The Original pencil

GHG Report

The Narrative

Scope 1 · 2 · 3



Sprouts





Blossoming Responsibility

Transforming how we share vital carbon info

As new rules start rolling in, Companies are encouraged to share information about their carbon emissions.

At SproutWorld, we're not just following the rules; we're stepping up with openness and green vibes. We're using the GHG Protocol – that's the tool we use to figure out our carbon footprint – to share the deets on emissions in three key areas. GHG protocol works with 3 scopes of CO₂e emissions.

Scope 1 is all about our own direct emissions. Scope 2? That's the indirect emissions from the electricity, heat, or steam we get from elsewhere. And Scope 3? That's the tricky one – emissions from external sources tangled up in our product's journey and our everyday operations.

Our customers need to do the same. Calculating their Emission emits in each Scope. As a vendor we are part of their Scope 3.

Scope 3 emissions are like navigating a maze – intricate and challenging because vendors have to provide the emission data. But that's where SproutWorld steps in. Our GHG report is an open book, and because of that, our customers can throw their SproutWorld purchases into their scope 3 mix. We're not just counting our carbon chickens; we're making it easy for our customers to count theirs.

It's a straightforward calculation. We have the emission data for each pencil in our Scope 1 and 2 assessments. Customers can simply multiply this figure by the total quantity of pencils purchased for an accurate assessment

SproutWorld - where being sustainable isn't just a buzzword; it's our way of life

Every daisy on Every daisy on decrease our mission to decrease carbon footprint





Our credible carbon calculation

Following global standards

To ensure the credibility of our precise carbon footprint calculation, we rely on the internationally respected GHG Protocol. This tool classifies our carbon footprint across all our activities, providing a trustworthy framework for evaluating our environmental impact

Our carbon footprint calculation is divided into three classifications, known as Scopes. These are:

Scope 1

Direct Emissions

Direct emissions from all owned or controlled sources

Scope 2

Indirect Emissions

Indirect emissions from purchased electricity, heat, or steam.

Scope 3

Indirect Value Chain Emissions

All other indirect emissions in the value chain. Emissions generated by external sources, yet integral to the overall product life cycle and essential business operations.

Scopes 1 and 2 are within our control, allowing room for our company to make improvements, but Scope 3 is beyond our control, relying on second- and third-party decisions.

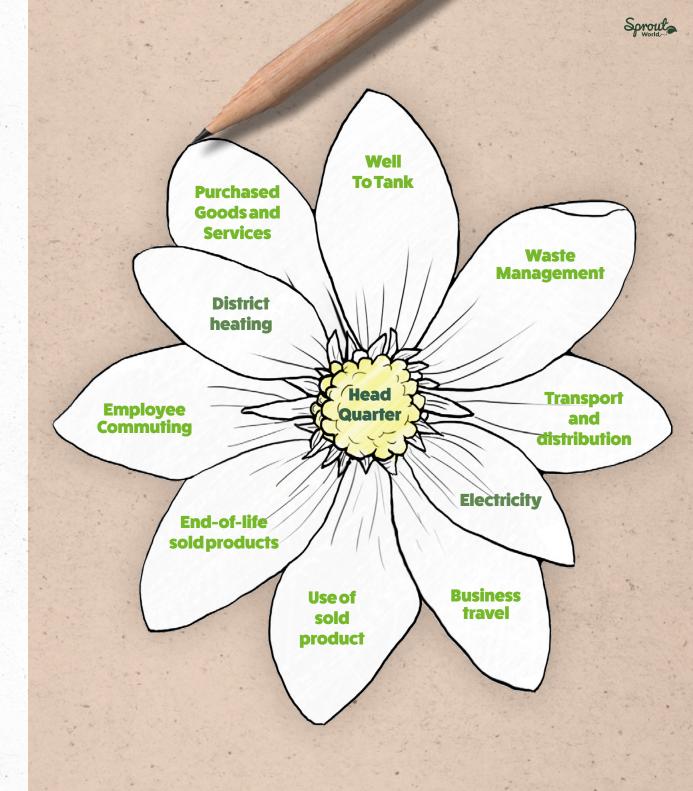
Our activities dived into scopes

SproutWorld's carbon footprint. Divided into scopes:

Scope 1

Scope 2

Scope 3



Our activities dived into data

SproutWorld's carbon footprint. Divided into data in each scope:

EMISSIONS	2021	2022	2023
Scope 1	9,3 t. CO2 eq.	1,5 t. CO2 eq.	_
Scope2	0,3 t. CO2 eq.	2,5 t. CO2 eq.	<u>-</u>
Scope 3	248,3 t. CO2 eq.	240,6 t. CO2 eq.	-

FROM 2021 to 2022:

Within our control **Scope1+2** = less 5,6 t. C02 eg.

