



**GODT SMIL Holding ApS**

# SCOPE 1 & 2 BASELINE REPORT

2021

# TABLE OF CONTENTS

- 1 Introduction
- 2 Results
- 3 Methodology
- 4 Policies
- 5 Climate strategy



GHG INVENTORY

# INTRODUCTION

## Introduction

# Executive summary

This report presents the climate accounting baseline results of Godt Smil Holding ApS. The report showcases two result scopes: Scope 1 & 2.

In order to assess the environmental profile of the company, Godt Smil Holding ApS has conducted a full scope 1 and 2 inventory relating their activities to GHG emissions. The inventory shall serve as a reference for future initiatives on lowering the climate impact from business related activities, in accordance with the Greenhouse Gas protocol\*. Therefore, the reason to carry out the corporate carbon footprinting is to obtain a solid data foundation for decision making on operational, tactical and strategic business management.

\*Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. The report content is presented upon requirements from chapter 9.

Figure 1.1: Absolute result Scope 1 & 2

TOTAL EMISSION:  
**548,4** tCO<sub>2</sub>e  
Scope 1 & 2

Figure 1.2: split share of the scope 1 & 2 inventory

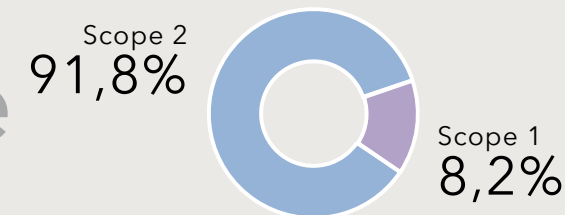
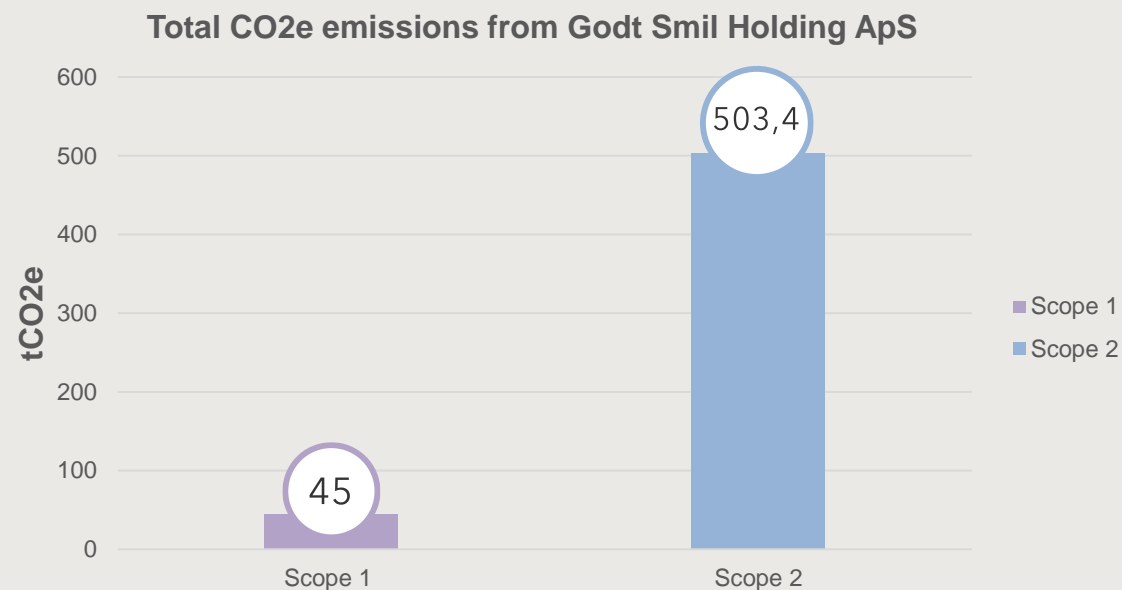


Figure 1.3: Absolute tCO<sub>2</sub> emissions of the scope 1 and 2 inventory



Org. boundary: Operational control



Base year: 01.01.2021 - 31.12.2021



Third-party verification: No

## Introduction

The voluntary 'Greenhouse Gas Emissions Inventory Report' hereinafter referred to as 'the GHG Report', describes the emissions and details of the inventory of GHGs for Godt Smil Holding ApS. The report is published to transparently disclose to stakeholders the environmental aspects of the company's facilities, procedures and services. The report supports the purpose of measuring, monitoring, and managing the environmental performance of Godt Smil.

