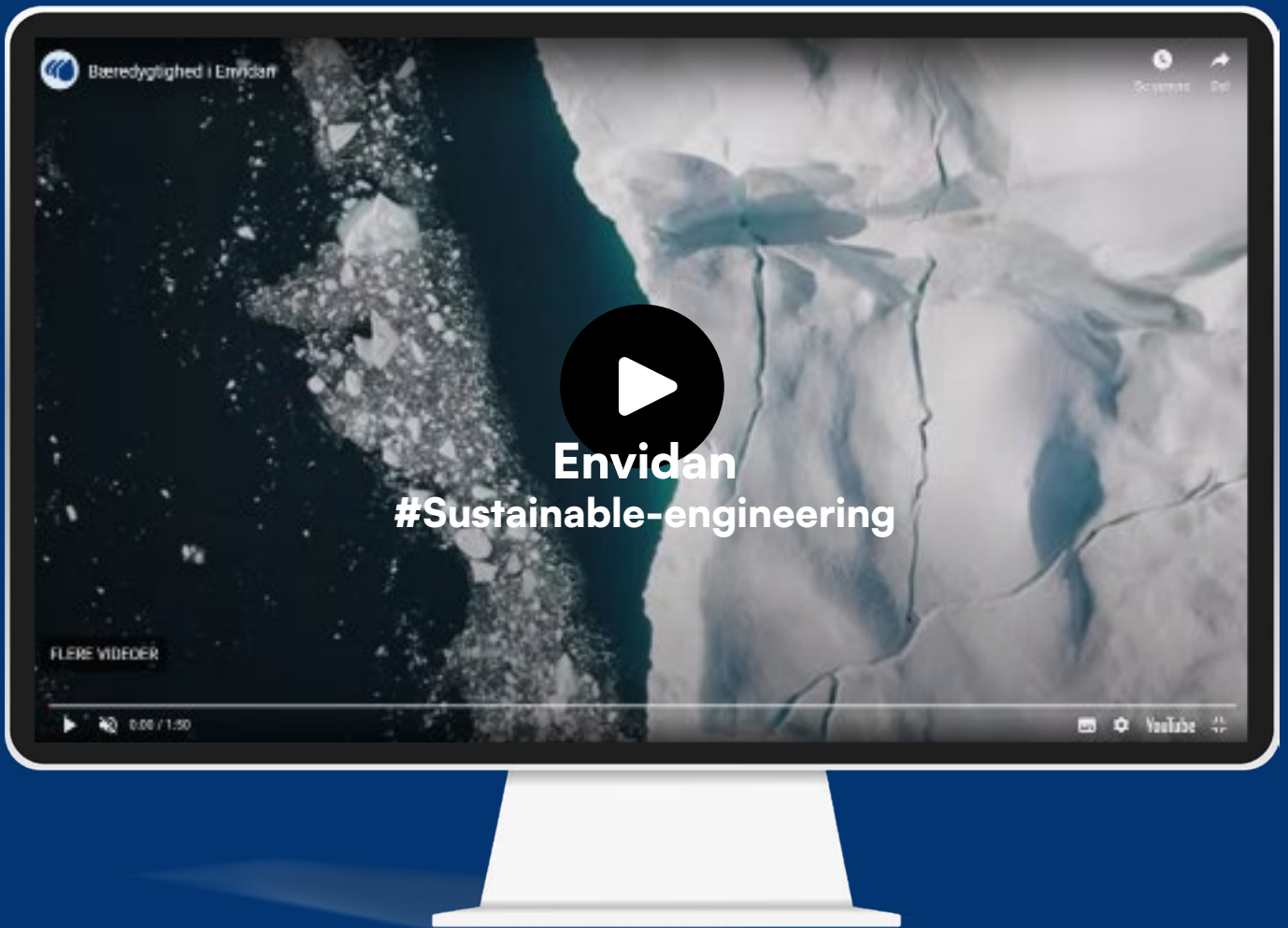
Envidan was founded in 1995 on value creation through great expertise, deep commitment, and short decision-making processes. This is still us. Because we value our culture.

Since 2020, the private equity fund Waterland has been our main shareholder. This gives us the muscles to create even more solutions for the benefit of the environment across national borders.

Because the goal is to make Envidan a strong Nordic player within solutions for the water cycle. This benefits our customers and employees, inviting them into an increasingly skilled and highly specialized professional community.

But even though our growth ambitions are high, we remember where we come from. We will always meet each other, our customers and business partners with decency and respect. And we never tire of challenging the existing to create smarter or simpler solutions — with an international outlook and local insight.





Bæredygtighed i Envidan

Scenarier Del



**Envidan**  
**#Sustainable-engineering**

FLERE VIDEOER

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YouTube

# ENVIDAN CORE VALUES

At Envidan, our values are guiding principles for how we act internally towards colleagues and how we act in relation to business partners. Regardless of division, country, or department, we share the same values and this helps bind us together into one joint Envidan.



## PEOPLE CENTRIC

*Our employees are the core of our business, and we enable them to thrive both at work and in their private lives.*

- #Proximity #Respect
- #Well-being #Motivation
- #Wholepeople #Walkthetalk
- #Cooperation #Trust



## ENTREPRENEURSHIP

*We understand what creates value for employees, customers and society and offer the best solutions within our areas of expertise.*

- #Commitment #Curiosity
- #Profitability #Valuecreation



## FRONT RUNNER

*We dare to challenge the status quo and have the expertise and the mindset to find tomorrow's environmental solutions today.*

- #Professionalpioneers
- #Innovation #Specialists
- #Highprofessionalism



## DECENCY

*We treat employees, customers and society with respect and decency by keeping our promises.*

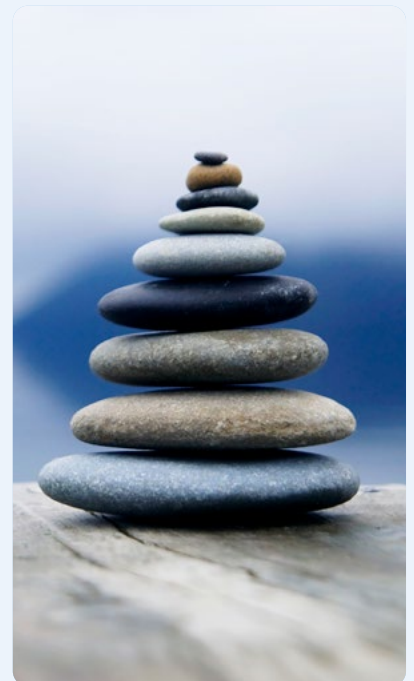
- #Orderliness #Reverence
- #Accountability #Respect
- #Thewaywedobusiness
- #Keepwhatwepromise



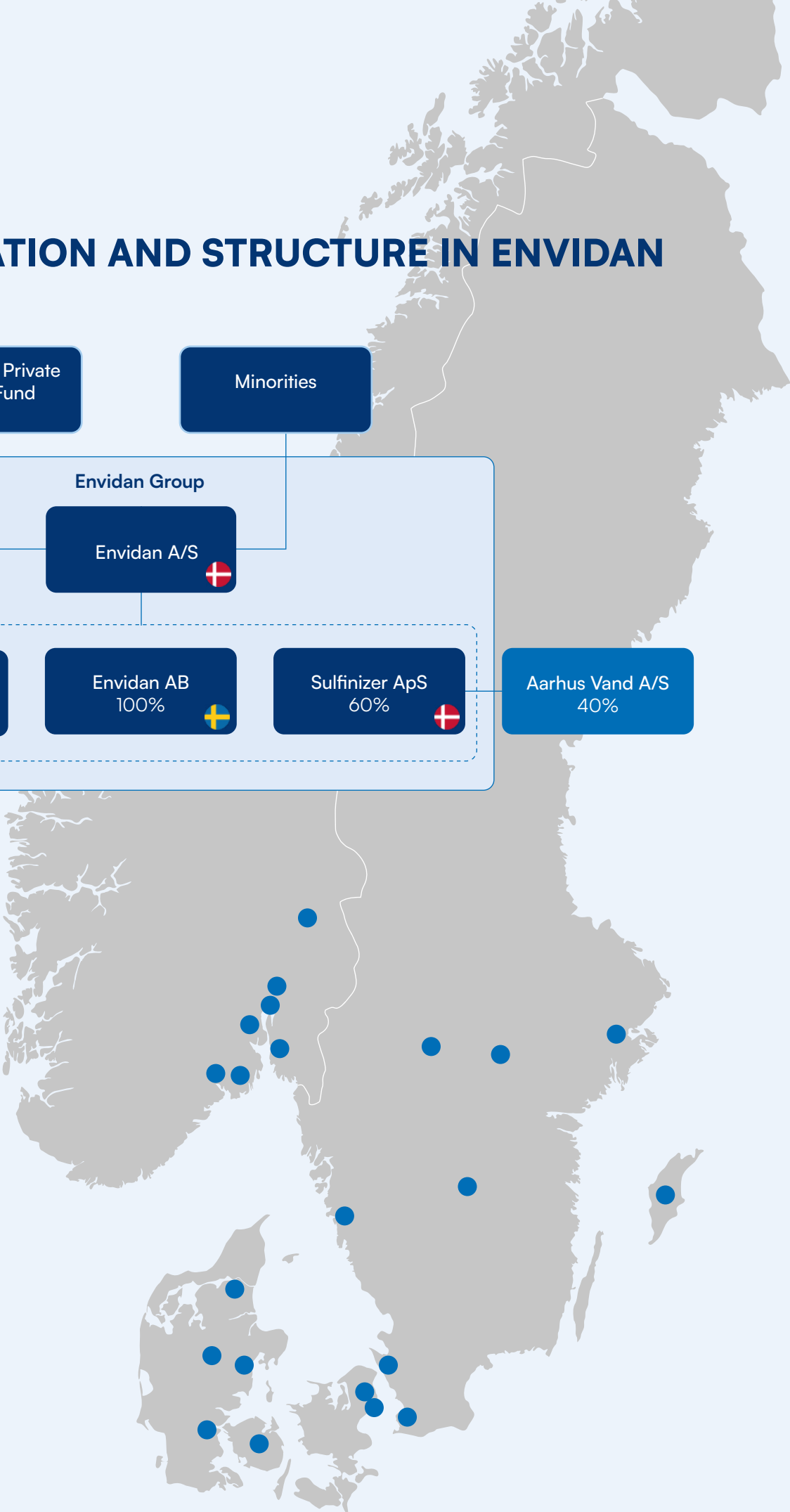
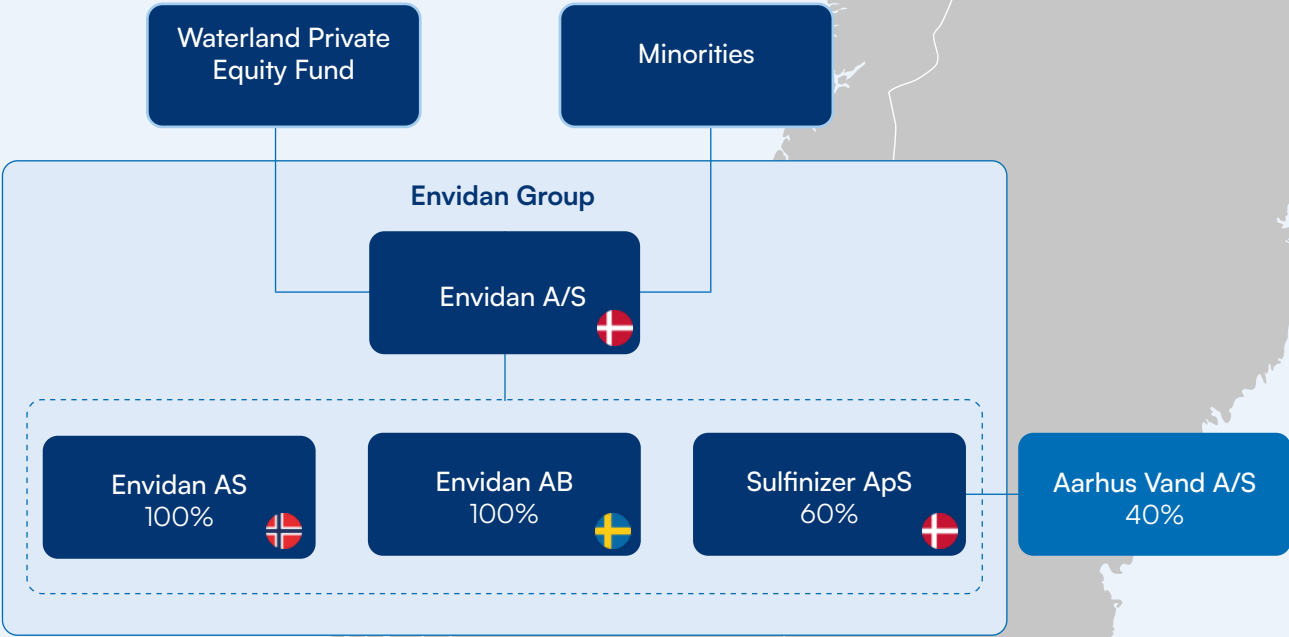
## DURABILITY

*We create sustainable solutions in durable relations with colleagues, customers and society.*

- #Sustainability #Lasting
- #Longtermrelationships
- #Reduceresourceconsumption
- #Profitability



# ORGANIZATION AND STRUCTURE IN ENVIDAN







## ENVIDAN AS A WORKPLACE

# We want to make a difference!

### LETTERS FROM EMPLOYEES

At Envidan, you can become part of Scandinavia's strongest professional community within the water cycle. We can do this because we invest 20% of our profits each year in research and development — including yours. But especially because we have a unique sense of community that you feel the second you walk through the door. We dedicate our deep technical expertise to delivering sustainable answers to our clients' concrete challenges, and call us ambitious, but we mean it when we set binding targets to move the industry forward. We invite you to join us on our shared mission to become the preferred expert on sustainability in the water cycle. Technical water know-how and digital thinking run through everything we do — at every level of our business. We create software, provide counselling, and deliver plants based on pioneering technology and deep knowledge of water.