Out of our control **Scope3** = less 7,7 t. C02 eg.

13,3†CO₂ eg in perspective:

Driving:

Like 48,000 kilometers in a car.

Electricity:

Equal to 2 years of household usage.

Air Travel:

Roughly 4,7 round-trip from NYC to London for one pers.





Why is our Scope 1 & Scope 2 important for our customers and all companies

In the context of serious sustainability and foreseeing future regulations, companies aim to calculate their total carbon emissions. Knowing the exact emissions from each vendor in the supply chain is essential. Our Scope 1 and Scope 2 calculations offer customers a clear understanding of how much SproutWorld contributes to their Scope 3 calculation

It's a straightforward calculation. We have the emission data for each pencil in our Scope 1 and 2 assessments. Customers can simply multiply this figure by the total quantity of pencils purchased for an accurate assessment Contact our <u>sales team</u>, who can help estimate an accurate assessment.

Example:

Add amount of bought pencils	100.000 pcs.
Your SBTi Scope 3 emission from SproutWorld*	400 kilo
and the same of th	



400 kilo CO2 eg in perspective:

Driving:

Equivalent to 2800 kilometers in an average car.

Electricity Usage:

Like two month of consumption for an average household.

Air Travel:

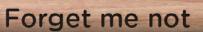
One way flight from London to Berlin for one pers.

Daisy

Become Net-Zero

Target and Goals for 2029

Goals for future GHG report







Becoming Net-Zero in 2029

At SproutWorld, our goal is to achieve net-zero emissions by 2029, a remarkable eleven years ahead of the deadline set forth in the Paris Agreement, which mandates that companies worldwide achieve net-zero emissions by 2040

To achieve net-zero, we're taking actions to cut down on our emissions as much as possible. We're transitioning to cleaner energy sources, such as solar power, instead of relying on fossil fuels like coal or oil, which produce a lot of greenhouse gases when burned.

We're also supporting projects that remove greenhouse gases from the atmosphere, such as planting trees or restoring wetlands.

By doing these things, we aim to balance out the greenhouse gases we produce with those we remove or offset. In other words, we're striving to have no overall impact on the amount of greenhouse gases in the atmosphere, which helps us combat climate change.

Progressing towards Net-Zero presents challenges, relying on third parties and emerging technologies. Despite this, we remain dedicated to driving change in line with our objectives.

If questions please contact our Sustainability Director Sidsel Lundtang Rasmussen: sl@sproutworld.com





Our agreement with SBTi, 2040

At Sproutworld, we're taking decisive action on climate change by setting science-based targets (SBTs). We began with a thorough assessment of our carbon footprint and collaborate with experts to develop ambitious yet achievable emissions reduction goals. Partnering with the Science Based Targets initiative (SBTi) ensures our targets are grounded in science. Their validation is a testament to our commitment to transparency and driving real change.



Base year 2021	2030	2040
Scope1	42% reduction from base year	95 % reduction from base year and removal of remaining GHG emissions
Scope2	42% reduction from base year	
Scope 3	Measure and reduce GHG emissions	,-+-
		11



Our agreement with ourself, 2029

Reaching Net-Zero eleven years ahead of 2040

Our primary focus is achieving net-zero emissions by 2029 through strategic measures. Engaging in dialogue and collaboration with our supply chain is a key aspect. In early stages we aim to transition from 50% to 90% green energy in our main production facility in Poland, emphasizing the expansion of solar cell production and exploring local green energy alternatives. And transition to innovative technologies at a later stage.

Shifting from spend-based to activity-based accounting, we will gather detailed information throughout our entire value chain and collect scope 1 and 2 data from suppliers. To reduce carbon footprint, we commit to eliminating air transport within the EU by discontinuing 'fast delivering' via flights.