#### **ANNA KATRINE VANGSGAARD**

**Senior Process Engineer | Kastrup | Denmark | Waste water treatment**

*"I work with climate accounting, especially with the CO<sub>2</sub> footprint of operating wastewater treatment plants, where direct process emissions of methane and nitrous oxide are important contributors.*

*In Envidan, we have been involved in a number of projects within research and development investigating possibilities of establishing and reducing these emissions. To me, working in this field at Envidan is particularly exciting because our projects involve collaboration with Nordic water companies, interest organizations, and authorities. Through these collaborations, we try to contribute to the collective effort of reducing emissions within the water sector."*



#### **LUKAS PEDER FJELD HANSEN**

**Process Engineer | Oslo | Norway | Waste water treatment**

*"The situation in the Oslo Fjord in Norway regarding emissions of nitrogen and phosphorous from wastewater treatment plants (WWTP) is critical. The Norwegian parliament decided that the government needs to put up a comprehensive plan for bringing the fjord back to good ecological and chemical condition. As a water specialist this means, I have been and am working on sustainable solutions for nitrogen removal for both municipal and industrial WWTPs. In the process department in Norway, I have together with offices in Denmark and Sweden learned about and used SustainED on various projects. SustainED is our own tool for ensuring a proven, systematic, and structured process that gives our customers a clear direction and a well-documented basis for decision-making. The best part about working at Envidan is the span of projects within the municipal, industrial, and private sector. Water projects vary in size and complexity, but there is always a clear focus on sustainable solutions fit for the future."*



**MARIE BRANDT BLÆSILD**

**Biologist | Silkeborg | Denmark | Nature & aquatic environment**

*"In our department, we focus on climate and nature especially within wetland and peatland projects. The climate & peatland projects in particular are projects which support the extraction of carbon-rich soils, with the aim of contributing to reducing agricultural greenhouse gas emissions and at the same time contributing to an improved nature and aquatic environment.*

*It gives me great value to work in Envidan, where focus is on creating sustainable solutions for both nature and the aquatic environment. I enjoy the days in the field, where data is collected, as well as assessing the field observations afterwards which, based on different results, will end up with a sound and sustainable solution I can present to the customer in collaboration with my good and talented colleagues."*



**ANNIKA SEVRELL**

**Project Manager | Malmö | Sweden | Waste water treatment**

*"My main assignments are within the management sector of municipal water. I work closely with our customers in relation to long term planning of the municipal water business, organization, and other strategic issues. Sustainability is key to successfully managing the water business and is on top of the agenda for most municipalities. In my work, I aim to help customers to develop a long-term sustainable business, both economically, environmentally, and socially.*

*Working in Envidan, I feel reassured that I can always benefit from the vast experiences and knowledge that we have within our company, and with the help from my colleagues we can always offer our customers a sustainable choice."*



**PETTER LIND**

**Process Specialist | Malmö | Sweden | Waste water treatment**

*"By working with process design in our projects, I get the opportunity to optimize the process in terms of energy and resource efficiency through the way we design the process and choose the equipment. Moreover, sustainability, health, and safety are considerations in various other aspects in our work.*

*In one of our ongoing projects, we have established specific objectives related to the Sustainable Development Goals (SDGs). The goals link both energy- and chemical consumption as well as working environment, water usage, resilience, waste management, and various other aspects. Connecting our process and technical design to the SDGs and other sustainability factors are increasingly in demand among our clients. Working with clients to create not only sustainable but also robust and reliable solutions is one of the things that I really like about my job!"*



## GROWTH

In the fiscal year 2022/23, Envidan acquired two companies — VA Consult AS in Norway, as well as Bangsgaard & Paludan in Denmark.

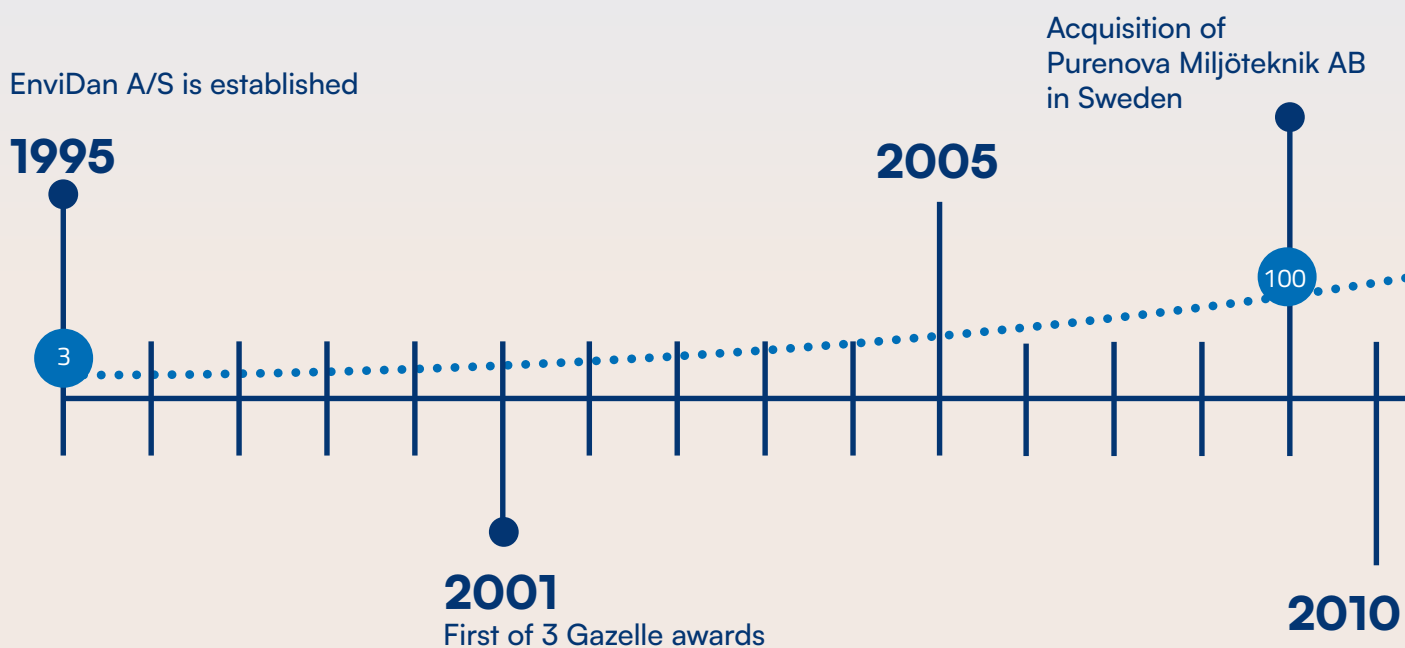
VA Consult is a Norwegian consulting engineering company specializing in water and drainage, which was acquired by Envidan in Spring 2023. Based in four offices around the Oslo Fjord, VA Consult has a very strong name in the area and complements Envidan's Norwegian business optimally both professionally and geographically. As of 1st of July 2023, VA Consult and Envidan Norway have merged into one company with approx. 75 water and drainage experts across 7 offices in southern Norway, and serve now both public and private customers with all kinds of solutions within water, drainage, spatial planning, etc.

Bangsgaard & Paludan is a company based in Odense on Funen that provides advisory services to public authorities within nature and environmental matters, including watercourse restoration, establishment of wetlands, and nature restoration. Bangsgaard & Paludan became part of the Envidan Group 1st of June 2023 and will during the coming six months merge with Envidan's department for Nature & Water, which after the merger will become an independent, nationwide business area with a powerful professional environment encompassing around 20 employees. The business area continues to serve public customers but will also support the other business areas in Envidan with special services within their area of expertise.

### Development in the fiscal year

In the fiscal year 2022/23, the Group celebrated a significant milestone, achieving a revenue of DKK 510.1 million, an increase from DKK 488.7 million in the previous year. This remarkable achievement marks the first time the Envidan Group's revenue has surpassed DKK 500 million, a testament to its robust organic and strategic growth.

- Milestones
- Employees





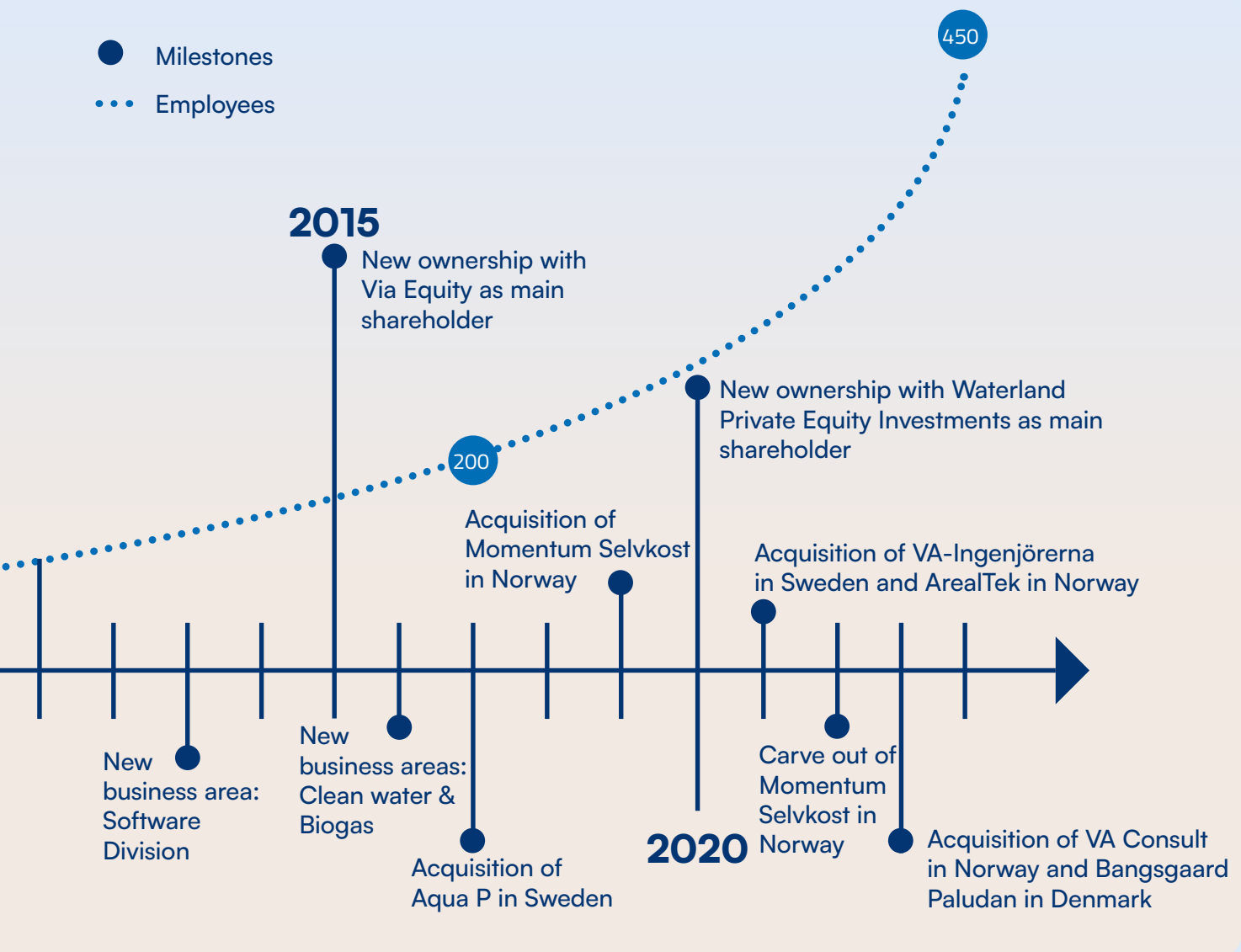
The year's results were influenced by strategic acquisitions, including VA Consult in Norway for five months and Bangsgaard & Paludan in Denmark for one month, alongside associated transaction costs and strategic one-time expenses. The merger of VA Consult and Envidan AS in Norway as of June 30, 2023, underscores our commitment to integration and growth.

The past two years have seen significant investment in organic growth and mergers and acquisitions, temporarily impacting profitability. However, these strategic decisions have successfully established a strong presence in Denmark, Norway, and Sweden. This strategic positioning in the Nordics is a forward-looking investment, setting the foundation for future success and leveraging opportunities in the region.

For a detailed understanding of the Company's financial health and operational achievements in 2022/23, stakeholders are encouraged to refer to the balance sheet, income statement, and notes in the Financial Statements, as detailed in the annual report. This documentation offers comprehensive insights into the Company's financial position and operational successes over the year.

FINANCIAL HIGHLIGHTS 2022/2023	
EBITDA	DKKkm 15.5
Net profit/loss for the year	DKKkm -10.4
Revenue	DKKkm 510.1
Profit margin	-2,2 %

See the annual report 22/23 [here](#).



# SUSTAINABILITY STATEMENTS

## GENERAL INFORMATION

### Governing sustainability

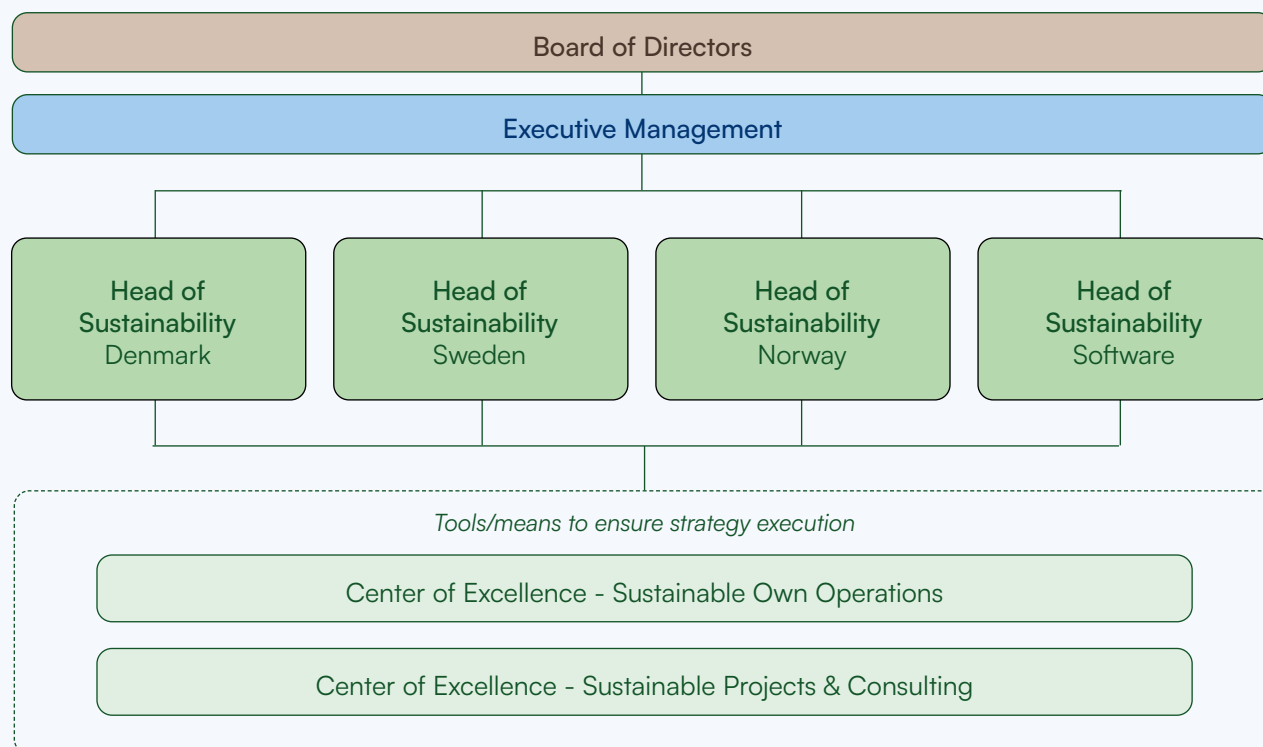
A robust governance structure forms the foundation of our efforts towards a proven sustainable business. When we succeed with sustainability in Envidan, it is due to, among other things, a strong governance structure. For our owners, sustainability is a major focus and concrete and measurable requirements are set, hence sustainability measures are included both in our owners' strategy and as a fundamental part of Envidan's governance and group strategy.

The Board of Directors consists of members from Waterland, as well as a number of employee-elected representatives who are part of the board's daily work. At the board meetings, the CEO and CFO are regular participants, to which the rest of the Executive Management are invited when necessary. Sustainability is a fixed topic on the agenda for each board meeting.

In addition to the CEO and CFO, the Executive Management consists of representatives from the 4 divisions; division Denmark, Sweden, Norway and Software, the Director of People & Culture as well as the Director of Sustainability & Innovation, i.e. sustainability is represented at executive management level.

The Director of Sustainability & Innovation and the Executive Management at Envidan are supported by a strong team of experts in sustainability. In the coming year, we will appoint a Head of Sustainability in each division, first within Denmark and Sweden, and later within Norway and the Software division. The Heads of Sustainability are supported by a wide range of experts within sustainability, which together ensure that we cover all aspects of sustainability in reference to our own operations as well as on the projects and consulting activities, we carry out in collaboration with our customers.

### This is how sustainability is managed and governed in Envidan.



### Head of Sustainability

In the Danish and Swedish divisions, a Head of Sustainability will be appointed in the coming fiscal year. The Head of Sustainability is actively involved in the strategy work where impacts, risks and opportunities identified in the materiality assessment, are the starting point for the coming year's sustainability efforts. The appointed Head of Sustainability is responsible for developing and implementing action plans that, along with the overall strategy execution in the divisions, ensure the pursuit of sustainability goals within their respective divisions. Head of Sustainability are also responsible for staffing and setting the framework for the two Center of Excellences, which handle the operational aspects of the action plan.

### Center of Excellences

In Envidan, we distinguish between sustainability in our customers' projects and sustainability in our own operations. We are the decision makers in the latter, while we utilize our expertise combined with sustainability knowledge to influence our customers towards sustainable projects.

Our group strategy and its associated strategic directions for sustainability encompass both aspects, but the operational execution of the strategy is divided into the Center of Excellence (CoE) for Sustainable Own Operations and the Center of Excellence for Sustainable Projects and Consulting.

Each year, Group Sustainability develops a mandate for each CoE. These mandates, based on strategic directions and divisional strategic plans, serve as a work program for executing the strategy.

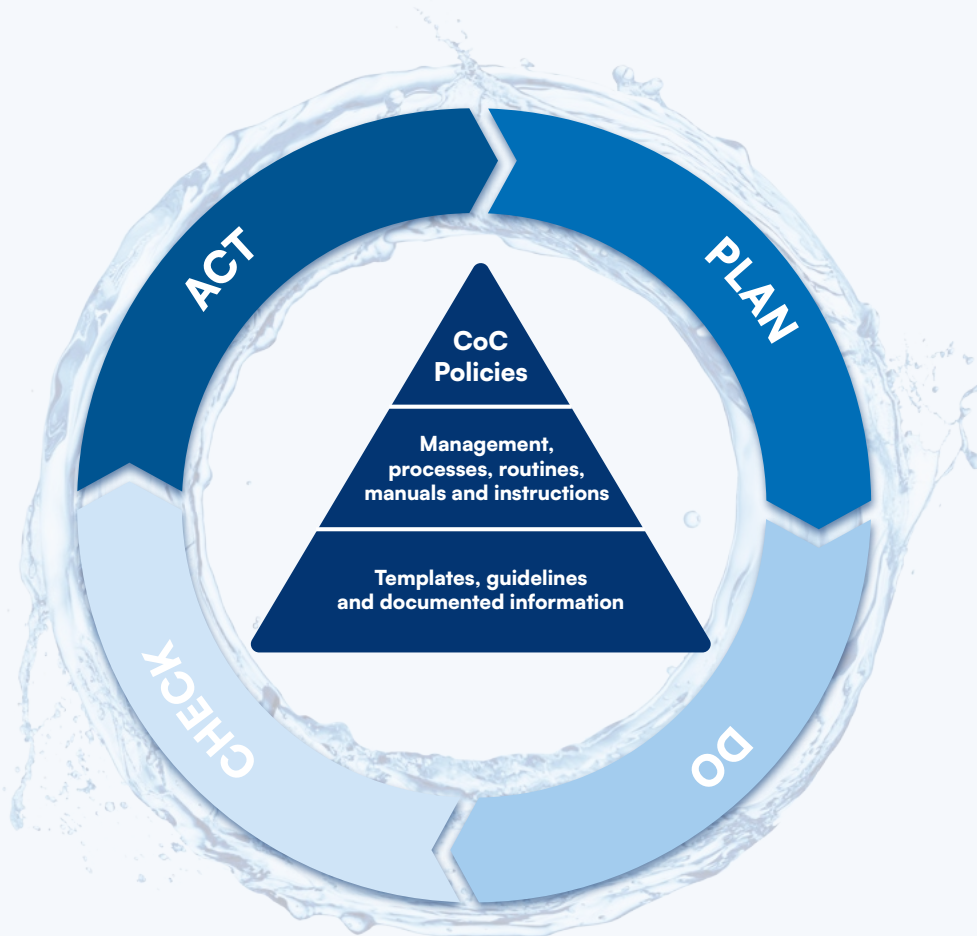
### Incentive schemes

Top-level managers are covered by a bonus model that provides incentives to pursue strategic goals for each part of the company. The model is a balanced score-card principle based on performance benchmarks evaluated and prepared early by the management team and approved by the Board of Directors. Because sustainability is integrated into the company's strategic plan and because the MD of Innovation and Sustainability establishes annual strategic directions specifically targeting sustainability prior to updating the divisions' annual strategic plans, the bonus model creates incentives for the sustainable development of Envidan.

### Integrated management system

Envidan has an integrated management system for Environment and Quality according to ISO standards and are certified according to ISO 9001 for quality and ISO 14001 for Environment. Envidan does not yet have a corresponding integrated management system for health and safety and not yet for sustainability, but through our systematic work with ESG reporting and the requirements under CSRD, our work with these will also become more systematic and an integrated part of our management system over time.

Our project model and internal procedures contribute to meeting sustainability requirements. We have policies and procedures in place to ensure that we act sustainably in terms of Environment, Social, and Governance. This is our approach to sustainability due diligence. Specific procedures and policies will be elaborated throughout the report.





### Stakeholder engagement and value creation

As part of the work preceding the ESG report, we conducted a stakeholder analysis, resulting in the categorization and prioritization of our stakeholders. The focus of the analysis has been on each stakeholder's influence and interest in Envidan's sustainability performance.

We use stakeholder analysis to align our involvement and dialogue with each stakeholder. Furthermore, the analysis is used as a basis for the materiality analysis, which also precedes the ESG report. In general, we strive to be as transparent as possible towards all stakeholders, making our sustainability efforts accessible to everyone, regardless of their level of interest and influence.

#### Competitors

Opportunity to benchmark and drive the water sectors sustainable development

#### Customers and business partners

Fulfilling customers and business partners' needs within the water cycle for a sustainable development of the water sector

#### Employees

Opportunity to learn, develop and grow with an inclusive and respectful workplace that is safe and healthy with a culture that supports the purpose driven employee

#### Envidan Group

Fulfilling Company goals, targets, strategy, mission and vision

#### Society, authorities, and environment

Compliance of laws and regulations, Code of Conduct in line with global compact and increased positive impact on society and environment

#### Owners, shareholders, investors

Profitable growth with a high focus on ESG, sustainable water and R&D



### Supplier engagement

Our supplier engagement is managed through established policies and procedures that ensure the assessment of their ability to provide sustainable products and services to us.

All project-related suppliers must be made aware of Envidan's Code of Conduct and informed that it is expected to comply with it. The announcement is made either by reference to the Code of Conduct on the website or by sending a copy. Whether the suppliers live up to the Code of Conduct is included in the overall supplier assessment.

The administrative purchases must be made in accordance with the principles and guidelines described in Envidan's purchasing policy for administrative purchases.

### Risk management and internal controls

We have implemented a comprehensive risk management framework that identifies, assesses, and mitigates risks across all areas of our operations. This includes risks related to the environment, social issues, and governance factors. We monitor and evaluate risks continuously, adapting our strategies to address emerging challenges and opportunities.

Risk management and internal controls are managed by the Executive Management involving selected employees in central group functions. Risk management is followed up twice a year while a risk management report is prepared and approved by the Board of Directors yearly.

Sustainability-related issues are an integrated part of the risk management framework including environmental, social, and governance aspects.

Methodically, a classic risk matrix is employed, where the probability and consequences of identified events that could affect the company are determined in dialogue with the stakeholders of these risks. Based on this risk mapping, decisions are made on how to mitigate each individual risk prioritized according to the level of risk.

### Actual and potential risks

The most significant risks to our company's ability, both now and in the future, to deliver sustainable projects and consulting services are described below.



#### Strategic risk change in market conditions

Risk: The Sustainability agenda may result in changing market requirements, affecting Envidan's business across all areas.

Actions: Investment in realizing the strategy for sustainable business, focusing on sustainability in own operations, projects, and consulting to remain relevant to our customers.



#### Commercial risk competitors

Risk: New competitors offering sustainability-focused services may outperform Envidan, significantly impacting our market shares.

Actions: Investment in sustainable business strategy to stay competitive.



#### Workforce risk recruitment

Risk: Difficulty in finding suitable candidates for key positions due to the limited pool of newly educated candidates and high competition.

Actions: Agile approach to follow market trends in employee management and remuneration, collaboration with educational institutions, and active employer branding efforts.

## Sustainability strategy

Envidan has integrated sustainability into the company's business strategy. Therefore, we do not have a separate sustainability strategy. The responsibility for developing and setting the strategic direction across divisions for a sustainable Envidan in the future lies with the Managing Director for Sustainability and Innovation, who is part of Envidan's Executive Management. Yearly, the MD of Sustainability presents the strategic direction for sustainability for the upcoming year, which is approved by the Executive Management and the Board of Directors. This provides guidance for the strategies and targets developed annually in each division, and ensures that the strategic directions for sustainability are pursued throughout the company. Every quarter, the MD of Sustainability reports the status of strategy execution to the Executive Management and the Board of Directors.

## Stakeholders' influence on our sustainability strategy

Our owners are an integral part of forming our sustainability strategy. We consult them when developing the strategy and they approve the final version. We also include selected sustainability experts, e.g., our development managers working in the field between sustainability and innovation closely together with our customers. These are consulted through workshops. This year, we also adjusted our brand strategy based on, among other things, how our customers perceive us as a company. We conducted a market survey in the form of a questionnaire at the end of our fiscal year 21/22.

## Strategic sustainability focus in 2022/2023

In 2022/2023, there has been a specific focus on pursuing the overall sustainable objective of making Envidan proven sustainable in both our project and consulting work as well as in our own operations. This has led to concrete goals of developing and implementing an organizational setup, embedding sustainability throughout the entire Envidan workforce, investing in research and development, and establishing a framework for proven sustainability.

As a result, a framework has been developed, and some of the industry's finest specialists have been appointed or hired to staff the organizational setup, elevating our ambition to be proven sustainable. Strategically, a decentralized organization has been chosen, to ensure that sustainability competencies are integrated throughout the company. This contributes to pursuing our goal of being proven sustainable and achieving our objective of always advising our customers to act in an absolutely sustainable manner in projects based on our evaluation of their sustainable impact.

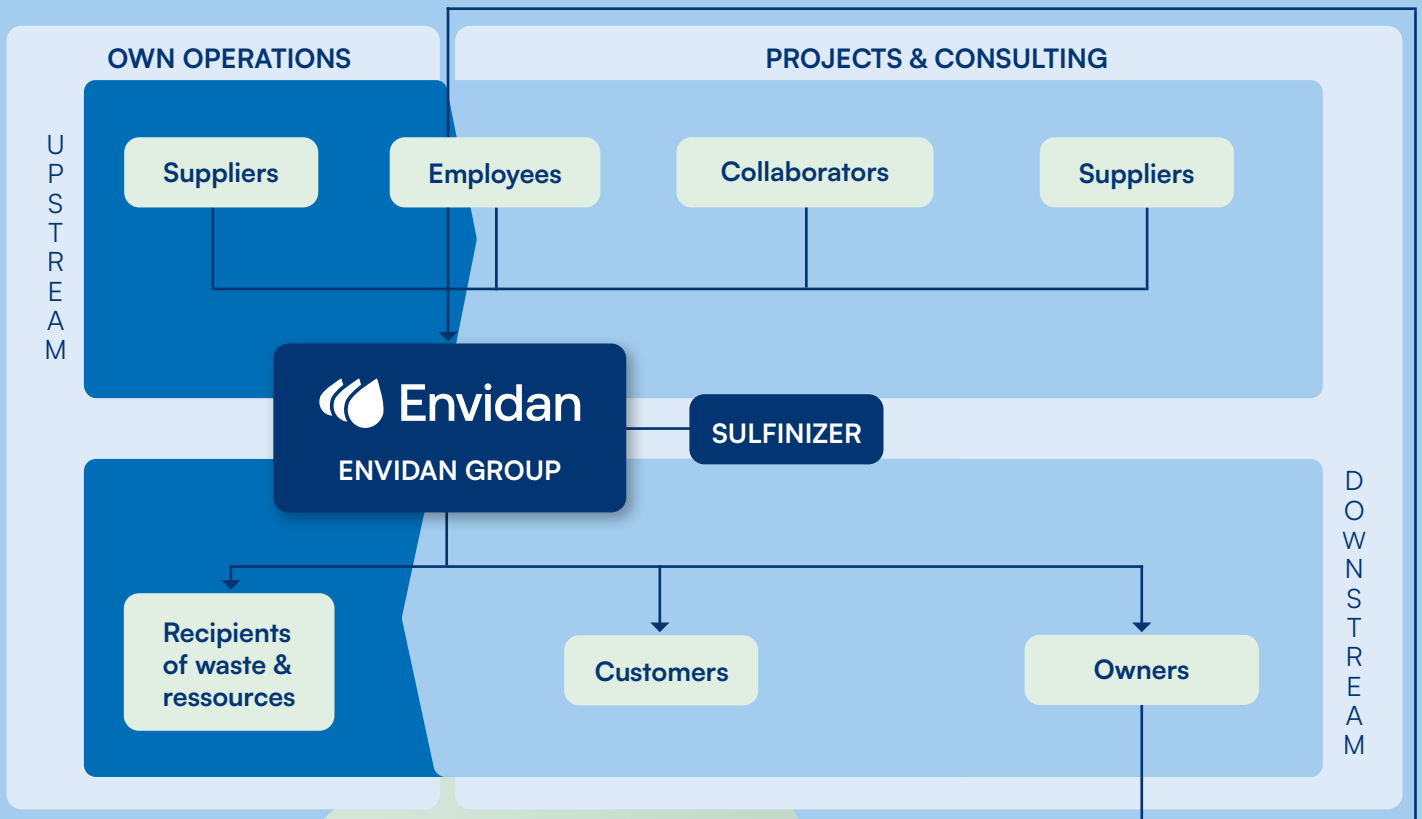
In 2022, Envidan thoroughly analyzed its market position, and the results have been fundamental in shaping the company's strategic goals concerning sustainability. With our new payoff "Sustainable Engineering" as a guiding force, Envidan has chosen to make sustainability a central discipline across the Group, from projects and services to internal operations. By embracing sustainability as a core value and strategic focus, we find it realistic to fulfill our vision to be a leading player in sustainable solutions within the water sector.

## #SustainableEngineering



**Our value chain**

Envidan’s vision is to be a leading sustainable water specialist in Northern Europe focusing on utilities, municipalities and industries. Envidan aims to continuously deliver sustainable, profitable growth with an increased positive impact on society and the environment. Below, we illustrate how we, with a responsible use of resources — natural, human, and capital — create value for customers, employees, business partners, shareholders, as well as for society and the environment. Envidan supports a green transition and realization of the UN Sustainable Development Goals based on the water cycle.



**Own operations**

Includes our own administrative purchases and own consumption, which suppliers we use, who we collaborate with, which policies we choose to formulate and comply with. We as a company are the decision makers and hence, we are fully responsible for the ESG impact on our own operations.

**Projects and Consulting**

**Turnkey projects:** On turnkey projects, we comply with the legal requirements, work within the customer’s budget and the customers’ requirements for the implementation of sustainability on the project. We are dependent on the customer’s ambitions and requirements to include sustainability issues in the project (e.g., choice of building materials, requirements for resource recovery, reduction of emissions to water, soil, and air as well as health and safety).