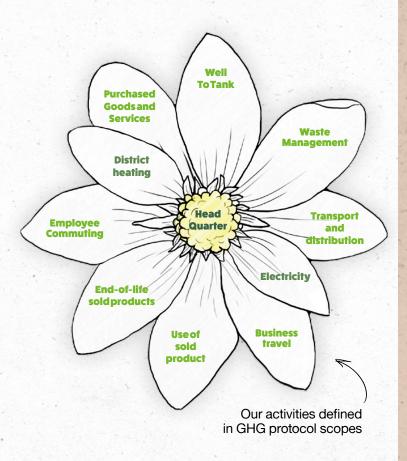
Additionally, for the US market, we plan to eliminate air transport within the US by establishing production locally. These concrete steps underscore our dedication to achieving our net-zero goal by 2029."



Base year 2021	2025	2029
Scope1	50% reduction from base year	95% reduction from base year and removal of remaining emissions
Scope 2	50% reduction from base year	
Scope 3	Measure and define short-term goals. KPI's will be set for emissions related to the turnover	



Concrete actions towards 2029



Activities	Scope	2024	2025	2026	2027	2028	2029
Direct Emmisions	1	Only one company car and it will be an electric car					
Indirect Emmisions	2						
Purchased Goods and Services	3	Production: Consultants:	From 50 (Expand solar From 50 (Expand solar From 50 (Expand solar From 50 (Expand solar From 50 (Expand solar) From 50 (Expand solar)	% to 90 % gree cell production and e % green energy — Supply Chair y collaborating with su nd-based to act	engagement ta ppliers to reduce our can energy in Pol- xplore local green ener y to 90 % green en engagement ta ppliers to reduce our can cativity-based account of the cativity- lue chain. We'll collect	and production gy alternatives) energy argets ollective environmenta counting based carbon account	footprint) ng gathers detailed
Well-To-Tank	3	To reduce We	II-To-Tank impac	t, we'll dim ligh	ts and bike to w	vork	
Waste Management	3	We continually	y enhance waste	sorting and m	inimize food wa	ste	
Transport and distribution	3	(We stop offering "fa	ransport within last delivering" which me Eliminate air trai (Production for the US	eans by flight) nsport within U	S		· · · · · · · · · · · · · · · · · · ·
Business travel	3	We aim to keep it to a minimum, focusing only on necessities					
Use of sold product	3	We source sustainable packaging materials – preferably second-life materials					
End-of-life sold products	3	We focus on o	creating product	s for a circular	economy, reduc	cing waste	3-1 6



GHG inventory

SproutWorld's total emissions in scope 1, 2 and 3.

Base year 2021 and real $\rm CO_2e$ emission numbers for 2022 and 2023.

Categories		Emission (ton CO ₂ e)		
	Scope	2021	2022	2023 ⁻
Direct Emissions	1	9,3	1,5	xx
Purchased Energy	2	0,3	2,5	xx
Purchased Goods and Services	3	209,1	197,1	XX
Well-To-Tank	3	4,3	3,5	xx
Waste	3	0,0	0,0	xx
Business Travel	3	0,0	3,3	xx
Employee Commuting	3	14,4	7,2	xx
Downstream Transport	3	21,0	26,2	xx
Use of Sold Products	3	-0,4	-0,6	xx
End-Of-Life Sold Products	3	0,0	0,0	xx
Total		258	240,6	xx

^{*} The climate accounts are being prepared but collecting accurate data from scope 3 in 2023 takes time and will be ready for publication during 2024.



GHG inventory target for 2029

Net-Zero 2029

We have set a realistic target to achieve. Our goal for reducing greenhouse gas emissions (GHG) by 2029 is to reach 12,9 tons of CO2e emissions 2029. To achieve this goal, we are committed to reducing our emissions throughout the value chain, without relying on carbon offsetting through tree planting projects. While this target does not represent net-zero emissions, we recognize that achieving absolute net-zero emissions is incredibly challenging due to current technological limitations and industry practices. Nevertheless, we are dedicated to making significant progress towards this goal by continuously improving our operations and minimizing our environmental impact in every aspect of our business.

12,9t CO2e in perspective:

It's akin to the emissions generated by driving a car for roughly 35.000 kilometers in a year, given an average car emits about 0.23 kilograms of $\mathrm{CO_2}$ e per kilometer.

Categories		E	Target (ton CO ₂ e)		
	Scope	2021	2022	2023*	2029
Direct Emissions	1	9,3	1,5	XX	0,46
Purchased Energy	2	0,3	2,5	XX	0,013
Purchased Goods and Services	3	248,3	236,6	XX	12,42
Total		258	240,6	xx	12,90

^{*} The climate accounts are being prepared but collecting accurate data from scope 3 in 2023 takes time and will be ready for publication during 2024.



Emission Plan vs Current Actuals for Scope 1,2& 3