**Consulting and software solutions:** We deliver consultancy services or products to our customers. It is up to the customer to choose how the consultancy service or software solutions are implemented and used in their own organization. When we deliver consulting services or software solutions, we are therefore dependent on the customer and the decisions they make. Although we commit ourselves to influence the customer’s decisions, the final decision-making power rests with the customer.



## Materiality assessment

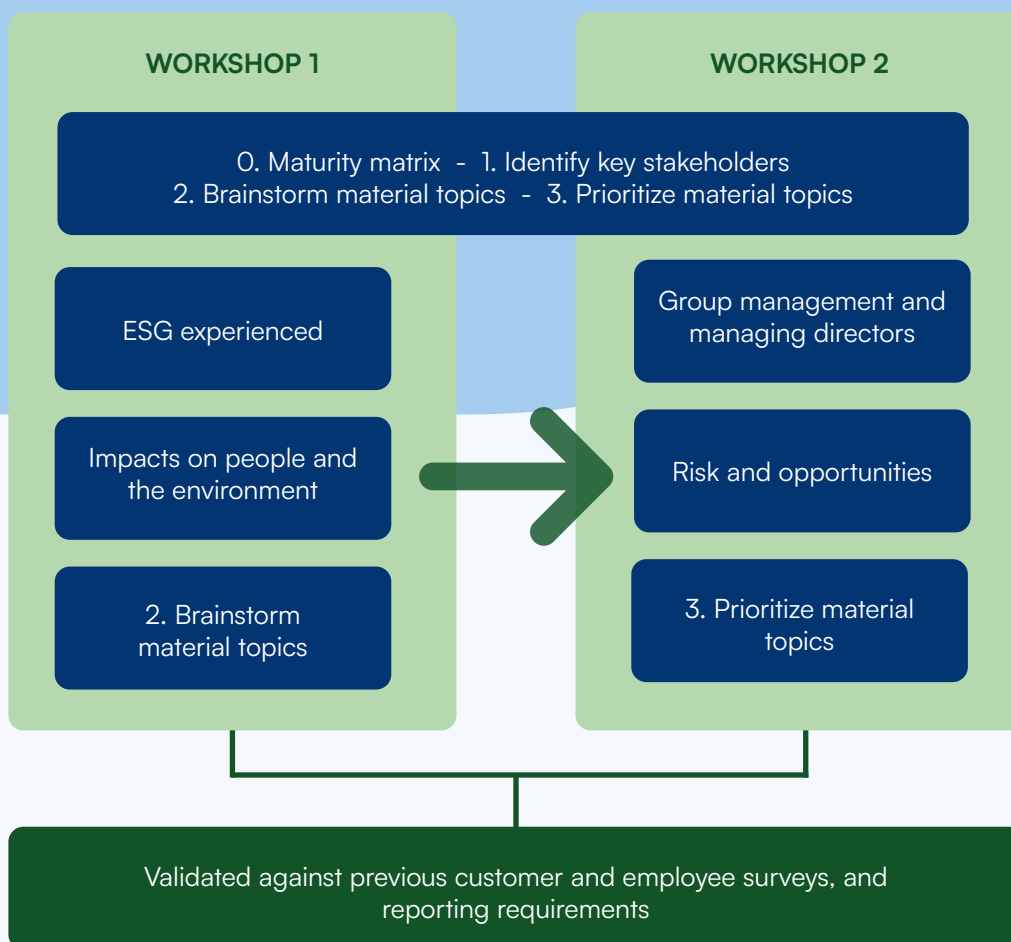
Materiality assessment is all about focusing on the topics that matter the most. With CSRD, double materiality becomes a requirement, meaning that we no longer solely focus on the risks and opportunities that affect our market position, but also on the negative and positive impacts we have on the environment and people. We look inward and outward. As mentioned in the introduction, our first ESG report, and thus our materiality assessment, focus on activities related to our own operations. This will give us experience and knowledge to tackle the more complex data collection and collaboration procedures for our projects and consulting activities.

The materiality assessment for our own operations was conducted through two workshops:

**1. ESG experienced:** Participants experienced with reporting requirements for environmental and social impacts, e.g., United Nations Global Compact, Miljøfyrtårn, ISO 14001, GRI, HSEQ management, and so on. The participants thus have very detailed insights into the impacts on people and the environment incurred by Envidan's activities. Participants covered all three countries (DK, SE and NO).

**2. ESG decision-makers:** Participants were the CEO, CFO, Managing Director for Sustainability and Innovation, Managing Director for People & Culture, Managing Directors for Turnkey and Consulting (all countries), as well as the Business Director for Software. The participants thus set the strategic direction and conducts the risk analysis for the Envidan Group, and thus have a detailed overview of the risks and opportunities for the Envidan Group.

The workshops had the same aim and structure of identifying stakeholders, brainstorming topics, and prioritizing them according to impact on stakeholders and business. However, more weight were given on identifying all relevant topics in workshop 1, whereas workshop 2 focused more on the prioritization of topics.



ESRS topic	Priority	Section coverage
<b>ENVIRONMENT</b>		
Energy use	Crucial	Energy use
GHG emissions	Crucial	GHG emissions
Pollution of water	Important	Water pollution
Waste	Important	Resource use
<b>SOCIAL</b>		
Working conditions (own workforce)	Crucial	General
		Diversity and equality
Equal treatment and opportunities for all (own workforce)	Crucial	Training and skills
		Health safety and human rights
Human rights, fundamental freedoms, democratic principles	Crucial	Training and skills
		Health safety and human rights
<b>GOVERNANCE</b>		
Protection of whistle-blowers	Crucial	Anti-corruption and anti-bribery
Corporate culture	Crucial	Anti-corruption and anti-bribery
Political engagement and lobbying activities	Crucial	Anti-corruption and anti-bribery
Management of relationships with suppliers	Crucial	Management of relationships with suppliers

The results from the workshops were validated against previous employee and customer surveys, and internal risk analysis. The identification and prioritization of material topics were based on experience and knowledge level of participants and were as such not based on qualitative or quantitative indicators, thresholds, or criteria. It was thus an overall screening of the likelihood and severity of impacts, risks, and opportunities.

In the coming years, we will strive towards including our external and internal stakeholders by e.g., conducting surveys and focus group interviews. Hence, our aim is that the quantitative baseline for 22/23 over time will result in a more quantitative data informed materiality assessment. Our main material topics for 22/23 are shown in the table on page 24.

Topics categorised as crucial are immediately included in the report. For 22/23, only topics from the category important was chosen if it also was a requirement from our owners. These are thus the topics that will be reported in this year's sustainability report.

### Results of the materiality assessment



- #### Environment
- 1 Energy use
  - 2 GHG emissions
  - 3 Water consumption
  - 4 Pollution of water
  - 5 Biodiversity
  - 6 Depletion of nonrenewable
  - 7 Waste
  - 8 Climate related financial effects
  - 9 Pollution of air

- #### Social
- 1 Working conditions (S1)
  - 2 Equal treatment and opportunities for all (S1)
  - 3 Human rights, fund. princ. and demo (S1)
  - 4 Working conditions (S2)
  - 5 Equal treatment and opportunities for all (S2)
  - 6 Human rights, fund. princ. and demo (S2)

- #### Governance
- 1 Protection of whistleblowers
  - 2 Corporate culture
  - 3 Political engagement and lobbying
  - 4 Management of relations with suppliers
  - 5 Animal welfare

# ENVIRONMENTAL INFORMATION

Envidan is an environmental company. We have provided environmental solutions since the beginning, so protecting the environment is in our DNA. We protect water streams by reducing sewer overflows, handling surface water, improving wastewater treatment, and restoring water ways back to their natural conditions. We protect groundwater resources and ensure that none of our valued water resources are lost on their way from the ground to the consumers.

Envidan's environmental policy covers our environmental commitments in our projects, but it also covers the obligations we have as a company to reduce our own environmental footprint. Our environmental policy is effectuated through our environmental management system, and it commits us to:

- **Always comply with legal requirements and other binding obligations.**
- **Ensure ongoing improvements and optimization of the environmental management system using action plans, improvement reports, internal and external audits, and management evaluation.**

We ensure these commitments through internal activities and through environmental management in our projects with clients.

## Internal obligations on our own operations

In relation to internal environmental obligations, ongoing work is being done to reduce the environmental impacts from Envidan's own activities as a company, by:

- Establishing principles and policies to make conscious choices in relation to the company's environmental impact, to protect the environment and prevent pollution.
- Prioritizing and continuously invest in targeted training for selected employees who are responsible for internal environmental conditions.

## Obligations in our projects

Regarding activities on projects, we strive to prevent and limit environmental impacts by delivering sustainable solutions in close cooperation with our customers and business partners, by:

- Challenging our customers early in the project to include measures to reduce environmental impacts, to protect the environment and prevent pollution.
- Listening to our customers' wishes and needs to deliver solutions that protect the environment and prevent pollution.
- Prioritizing and continuously investing in targeted training for employees in environmental management on projects.

In the following sections, we will further elaborate our efforts to protect the environment by reducing energy use, greenhouse gas emissions, water pollution and waste.





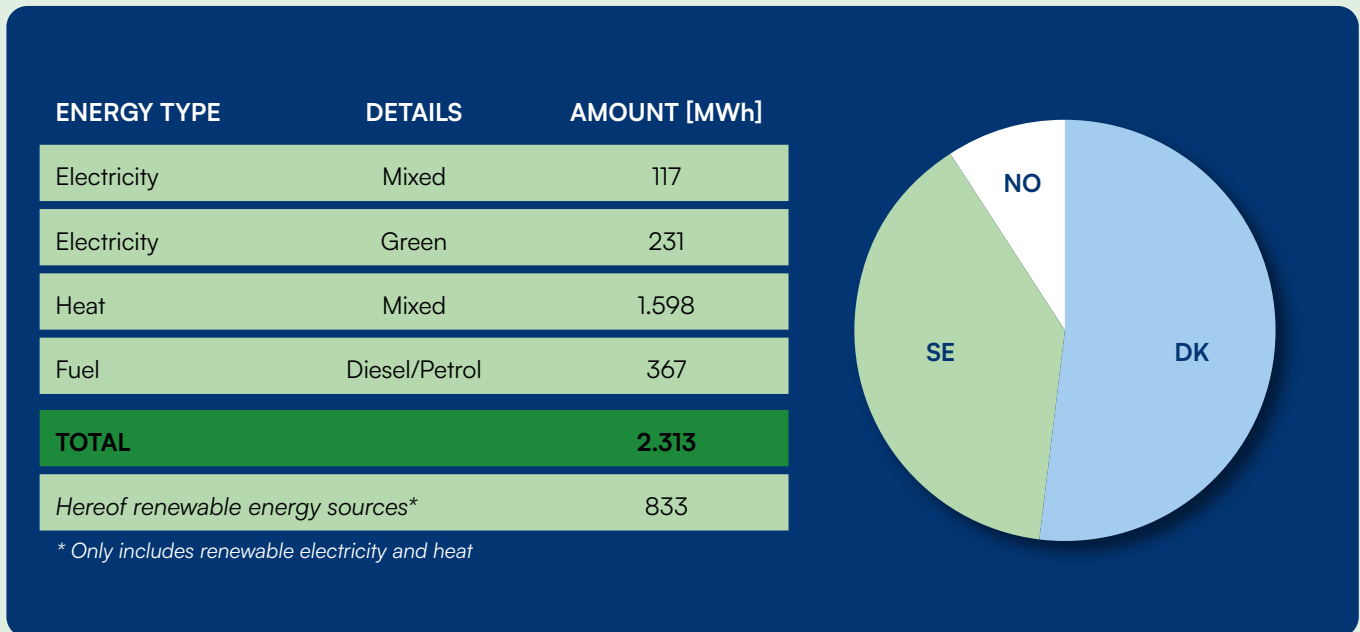
## ENERGY

The topics dealt with under this section cover Envidan’s own energy consumption, Envidan’s energy saving campaign carried out in 2022/23, as a respond to the international energy-crisis, and the resulting guidelines on energy classification of office locations.

### Our energy use

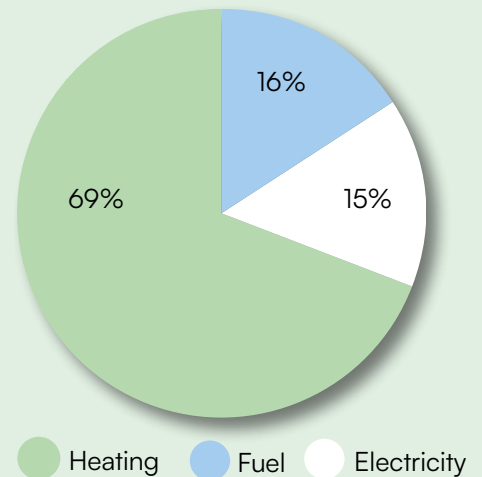
Our total energy consumption in 22/23 on Group level amounted to 2.313 MWh, covering our own operations in Denmark, Norway and Sweden. Approximately 43% of our total energy consumption for electricity and heat originated from renewable energy sources, as shown in the table below.

Denmark is responsible for the largest share (60%) of the total energy consumption, which is not surprising as approximately 60% of our employees are located in Denmark as illustrated in the pie chart below.



Looking at the energy consumption at Group level, the energy consumption is distributed between three energy types: electricity, heat, and fuel (company cars Envidan owns or rents). Energy for heat makes up the vast majority of our energy consumption compared to electricity and fuel.

Being a company located in the Nordics, it comes as no surprise that heating of our office locations makes up the vast majority of our energy consumption, accounting almost 70% of our total energy consumption in 2022/23 as visualised in the figure to the right. Thus, heat in particular also represents the greatest potential for energy savings.



Today, the majority of our office leases are structured in such a way that consumption of heat and electricity are included as part of the rent or distributed according to a distribution key based on the size of the leased area. It can therefore be difficult to track the actual heat consumption and electricity consumption for the individual office location. This applies to the vast majority of our office leases in Denmark, Norway and Sweden.

This means that it is difficult to estimate the actual energy consumption through these arrangements, and hence the effect of any measures made for energy saving on the single office location is therefore equally difficult to trace and document.

## Energy saving campaign

During Winter 2022, there was a shortage of energy in Europe. It made energy prices increase massively, and it challenged the energy supply security all over the world. Envidan quickly decided to enforce the campaign developed by the Danish Energy Agency to reduce energy consumption in all our offices in Denmark, Sweden, and Norway. The campaign was well received, but tracking our progress turned out to be more difficult than expected.

Since Envidan has reached 250 employees, we are now subject to the EU's Energy Efficiency Directive (EED). This Directive establishes a common framework of measures for the promotion of energy efficiency within the European Union, thereby covering the Envidan offices in Denmark and Sweden. This means that we must carry out an energy audit every fourth years. The energy audit must give companies an overview of their energy consumption and savings potential.

During the energy audits in Denmark and Sweden for 2021/22, it became evident that tracking energy consumption at our offices was not straightforward. Because most of our offices are rented square meters in an office community, the majority of our energy consumption is based on an allocation key (determined by office area) for the building's total energy consumption. Hence in these locations we do not measure Envidan's energy consumption directly. This means that we must establish an ambitious collaboration with property owners and carefully select buildings with the right energy classification to save energy. The latter is something we are currently developing a guideline for.

While proving difficult to track our progress during the energy campaign, several initiatives were enforced. An energy responsible was appointed for each office. Their role was to investigate and collect energy saving initiatives from colleagues and bring them to life. A common platform was made for energy responsible to share their ideas across offices.

## Group level decisions and employee initiatives

### GROUP LEVEL DECISIONS

#### Mandatory

- Lower the room temperature to min. 19 degrees in all offices.
- Explore the potential for installing automatic power-off equipment.

### EMPLOYEE INITIATIVES

#### Voluntary

- Turn off lights in common areas or install sensors.
- Switch all light bulbs to LED.
- Completely turn-off computers when leaving the office (no hibernation mode).
- Turn-off coffee machines, printers and similar outside office hours.



## Guidelines and policy for energy classification

A large part of the total energy consumption comes from the heating of the buildings we rent. It is thus natural to consider potentials for energy savings and prioritizing energy-efficient buildings when choosing office locations. Therefore, in 2022/23, Envidan initiated the work on a guideline to take energy classification of office buildings into account when we choose office locations.

In the European Union, Energy Performance Certificate are regulated by the European Directive on the Energy Performance of Buildings. Although Norway is not part of the EU, Norway has a legislation equivalent to that which derive from the European Union. Based on current legislation, EU-legislation, or country-specific legislation, Envidan's guideline applies for all Envidan's offices in the Envidan Group covering Denmark, Norway, and Sweden. The purpose of the guideline is to ensure we consider the energy performance of current, as well as future, office locations by setting requirements to the energy performance of the buildings.

We look forward to putting the new guideline into effect in the coming fiscal year 2023/24.

## GHG emissions

Compared to other engineering consultancies, Envidan has a unique business structure providing both Consultancy, Software, and Turnkey.

For this environmental impact, we focus on the services where we have operational control, and thus have full control and responsibility of our own actions. We have operational control of our own operations (office activities) and to an extent also our Turnkey projects. In these projects we have some operational control during construction, and for a limited period, during the operation of the final plant. For the remaining parts of such projects, we can only guide our customers towards more sustainable solutions, but our customers make the final decisions. The same principle applies for our Software and Consulting services, i.e., we have no operational control. However, we do see opportunities to report on our effort or impact in these projects to be able to compare with other water consultancies. We are currently collaborating with the water sector in Denmark to identify and formulate consistent indicators for consultancies to be able to report on their effect in projects.

## Our GHG emissions

Our GHG emission from our own operations (office activities), can be divided into scope 1, 2 and 3. The main contributor(s) to each scope is illustrated below.

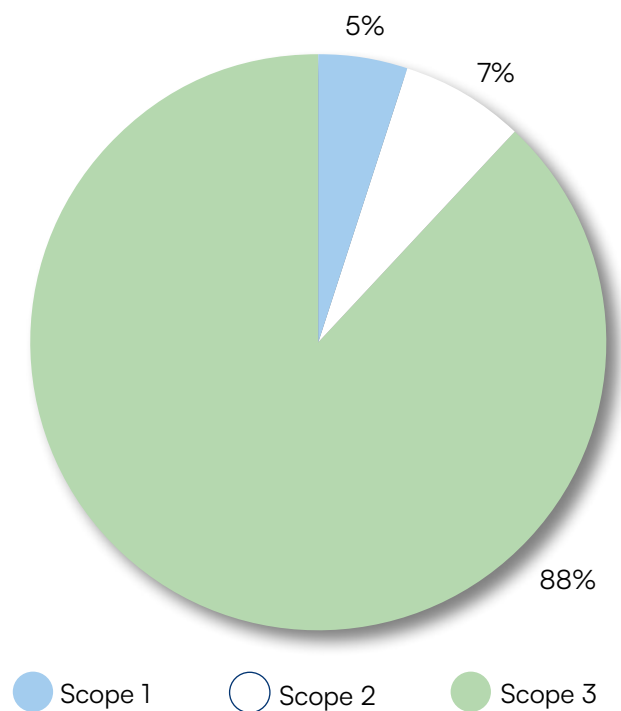
SCOPE	DEFINITION
Scope 1: Direct emissions	Covers direct greenhouse gas emissions from a company's / organization's owned or operated assets for example, the fumes from the tailpipes of a company's vehicles.
Scope 2: Indirect emissions	Covers indirect greenhouse gas emissions caused by a company's / organization's purchased energy (electricity, heat, cooling) for example, generating electricity used in the company's office locations.
Scope 3: Indirect emissions	Includes sources not covered under scope 1 and 2 covering emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. Emissions from the purchase, use or dispose of products from suppliers in a company's value chain.

Envidan's GHG emissions in 2022/23 amounted to a total of 1,797 tonnes CO<sub>2</sub>-eq.

The distribution of Envidan's GHG emissions between scope 1, 2 and 3 for the financial year 2022/23 is illustrated in the pie chart on the right.

The majority of our GHG emissions derives from scope 3 as expected, where only a small part can be attributed to activities covered under scope 1 and scope 2.

Looking at the number of FTE in Envidan during 2022/23, we have a footprint of 5.3 tonnes CO<sub>2</sub>-eq per FTE covering our footprint of our own operations (office activities).



95% of our emissions under scope 3 derive from only three categories; Purchased goods and services, employee commuting and upstream leased assets, as shown below:

Scope	Scope description and category	Group	DK	SE	NO
<b>Scope 1</b>	<b>Emissions from Direct Operations</b>	<b>96</b>	<b>6</b>	<b>77</b>	<b>13</b>
	Stationary combustion	0	0	0	0
	Mobile combustion	96	6	77	13
<b>Scope 2</b>	<b>Emissions from purchased energy</b>	<b>116</b>	<b>62</b>	<b>52</b>	<b>2</b>
	Generation of purchased energy	4	0	3	1
	Heat related activities	112	62	49	1
	<i>Market-based</i>	4	-	-	-
	<i>Location-based</i>	42	-	-	-
<b>Scope 3</b>	<b>Emissions from Indirect Sources</b>	<b>1.585</b>	<b>1.093</b>	<b>392</b>	<b>100</b>
	Purchased goods and services	805	662	112	31
	Capital goods	20	12	7	1
	Fuel and energy related activities	24	2	19	3
	Upstream transportation and distribution	7	3	4	0
	Waste generated in operations	0	0	0	0
	Business travel	20	4	15	1
	Employee commuting	325	196	108	21
	Upstream leased assets	383	214	127	42
<b>Total</b>	<b>Emissions across scope 1, 2 and 3</b>	<b>1.797</b>	<b>1.161</b>	<b>521</b>	<b>115</b>

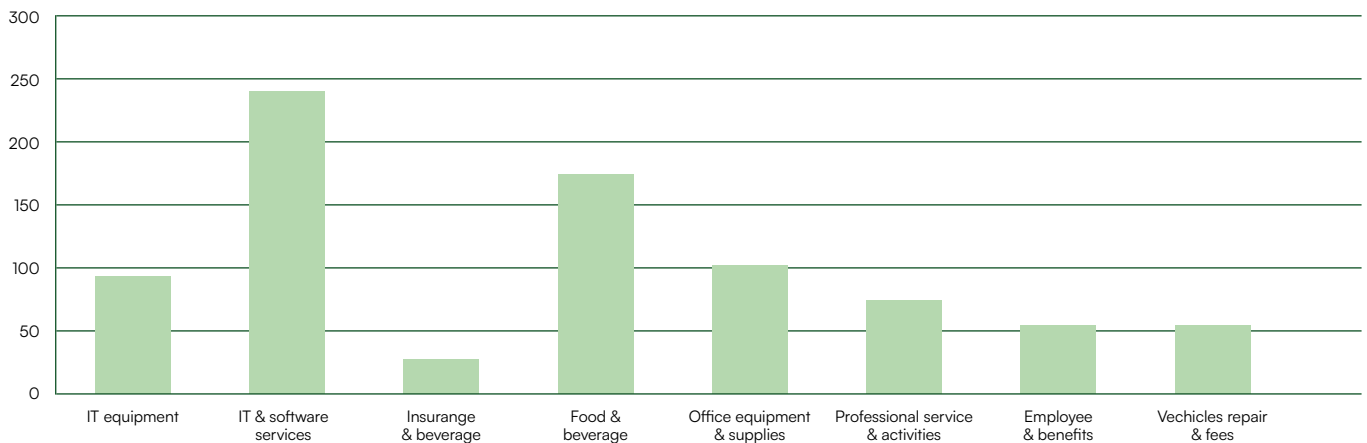
Approx 20% of our scope 3 emissions originates from employee commuting, the GHG emissions deriving from the travel of our employees between their place of residence and their place of work, making this the third most important category in scope 3. If we are to work actively with decreasing the effect of this category, we must be aware of the location of our offices in relation to giving our employees the opportunity to take more environmentally friendly forms of transport to and from work, e.g. by bike or public transport.

Upstream leased assets make up approx. 25% of our scope 3 emissions, making it the second most important category, covering emissions from the leased assets, specifically upstream leased buildings (office locations). This underlines the importance of us looking at our rented locations and making e.g., energy classification of the building a part of our criteria for which office locations we choose to rent. This is something we are already working on as described in the section "Guidelines and policy for energy classification."

More than 50% of our scope 3 emission derives from the category "purchased goods and services", making this the single most important category in scope 3. Looking further into the activities in this category, four activities are worth mentioning. These activities make up more than 70% of the emissions in the category "purchased good and services:"

- IT & software services
- Food & beverages
- Office equipment & supplies
- IT equipment





IT & software services, food & beverage, office equipment & supplies and IT equipment are all identified as being “hot spots” under the category “purchased goods and services”. The purchase of both goods and services is well described in our purchasing policy, hence the work to reduce our GHG emissions from this particular category is now supported by both a policy, a baseline and a hot spot analysis to work from.

If we look at the initiatives that were already launched in the fiscal year 2022/23, it is also worth mentioning that our work to investigate the possibility of minimizing our footprint from IT equipment through the scheme “circular computing” is a significant element in reducing our GHG emissions in scope 3 (see page 32).

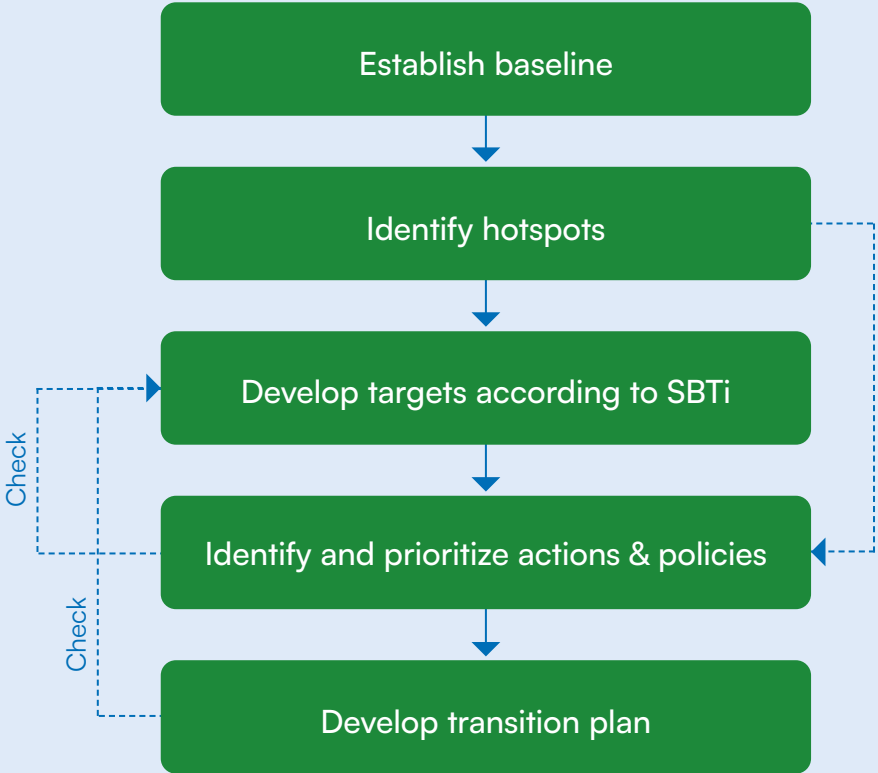
### Working with our GHG emissions - making a transition plan

This is the first time that we at Envidan are calculating GHG emissions from our own operations (office activities), which, based on our first baseline, gives us the opportunity to look further into working actively to identify hotspots, set targets and initiate actions to reduce our GHG footprint.

We are committed to reduce our GHG emissions, and as a minimum we aim to be aligned with the Paris Agreement of keeping global warming below 1.5 degrees (compared to pre-industrial levels).

First step is to establish our baseline and identify hotspots in all three scopes. From our baseline and the identified hotspots, we can initiate the formulation of policies, action plans, and develop specific targets aligned and approved by the Science Based Target Initiative (SBTi). The overall result of this is a transition plan to mitigate our impacts in the long run.

# OUR PROCESS TOWARDS A TRANSITION PLAN



While the full transition plan for reducing our GHG emissions are a few years away, we are already taking steps towards reducing our emissions. So far, we have the following policies that all play a role in helping to reduce our GHG indirectly through responsible behavior as a company:

## POLICIES AND INITIATIVES THAT CONTRIBUTE TO THE REDUCTION OF THE GHG FROM OUR OWN OPERATIONS

### PROCUREMENT POLICY

Sets the framework for administrative procurements.

### WASTE- AND RESOURCE POLICY

Minimize our resource consumption and optimize resource reuse.

### GUIDELINES FOR ENERGY CLASSIFICATION

Set goals for energy performance of the locations where we are tenants.

### CIRCULAR COMPUTING

Testing CO<sup>2</sup>-neutral computers from Elitecom (See the section "Waste" to read more)

## Water pollution

At Envidan we are experts in the entire water cycle in relation to the projects we carry out in collaboration with our customers. But as a company we must not overlook the fact that we are an active part of the water cycle; From the time we receive clean drinking water from the waterworks until we discharge our wastewater to the sewer, which then transports it to the wastewater treatment plant for treatment before it is discharged to the recipient once again.

Envidans environmental policy states that we as a company shall protect the environment and prevent pollution. Our environmental policy ensures that we as a minimum comply with legal requirements in the specific country.

The activities we carry out at our various office locations give rise solely to the discharge of domestic wastewater. The wastewater from all our locations is directed to a treatment plant nearby where the wastewater undergoes the necessary treatment, a treatment that is handled by the customers with whom we collaborate with as consultants within the field of wastewater.

A combined sewer system handles both surface runoff and wastewater, while a separate sewer system carries surface runoff and wastewater in separate systems. Handling wastewater and surface runoff separately helps prevent overflow of sewage systems and wastewater treatment plants during heavy rain and thus prevents polluted water from entering the recipients.

## Our emissions

As a part of their own ESG reporting, our owners have set specific requirements for us to disclose our emissions to water. Our emissions are estimated as the amount of pollution (domestic wastewater) we discharge to the local WWTP.

Although Envidan's own impact in relation to emissions to water may seem insignificant compared to the impact we have on our projects, it is important for us to illustrate that we are a part of the water cycle as this is our core business.



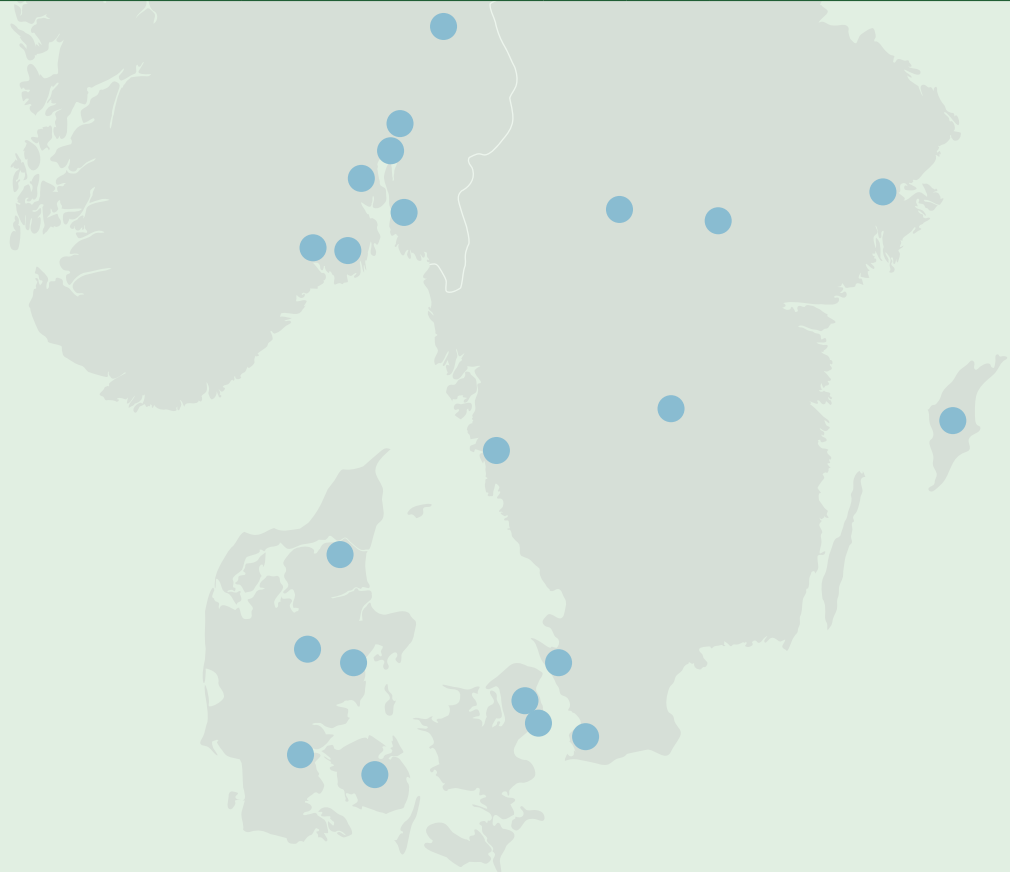
Office	Waterwork	WWTP	CS*	SS*	Utility
Silkeborg	Silkeborg Forsyning	Søholt Renseanlæg	x		Silkeborg Forsyning
Kastrup	Tårnby Forsyning	Tårnby Renseanlæg	x		Tårnby Forsyning
Aarhus	Aarhus Vand	Egå Renseanlæg		x	Aarhus Vand
Lyngby	Lyngby-Taarbæk Forsyning	Mølleåværket		x	Lyngby-Taarbæk Forsyning
Aalborg	Aalborg Forsyning	Renseanlæg Vest		x	Aalborg Forsyning

Office	Waterwork	WWTP	CS*	SS*	Utility
Malmö	Vombverket	Sjölundaverket	x		Sydvatten
Helsingborg	Örbyverket	Öresundsverket	x		Sydvatten
Solna/Stockholm	Görvälnverket - Norrvatten	Käppalaverket		x	Norrvatten
Örebro	Skråmsta vattenverk - Örebro kommun	Skebäcksavloppsreningsverk		x	Örebro kommun
Göteborg	Lackarebäck vattenverk	Ryaverket	x		Kretslopp och vatten
Linköping	Berggården /Råberga vattenverk	Nykvarnsverket		x	Tekniska verken
Karlstad	Karlstads kommuns vattenverk	Sjöstadsverket		x	Karlstad kommun
Visby	Langeshage/Tingstädeverket	Visby reningsverk	x		Region Gotland

Office	Waterwork	WWTP	CS*	SS*	Utility
Oslo	Oset vannbehandlingsanlegg	Bekkelaget renseanlegg		x	Oslo Vann og avløpsetaten (VAV)
Elverum	Elverum Vannverk	Elverum renseanlegg		x	Elverum Kommune
Gardermoen	Ullensaker vannverk (Hurdalsjøen)	Gardermoen renseanlegg		x	Ullensaker Kommune

\*CS: Combined sewer

\*SS: Separate sewer



## Waste

Our waste and resource policy sets the framework for how we handle waste from our offices. We promote waste sorting and material recovery from our office activities of the resources that no longer serve a purpose in Envidan.

Waste that originates from Envidan's offices is predominantly domestic household waste. The local office administration register which waste fractions are available for source sorting at the individual location for correct handling and resource reuse. In addition, the local administration must ensure that, as a minimum, source sorting is carried out in accordance with local requirements. It is our goal and our responsibility to motivate and focus on source sorting in our dialogue with the property administration, so that our ambitions to sort and recycle, as much as possible, do not go on unheard.

Today, our primary focus is on waste fractions and source sorting of the waste generated from our office activities. Our ambition is that we, in the future, give the same focus to waste and hazardous waste on our projects in collaboration with our clients, where the quantities of waste are far larger and more complex to handle, compared to the ones from our office activities.

### Our wastes

Only a small fraction of our waste is defined as hazardous waste, e.g., batteries and light bulbs. Fractions of hazardous waste are delivered to the local recycling station. IT-equipment constitutes the largest part of our hazardous waste. A separate agreement is established for the IT-waste, that ensures used/end-of-life IT-equipment is repaired/reused (refurb) or alternatively destroyed properly, if it is no longer deemed usable. If we look at the supply of IT, Envidan is working towards making this more sustainable through Circular computing (see below).

### CIRCULAR COMPUTING

Our current focus is on making our laptop consumption more sustainable. Envidan has entered into agreement with Elitecom, a company with a market-leading concept within sustainable IT-solutions. The concept goes by the name "Circular Computing". Elitecom acquires end-of-lease laptops from leading international leasing companies, ensures that they go through extensive ethical and sustainable re-production and offers them back to companies in a quality and consistency similar to the original product. Envidan is currently testing the concept of circular computing to clarify if a substantial part of our IT-consumption can be met through this solution ([Circular Computing - Elitecom](#)).

### "IT WASTES" 2022/23

	# LAPTOPS	# SCREENS	# DESKTOPS
DK	104	3	17
NO	23	0	0
SE	0	0	0
SUM	127	3	17
WEIGHT (ton)	0,16	0,01	0,11



In Envidan, IT-wastes are handled by the company, 3StepIT. 3StepIT helps companies become part of the circular economy, saving millions of devices from ending up in landfill for scrap. 3StepIT ensures that Envidan's used/end-of-life IT equipment is repaired/reused/marketed (refurb) or alternatively destroyed properly if it is no longer deemed to be usable.



# SOCIAL INFORMATION

Being a socially responsible company means operating in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, and anticorruption. In Envidan, we consider employee health, safety, and well-being as key priorities. We want to be an organization where diversity and equality are a natural part of our everyday work life, and where all our employees thrive and develop in their career because we constantly strive to develop their skills and offer a workplace that meets the employees in their work lifecycle. This is our social responsibility as a modern and sustainable company.

## HUMAN RIGHTS

Envidan supports the implementation and compliance with our Code of Conduct and the commitment to the UN Guiding Principles for business and human rights.

Human rights are rights we have simply because we exist as human beings - they are not granted by any state. These universal rights are inherent to us all, regardless of nationality, sex, ethnic origin, color, religion, language, disabilities, or any other status. The Universal Declaration of Human Rights adopted by the UN General Assembly in 1948, was the first legal document to set out the fundamental human rights to be universally protected.

Its 30 articles provide the principles and building blocks of current and future human rights conventions, treaties, and other legal instruments. As a responsible company, we strive to ensure that we are not involved in any form of human rights abuses in our value chain through business partner and supplier evaluation including human rights as well as complying with our Code of Conduct.

Envidan does not accept employment conditions that do not meet the minimum standards of national and local legislation or the International Labour Organization's fundamental conventions. Wages must be paid in accordance with local minimum wage legislation, and everyone must be paid at least a living wage that ensures a reasonable standard of living. Local legislation on working hours, overtime, holiday, and leave must be followed, which ensures breaks, free time, holiday, and parental leave. All employees have the right to medical care and the right to compensation for lasting injury caused by work-related accidents.

The total number of incidents of discrimination, including harassment, reported in the reporting period.	→	0
For the remaining social and human rights matters (i.e., excluding discrimination or harassment), the number of complaints filed through channels for own workers to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for OECS Multinational Enterprises.	→	0
The total amount of material fines, penalties, and compensation for damages as a result of violations regarding social and human rights factors. (Euro/DKK)	→	0
The number of severe human rights issues and incidents connected to the undertaking's workforce in the reporting period.	→	0
The total amount of fines, penalties, and compensation for damages for the issues and incidents described above. (Euro/DKK)	→	0

## HEALTH, SAFETY, AND WELL-BEING

The commitment to health, safety, and wellbeing is a fundamental cornerstone of Envidan. We work systematically to develop health, safety and increase employee wellbeing to prevent accidents and illnesses. Everyone participates in health, safety and well-being management and commits to following our policies, national legislation, guidelines, health & safety rules.

Each division in Envidan sets targets and makes action plans to increase awareness and improve behavior. This is done through processes with the purpose of identifying and addressing risks to offer a safe and healthy work environment. Targets and key performance indicators on safety and well-being are continuously monitored and followed up in the management, in the local health & safety organization and in the health & safety committee.

### Health and safety management system

Health and safety work includes all three countries, Denmark, Norway, and Sweden. Health and safety work takes place in collaboration between company management and employees hence the health and safety organization have representatives from both management (Management representative) and workforce (Health & Safety representative). Systematic health and safety work is ensured through recurring meetings in the organization. Many matters relating to health and safety relate to topics that fall under People & Culture (P&C) why close collaboration between the health & safety organization and P&C is also at focus in Envidan.

Envidan A/S (Denmark), EnviDan AB (Sweden) and EnviDan AS (Norway) are subject to the laws of their respective countries. Therefore, the organization and the health and safety work within the individual country will also reflect the laws and regulations of the individual country.

New employees are introduced by Health and Safety representatives in the individual country at the individual office so that the new employee recognizes and acts according to the rules and guidelines issued by Envidan. The individual employee has access to important information about e.g.:

- The health and safety organization and related work covering both physical and psychological working environment
- Emergency plan and management
- Useful links
- Laws and regulations for each country

Registration of key figures relating to health and safety are registered with the aim of actively working for a continuously better physical and psychological working environment. The health and safety management system involves regular risk assessments and follow-up on conditions for both our own workplaces and in our projects with customers and suppliers.

KPI	AMOUNT (GROUP LEVEL)	UNIT
Illness (total, short term + long term)	4,9	%
Days lost due to injury/ The number of days lost to work-related injuries and fatalities from work-related accidents	1	#
Work-related fatalities/ The number of fatalities as a result of work-related injuries and work-related poor health	0	#
Work-related injuries/ The number of recordable work-related accidents	7	#

The statistics on illness in 2022/2023 do not distinguish between short-term illness and long-term illness. Hence these statistics do not reveal how much of the total illness of 4.9% is due to long term illness such as stress and burnout compared to short term absence due to illness. Envidan will start registering short term and long term illness moving forward, however due to GDPR, we will not be registering the cause of illness. Envidan has no work-related fatalities in 2022/23. Envidan has 7 work-related injuries — distributed between all three divisions, Denmark, Norway and Sweden in 2022/23.

SOCIAL INFORMATION	AMBITION	STATUS GROUP JUNE 2023
Illness	Illness is at a level below 3%	4,9% R12M

### Employee satisfaction and employee well-being

In our endeavor to remain an attractive workplace, we put several tools into use to measure satisfaction and well-being among the employees at Envidan. Envidan conducts an employee satisfaction survey, which also covers a legally required health and safety risk assessment. As a supplement to the satisfaction survey, a smaller well-being survey, conducted four times a year, gives us a real-time picture of well-being and the risk of stress, so that we can continuously adjust our efforts.

All in all, the employee satisfaction survey, the health & safety risk assessment, and the well-being survey increases the opportunity for dialogue about challenges in the workplace and shapes a culture that focuses on action.

SOCIAL INFORMATION	AMBITION	STATUS GROUP JUNE 2023
Employee turnover	Employee turnover is max. 10%	12,7%

### Employee satisfaction survey

Every third year, we measure the satisfaction among the employees in the Envidan Group to get the employees' assessment of how satisfied they are and how they rate the management in Envidan. The management is very aware that our success depends heavily on our employees' joy in doing their work. We believe that it is the employees' job satisfaction that leads to customer satisfaction and thus a satisfactory financial result. Envidan aims to achieve an employee satisfaction level of at least 80%, which is considered very ambitious.

The survey is a source of insight and gives the immediate leaders a tool for dialogue about development and improvement, as well as giving Envidan a good basis for identifying the areas of action that must be included in the ongoing work to create a high level of job satisfaction.

SOCIAL INFORMATION	AMBITION	STATUS GROUP JUNE 2023
Job satisfaction	The overall job satisfaction is measured continuously and at a minimum of 80 standards	78%

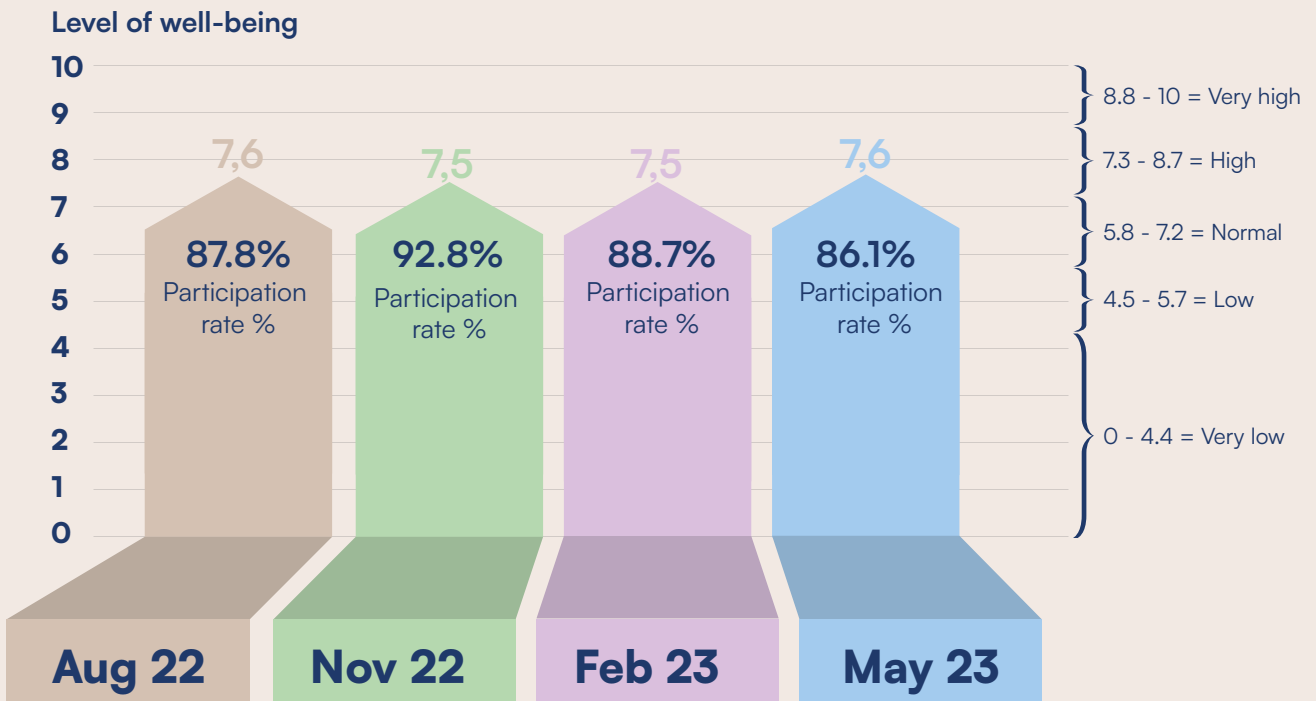
The scoring used in the job satisfaction survey is specified in GELx (the Global Employee and Leadership Index). Envidan has a strategic goal of employee satisfaction of min. 80 GELx. The job satisfaction survey and the legally required health and safety risk assessment have so far been conducted every second year. From now on and forth, these will be conducted every third year. Next employee satisfaction survey is expected to take place in 2024.

The figures for the overall job satisfaction survey are calculated at Group level. When Envidan determines specific actions in relation to the measurements, the figures are broken down and presented at division level (DK, SE, NO and Software) and department level so that the effort in the individual division or department can be targeted in the effort.



## Employee well-being survey

We focus on how we establish and maintain the necessary frameworks to allow as many people as possible to experience a healthy work-life balance in Envidan. One tool is our digital well-being survey, EVI. Through this approach, we can regularly and flexibly assess employee well-being, detecting signs of potential issues early to prevent stress and resignations. This initiative started in November 2020. The survey is conducted quarterly. The digital well-being survey are for employees, excl. student workers and interns.





# DIVERSITY AND EQUALITY

All people are equal, and we promote equal treatment. We see diversity and equality as a strength and work to increase diversity and equal treatment in all parts of the business. Everyone shall have equal rights and equal opportunities regardless of gender, gender identity or expression, sexual orientation, ethnicity, religion, belief, age, disability, or any other status.

## Gender diversity pledge and gender diversity group

Across Envidan, a group of employees — the Gender Diversity Group — headed by the Managing Director of People & Culture are working continuously with initiatives supporting gender diversity — right from developing the policy to tangible actions and campaigns. The group consists of employees who are passionate about this particular topic and who want to contribute and have an influence on Envidan's work and progress with gender diversity. The Group was formed shortly after Envidan signed the DI — Gender Diversity Pledge in 2022/23.

### ACTIONS



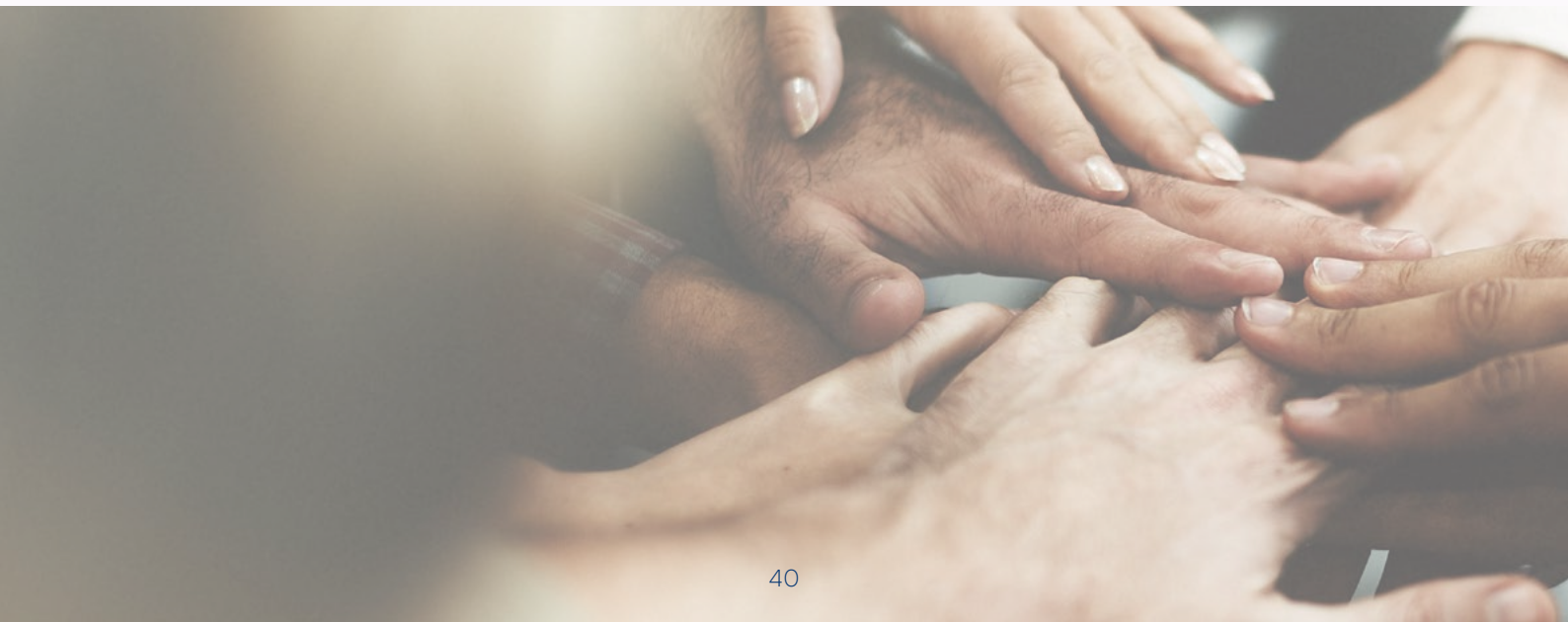
2022/23 was the year when Envidan signed DI's Gender Diversity pledge (the Confederation of Danish Industry's)

1. The gender diversity pledge is a Danish initiative under the Confederation of Danish Industry, and therefore covers our Danish organisation. However, the ambitions and content of the Gender diversity Pledge cover the entire Envidan Group, including our organization in Norway and Sweden.

2. Formation of Gender Diversity Group: We have succeeded in establishing a group of colleagues, who will contribute to the work regarding gender diversity in Envidan in close collaboration with the management of People & Culture.

3. In 2022/23, we succeeded in establishing a formal cooperation between the Gender Diversity Group and People & Culture and the employee association by including a member from the employee association in the Gender diversity Group. This ensures that we are up to date regarding what is going on among the employees and gives the management the opportunity to act correctly and on time.

The biggest contribution from the Gender Diversity Group was in the preparation of the Gender Equality Policy which was prepared in close collaboration with the management of People and Culture.



LOCATION	HC TOTAL - Per June 2023	% FEMALE	% MALE
Denmark	248	36%	64%
Norway	73	30%	70%
Sweden	101	27%	73%
<b>TOTAL</b>	<b>422</b>	<b>33%</b>	<b>67%</b>

### Gender Equality Policy

Envidan wants to be an inclusive workplace without discrimination. We aim to hire and promote employees solely based on our best evaluation of their competencies and experience. Our Gender Equality Policy will contribute to us seeing the total pool of talent, and act against discrimination based on gender.

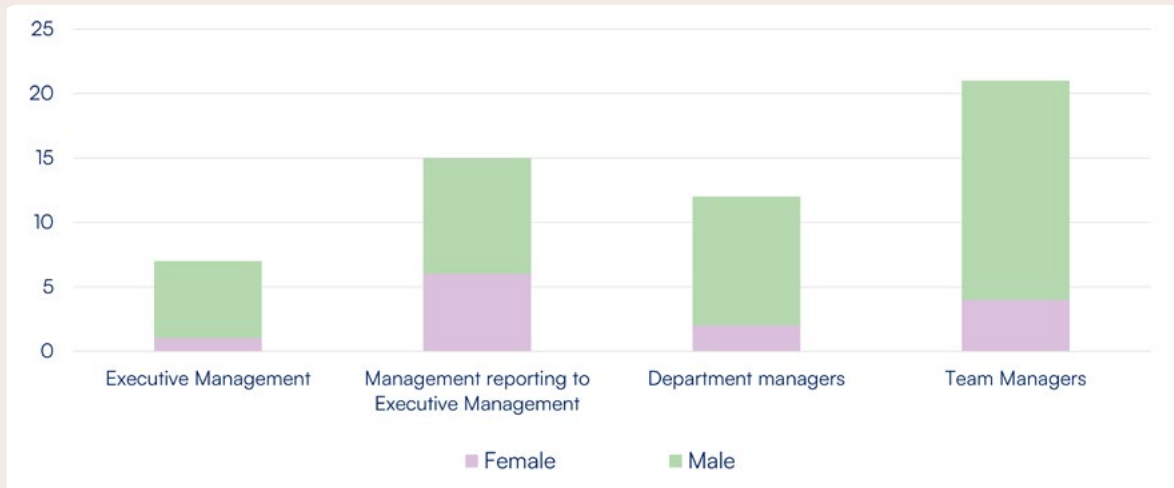
Gender equality has this fiscal year been explicitly put on the agenda by publishing our policy for Gender Equality — explicitly with a focus on equal gender representation at management levels. According to Danish legislation it is now mandatory to report on gender diversity on level 2 and 3 (Executive Management and Management reporting to Executive Management).

The Gender Equality Policy therefore contains objectives for the representation of women throughout Envidan's organization on all management positions. At the same time, we set targets for the entire employees in Envidan Group at 35% (+/- 10%) in June 2026, and 50% (+/-10%) in June 2030. When setting a goal of equal representation throughout the Envidan Group, we believe it contributes to achieving our goal of equal representation of gender at management level.

There is still some way to go before the goals for 2026 and 2030 are met in Envidan. As a central measure to contributing to the fulfilment of the goals, gender equality has become an integral part of our strategy for FY23/24 where all divisions and departments must contribute actively to achieving our objectives.

LEVEL	MANAGEMENT POSITIONS	GENDER REPRESENTATION BY JUNE 2026	GENDER REPRESENTATION BY JUNE 2030
1	Board of Directors	0%	Not defined
2	Executive Management	35% (+/- 10%)	50% (+/- 10%)
3	Management reporting to Executive Management (Incl. Heads of NO & SE)	35% (+/- 10%)	50% (+/- 10%)
4	Department Managers	35% (+/- 10%)	50% (+/- 10%)
5	Team Managers	35% (+/- 10%)	50% (+/- 10%)

## Gender representation in management



## Equal pay

Gender equality is a priority for Envidan and so is equal pay for equal work of men and women. Equal pay has been giving focus for the last many years and will continue to be going forward. Therefore, the wage statistics for men and women are continuously supervised by the Executive Management and initiatives have been and will be taken when a gender pay gap is identified. The result of the annual supervision on wage statistics will determine whether the Management believes there is a need for further measures to focus on and implement action to achieve equal pay between men and women in Envidan.

Previous initiatives, when a gender pay gap has been identified have included, extra focus on the upcoming salary negotiations by communication the gender pay gap problematic and possible actions to all managers with direct responsibility for wage negotiations in Envidan. Previous initiatives have also in special circumstances included the establishment of an extraordinary salary pool to accommodate and compensate for the gender pay gap when necessary.

In Envidan, we are committed to treating pay equality with the highest priority and we have several activities focused on ensuring that male and female employees are paid equally for work of the same value. We do not tolerate discrimination on gender.

Currently as shown in the table, we face a gender pay gap of 13%, as identified through calculations based on the European Sustainability Reporting Standards (ESRS). This discrepancy highlights the ongoing challenge of achieving pay parity between genders, a challenge that remains a focal point of our commitment to equal pay for equal work.

GROUP	GROUP AVERAGE SALARY PER HOUR IN EURO
Female	38 EUR
Male	43 EUR

However, an important contributing factor to this gap is the underrepresentation of women in senior positions within our organization, a reflection of the historical gender imbalance prevalent in our industry. This is likely part of the reason based on an analysis of seniority data, which is available for 66% of our employees. Within this group, women's average seniority stands at 15 years, in contrast to 18 years for men. Specifically, within 38% of our workforce covering engineers where seniority information is available, the average seniority is 12 years for women and 18 years for men.

Additionally, we acknowledge that the pay gap is influenced by the generally lower salary levels in support functions, which are predominantly staffed by women, compared to our higher-paid consultancy, software, and turnkey project divisions predominantly staffed by men.

These incomplete statistics underscore the need for a nuanced understanding of the root causes behind the pay gap before drawing general conclusions. To address this, we are in a process of implementing comprehensive career paths for all employees, enhancing our data collection to better inform our strategies for achieving pay equality.

Efforts to correct this imbalance include our People & Culture programs, designed to support the growth and advancement of women within our company. We are dedicated to making Envidan an appealing and supportive environment for female talent. Moving forward, Envidan is committed to closely monitoring this issue and expanding our initiatives aimed at closing the pay gap. Our goal is unwavering: to ensure equitable pay for work of equal value across our organization.

## TRAINING AND SKILLS

### Competence training and skills

Envidan is a pure people business and one of our values is being Front Runner within our business, thus it is essential that our employees are among the top-class. This calls for education, smart working, solid and global networks, and an environment of curiosity and development. To ensure an influx of the newest knowledge, continuous investments are made in training of our employees. Their expertise is the driving force behind our ability to contribute valuable knowledge and innovative solutions to our industry.

By making our research findings and professional insights available to others through presentations at conferences and academic articles, we actively contribute to knowledge sharing and the promotion of innovative solutions throughout the water sector. This contribution helps our employees grow and seek new knowledge, which naturally supports Envidan's position as leading within research and development but also contributes to strengthen the engagement between our employees and Envidan. As an example, we have developed a sustainability training program which our employees are to complete during the upcoming fiscal year 23/24. A contribution that we find crucial for creating innovative and sustainable solutions, which benefit not only our business but also our customers, partners, and society.

The individual employee's need for competence development, including the necessary need for education and training, will vary to a great extent, and is mapped at the annual employee development interviews (see below). The need for special competence development measures and/or extra resource additions is assessed, and a plan is created to concretize the necessary measures. At the employee's development interview, the manager responsible must identify the individual employee's need and desire for competence development. Results of previously initiated measures, including education and training, must also be assessed.

The company also plans a series of joint training initiatives in the form of follow-up meetings, training of project leaders and managers, professional group meetings, concept group meetings, development meetings, etc. In total, 32 hours per person was spent on training in Fiscal year 2022/23.

GROUP	HOURS	AVERAGE NO. OF EMPLOYEES (Fiscal year 2022/23)	HOURS PER PERSON
Female	4.870	132	37
Male	7.455	251	30
<b>TOTAL</b>	<b>12.325</b>	<b>383</b>	<b>32</b>

### Performance and career development reviews

The employee development interview is held at least once a year between the employee and the immediate manager. The employee development interview is an open and straightforward dialogue between employee and manager. For the individual employee, it is an opportunity to discuss their own contribution to the workplace and for the manager an opportunity to consider how the workplace can support the employee's development and well-being. This is where future tasks, expectations, competence development and more are discussed. The managers also give the employees the opportunity to align on the Group's Code of Conduct.

In Envidan, we stress the importance of our managers having a good understanding of the employees' performance and potential. As we are growing as a company, we have introduced a tool in our people management system, to ensure that our managers register what has been agreed in the employee development interviews for the benefit of both the employee and the immediate manager. This tool also serves as governance to ensure that the employee development interviews are held yearly. In the fiscal year 2022/2023, we have registered that 47% of the employees participated in the annual performance and career development reviews across the Envidan Group.



# GOVERNANCE INFORMATION



Working with the third ESG factor, Corporate Governance, ensures that a company's management demonstrate responsibility towards the impacts of its business activities and the concerns of stakeholder groups. Corporate sustainability starts with our company's value system and a principles-based approach to doing business. We as a responsible businesses enact the same values and principles wherever we are present, and make sure that good practices in one area do not offset harm in another.

In Envidan, we consider anti-corruption, anti-bribery, data protection, as well as cyber and IT security as key priorities. We want to be an organization where we protect the individual rights through a whistleblower scheme and where we are transparent about our political engagements and lobbying activities. This is our responsibility as a modern and sustainable company.

Some of the central governance topics are covered by the Governance section under General Information. This section focuses on anti-corruption, anti-bribery, data protection, cyber- and IT security, whistle-blower schemes, political engagement and lobbying activities, and how we manage relationships with our suppliers.

## CORPORATE CULTURE

The foundation for our corporate culture and business conduct is in our Code of Conduct, which provides guidance in all we do. The Code of Conduct supports the UN Global Compact's 10 principles in human rights, labour legislation, the environment and anti-corruption. Furthermore, it supports the UN's Universal Declaration of Human Rights, the UN Global Goals for Sustainable Development and the ILO's fundamental conventions concerning rights at work and the UN's Convention against Corruption.

The Code of Conduct applies to everyone in the Envidan Group, from the Board of Directors and Executive Management to every one of the employees. The content of the Code of Conduct shall be known, respected, and followed by everyone in the Envidan Group.

We expect that all employees will comply and act in accordance with Envidan's Code of Conduct and make business partners, customers, and suppliers familiar with Envidan's Code of Conduct. We require that the Code of Conduct is respected and followed by our business partners, customers, collaborators, and suppliers.

The Code of Conduct has recently undergone a major revision and Envidan is now looking into how we as a company ensure that all employees and business partners, customers, and suppliers have read and agreed with the requirements we set in our Code of Conduct. In addition, we investigate systems to handle these procedures both in relation to our employees but also in relation to business partners, customers, and suppliers.



[Click and read our Code of Conduct here!](#)



### Anti-corruption and anti-bribery

For Envidan, credibility, integrity, and work ethics are important elements when we communicate and enter collaborations with employees, our customers, suppliers, and other business partners. Therefore, it is also natural that Envidan has a clear position on how we act ethically correct to maintain high credibility and integrity and ensure a clear line in how Envidan appears as a company, both externally and internally. Consequently, the Executive Management has adopted an anti-corruption policy, and every employee is obliged to become familiar with this policy.

Envidan's anti-corruption policy is based on respect for and in compliance with:

- UN Global Compact principles
- Current legislation in the specific country
- UN Anti-Corruption Convention

The anti-corruption policy describes our positions on the prevention and handling of corruption.

The policy applies to:

- Employees, management, and members of the board
- Sub-advisors and suppliers

We also expect that our business partners do not act in violation of our anti-corruption policy in matters that specifically relate to the tasks that are carried out in collaboration with or for Envidan. Conflict of interest and anti-competitive actions are also handled in the anti-corruption policy.

### Conflict of interest

Within Envidan, we always try to avoid conflicts of interest according to our anti-corruption policy, but also other conflicts of interest that inappropriately influence the professional workplace should be avoided.

We want to avoid conflicts — real or potential — between our personal interests and Envidan's interests. We will not favor our friends, family, or other close relationships in connection with employment, procurement, sales, or other situations.

We always want to be regarded as a credible and transparent consultant. We inform our customers beforehand of any potential conflict of interest that could emerge during the execution of our services. We conduct dialogue with the customer regarding uncertainties.

### Anti-competitive actions

Envidan pursues business in compliance with the applicable competition legislation in the countries and markets in which we operate. We will not carry out actions that may lead to a breach of competition law. We act to promote healthy competition in tendering, quotation, procurement and purchasing processes. We do not accept any form of illegal anti-competitive actions, price fixing, cartel formation, or the abuse of dominant market positions. We act correctly and do not exercise inappropriate influence or manipulation intended to distort competition.

### Detection and incidents of corruption/bribery

In Envidan, we support the fight against corruption and bribery. Consequently, we expect that all employees as well as business partners will act responsibly and comply with anti-corruption requirements and policies in Envidan.

**NUMBER OF INDICATIONS, REPORTS  
OR CONFIRMED INCIDENTS OF  
CORRUPTION OR BRIBERY IN 2022/23**

→ **ZERO**

## PROTECTION OF WHISTLEBLOWERS

Envidan has established a whistleblower scheme to enable current and former employees in Envidan, to report concerns and reasonable suspicions about actual or potential breaches, which occurred or are very likely to occur, and about attempts to conceal such breaches. The whistleblower scheme is also available for suppliers, business partners, and other external parties with a connection to Envidan (“whistleblowers”).

Whistleblowers are encouraged to report suspicions and concerns as soon as possible knowing they can do so without fear of intimidation, harassment, retaliation, reprisals, discrimination, or adverse employment consequences because of such report.

In accordance with the Danish Whistleblower Protection Act, Envidan’s whistleblower scheme covers reporting of non-compliance with EU law, in accordance with the material scope of the Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law, serious breaches of applicable law, and other serious matters.

The whistleblower report goes directly to an independent and external third party who receives reports on behalf of Envidan to ensure an independent and anonymous process. The Head of Legal at Envidan is responsible for the whistleblower scheme and for ensuring that reports are handled in accordance with Envidan’s Whistleblower Policy.

So far, the whistleblower scheme has only been introduced in the Danish division of Envidan. In Sweden and Norway, the requirement that companies with more than 50 employees must have an internal whistleblower scheme comes into effect on 17 December 2023. Sweden and Norway will join the whistleblower scheme then.

**NUMBER OF REGISTERED WHISTLEBLOWER INCIDENTS IN 2022/23 → ZERO**



## POLITICAL ENGAGEMENT AND LOBBYING ACTIVITIES

Envidan are a leading sustainable water specialist in Northern Europe focusing on utilities, municipalities, and industries. We thus also see it as our responsibility to engage with public stakeholders in order to accelerate the green transition within the water cycle.

Envidan as a company does not support selected parties or selected politicians. At Envidan, we cooperate broadly with the current government, regardless of the political standpoint. We do this for the green transition.

We are happy to share our technical knowledge and enter collaborations with trade associations, independent counsels, and environmental organizations to promote sustainable development, and the establishment of political recommendations to speed up the green transition within the water sector.

## Trade association membership and contributions 2022/23:



### The Danish division are member of the following trade associations:

- DANVA: Danish Water and Wastewater Association that unite all actors in the water cycle in cooperation on sustainable solutions.
- DMT: Dansk Miljøteknologi is the industry association for ambitious environmental technology companies in Denmark.
- The Confederation of Danish Industry (DI - Dansk Industri): The Confederation of Danish Industry is Denmark's largest business and employer organization.
- FRI: FRI (the Danish Association of Consulting Engineers) is a trade association for Danish consulting firms providing consulting services, planning, and project management primarily on a technical-scientific basis.

*Spending in 2022/23 on membership fees of trade associations: 96.714 EUR*



### The Swedish division are member of the following trade associations:

- Svenskt Vatten: Assist with technical, economic, and administrative issues and represents the interests of the municipalities in negotiations with authorities and other organizations on regulations.
- VA-Teknik Södra: Develops solutions for sustainable wastewater and wastewater management in modern society. The aim is to find solutions to the water challenges of the future for the Swedish municipalities and water service companies.
- VARIM (Vattenindustrin): A trade association that has been gathering consultants, contractors, and product suppliers together in Swedish water purification since 1967.
- The Swedish Association for Water (Föreningen Vatten): A non-political and non-governmental association that works to promote proper management and care of water resources and to promote the aquatic environment.

*Spending in 2022/23 on membership fees of trade associations: 7.372 EUR*



### The Norwegian division are member of the following trade associations:

- Norsk Vann: Norsk Vann is the national interest organization for the water industry. The organization must contribute to clean water and a sustainable development of the industry by ensuring good framework conditions, competence development, and interaction.

*Spending in 2022/23 on membership fees of trade associations: 3.281 EUR*

**Total spending in 2022/23 on membership fees of trade associations : 107.367 EUR**



## MANAGEMENT OF RELATIONSHIP WITH SUPPLIERS

We continuously evaluate the collaboration in our supply chain and how we manage relationships with suppliers. This is incorporated in procurement processes in the form of evaluation, requirements, and guidelines.

Envidans purchasing activities should be acknowledged by quality, health & safety, social and environmental awareness. We shall require our suppliers to take responsibility for sustainable issues and encourage appliance with the UN Global Compact. We expect our suppliers to be well acquainted with and work according to our Code of Conduct. Preferably, we work with suppliers that hold certifications within quality, environment and working environment, or have management systems with similar requirements.

Handling of payments practices are a central topic under management of relationships and described in the following section.

### Payment practices

In Envidan, we strive to be reasonable in our payment practices, giving emphasis to the importance of timely cash flows to business partners in our value chain.

We have a standard request payment term of 45 days from our suppliers in our contractual payment terms. In Envidan, we strive to always pay our approved invoices on time and only lack of purchase approval will delay a payment. Our ambition is to have weighted average payment terms above 30 days. A month-to-month measuring and follow-up on payment terms is made and surveillance of suppliers with more than 1 yearly purchase is being contacted to secure a minimum of 30 days of payment. The status for the weighted average payment time is 29,2 days.

In Envidan, we take pride in paying on time and therefore the target is to have, at any time, 0 legal proceedings due to late payments.

**Ambition: 30 days** → **Status on average payment terms: 29,2 days**

## DATA PROTECTION AND CYBER AND IT-SECURITY

### Data protection

In carrying out its activities as a business, Envidan is obliged to collect and process personal data. GDPR, the EU regulations for data protection, applies when private companies process information about individuals (personal data). This primarily includes personal data about employees at Envidan and personal data about our customers' contact person, but also people with whom we otherwise have a connection to or communicate with in relation to our activities as a business.

Envidan has a Personal Data Policy. It is our internal policy for the processing of personal data, which must be complied with by all employees at Envidan. The personal data policy describes how personal data must and can be collected, stored, used, shared, archived, and deleted or otherwise processed, for Envidan to meet our established policies. The policy thus sets the framework for how we process personal data internally at Envidan. The personal data policy applies to:

- The Board of Directors and the Executive Management
- All employees
- All suppliers who work on Envidan's behalf

The personal data policy is part of our overall policies, including IT-security policies, which generally describe the importance of the work with information security in Envidan and our level of ambition for this.

### Cyber and IT security

IT systems are considered, second only to employees, as Envidan's most critical resource. Great emphasis is therefore placed on operational reliability, quality, compliance with legislative requirements and user-friendly systems. Cyber- and IT security is a part of our risk management, with the continuous process of identifying, analyzing, evaluating, and addressing cyber security threats. IT security is a necessary part of Envidan's protection of business assets and activities. We have implemented several processes and activities to assure our customers, partners, and ourselves in terms of IT security.

Our IT infrastructure is continuously scanned for external threats. Again this year, we conducted a penetration test, inviting external consultants to try to hack our systems. The penetration test was carried out both inside and outside our network to identify possible threats, as well as to test whether we have implemented the necessary means to resist any attack. We passed this test.

In our software products, we apply industry standards for security such as encryption of databases (Encryption at Rest) and data transfer (Encryption in Transit). Hosting wise, we make use of Microsoft Azure Cloud, in which Microsoft Defender scans and monitors for malware attacks. In terms of user access and administration, we support Azure AD integration and not least we adhere to the forthcoming NIS2 introducing 2 factor login.

In addition to activities mitigating external threats, we have ongoing focus on internal IT security and frequently conduct analyses of our internal IT security. Further to this, we have implemented new test management measures such as automated testing and automatic analysis of software prior to release. Yearly, we go through an ISAE 3402 certification that shows Envidan has the right procedures and controls in place to work with and deliver software. The ISAE 3402 certification is testament to our strong quality and security processes.

Assessment of security risks is compared with Envidans situation, position in society, and the interest of the services/products for the outside world.

Our IT security policy applies everywhere in Envidan's Danish, Norwegian and Swedish departments and subsidiaries. The policy applies to all employees in connection with the use of desktop and laptop computers, smartphones, and other mobile devices connected to the company, regardless of work-related and private use.

Relevant parts of the IT security policy apply to business partners in their work for Envidan independent of their location.

**NUMBER OF IT-SECURITY  
BREACHES IN 2022/23**



**ZERO**



# KPI INDEX

	UNIT	AMOUNT	SECTION + PAGE NUMBER
<b>ENVIRONMENTAL</b>			
Scope 1 emissions	Ton CO2-eq.	96	Our GHG-emissions, p.28
Scope 2 emissions	Ton CO2-eq.	116	Our GHG-emissions, p.28
Scope 3 emissions	Ton CO2-eq.	1585	Our GHG-emissions, p.28
Total emissions	Ton CO2-eq.	1797	Our GHG-emissions, p.28
GHG emission per FTE (own operations, e.g. office activities)	Ton CO2-eq.	5,3	Our GHG-emissions, p.28
Total energy consumption	MWh	2313	Energy, Our energy use, p26
Renewable energy consumption/ Total energy consumption in MWh related to own operation disaggregated by renewable sources	MWh	833	Energy, Our energy use, p26
Hazardous or radioactive waste	Tonnes	0,28	Waste, our waste, p.34
<b>SOCIAL</b>			
Total number - breakdown in gender and country (DK, Fem/Male)	# %	90/158 36/64	Diversity and equality, gender diversity pledge and gender diversity group, p. 41
Total number - breakdown in gender and country (SE, Fem/Male)	# %	34/86 27/73	Diversity and equality, gender diversity pledge and gender diversity group, p. 41
Total number - breakdown in gender and country (NO, Fem/Male)	# %	22/48 30/70	Diversity and equality, gender diversity pledge and gender diversity group, p. 41
Employee turnover - rate	%	12,7	Employee satisfaction and employee well-being, p.38
Annual employee survey satisfaction	Y/N	Y	Employee satisfaction survey, p.38
Employee survey participation rate	%	86,1	Employee satisfaction survey, p.39
Employee survey satisfaction rate	%	78	Employee satisfaction survey, p.38
Employee survey satisfaction score	Score	7,6	Employee well-being survey, p.39
Total number of Executive Management members	#	7	Gender equality policy, p.42
Number of women in the Executive Management	#	1	Gender equality policy, p.42
Work-related injuries / The number of recordable work-related accidents	#	7	Health & Safety management systems, p.37

	UNIT	AMOUNT	SECTION + PAGE NUMBER
<b>SOCIAL</b>			
Days lost due to injury / The number of days lost to work-related injuries and fatalities from work-related accidents	#	1	Health & Safety management systems, p.37
Work-related fatalities / The number of fatalities as a result of work-related injuries and work-related ill health	#	0	Health & Safety management systems, p.37
Illness rate	%	4,9	Health & Safety management systems, p.38
Male average earnings	EUR per hour	43	Equal pay, p.42
Female average earning	EUR per hour	38	Equal pay, p.42
The male-female pay gap	%	19,0	Equal pay, p.42
Percentage of employees that participated in regular performance and career development reviews - Male	%	47	Training and skills, p.43
Percentage of employees that participated in regular performance and career development reviews - Female	%	50,1	Training and skills, p.43
Average number of training hours per person for employees - Male	#	30	Training and skills, p.43
Average number of training hours per person for employees - Female	#	37	Training and skills, p.43
<b>GOVERNANCE</b>			
No. of cybersecurity or data breaches	#	0	Cyber and IT security, p.49
Total number and nature of confirmed incidents	#	0	Anti-corruption & anti-bribery, p.45
Average time the undertaking takes to pay an invoice	Days	29,2	Payment practices, p.48
Number of legal proceedings (currently outstanding) during the reporting period for late payments	#	0	Payment practices, p.48



This report has been authored by Envidan A/S  
Vejsøvej 23, 8600 Silkeborg, Denmark  
[www.envidan.com](http://www.envidan.com)