This inventory is produced by the recommended principles and criteria from the GHG Protocol Corporate Standard revised edition (2004).

Baseline year: 2021

### RELEVANCE

Company characteristics, stakeholder needs, organizational structures, business context and relationships

### COMPLETENESS

All emissions within their chosen inventory boundary and, If some emissions estimated insufficiently, document and justify these instances

### CONSISTENCY

Consistently apply inventory boundaries and calculation methodologies, and document and justify any changes to these

### TRANSPARENCY

A clear and factual manner to allow users to confidently interpret the data

### ACCURACY

Credible enough to use in decision making and that uncertainties should be reduced as far as is possible

### CONSERVATISM

Utilizing conservative estimates in to gain a complete representativeness of activities and emissions

# PURPOSE AND ORGANISATIONAL BOUNDARIES

## 1.1 Purpose

The GHG emissions report has been performed in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. It includes all required information, except those details that the standard does not consider mandatory and has not been considered relevant following the principle of relevance. This report presents the GHG inventory and calculations results, which were carried out with the input from an internal steer-group representing the company in Denmark, supplying the inventory with relevant activity data.

## 1.2 Organisational boundaries

- Equity share
- Financial control
- Operational control

The organisational boundaries are set upon the consolidation approach of combining emissions data from separate operations in 'Operational control' by having the authority to introduce and implement operating policies. As Godt Smil has control over all internal operations, the company can greatly influence the reduction of emissions. The company has control over administrative costs and access to the necessary data for preparing the inventory.

## Introduction

### Description of the reporting organization:

Godt Smil Holding ApS is a dental administration who has entered an incorporated joint-venture with 30 independent dental clinics in Denmark. Due to the role of Godt Smil Holdings in this partnership, the operational control is chosen as the best suited consolidation approach, where Godt Smil Holding accounts for 100% of emissions from all the clinics and holds an ownership of 49%. The role of Godt Smil Holding ApS includes annually accounts for the clinics as well as procurement of services and goods, and negotiations and obtaining offers from suppliers. Beside the Administrative part, Godt Smil Holding ApS also consist of a Dental lab who provides prosthetics in a close collaboration with the clinics. Together with the clinics, Godt Smil holding ApS is hence a dental caretaker who perform all the treatments needed to maintain a healthy oral practice. Since the clinics do not carry out any kind of climate accounting, Godt Smil Holding ApS will take full responsibility of the climate accounting.

### The baseline calculation will serve the following purposes:

- Measuring and tracking company emissions
- Increase the internal knowledge about the company's sustainability profile
- Communication to a broader group of stakeholders.  
Year of inclusion: 2021
- Commitment to the Science Based Target initiative (SBTi)



## Introduction

### Completeness overview of the climate accounting

#### Limitations and exclusions:

The following threshold is set to indicate and conclude on the relevance and exclusion of a location according to its emitting activities via market-based calculations:

The location emits GHG sources less than or equal to 2% of the inventory year in total, if; The total of exclusions does not exceed 5% of the total issuance.

Any changes to the activities and characteristics of locations, facilities and number of employees that might lead to a change in emissions will be tracked with a maximum interval of 5 years.

#### Scope 1 & 2 coverage

Period of coverage: 01.01.2021 to 31.12.2021

All relevant activities on behalf of the 30 clinics under the integrated joint-venture which Godt Smil Holding are part of and hereby accounting for 100% of emissions under operational control, as the sole reporter on climate related data for all clinics.

	Area/activity	Inclusion	Data completeness
<b>Scope 1</b>	Transport emissions (owned vehicles)	✓	Included 100% for all locations
	Direct emissions from stationary combustion	✓	Included 100% for all locations
	Fugitive emissions	✓	Air condition in some facilities
	Process emissions	Not relevant	No process emissions
<b>Scope 2</b>	Purchased electricity	✓	Included 100% for all locations
	Purchased heating	✓	Included 100% for all locations
	Purchased cooling	Not relevant	No purchased cooling
Obligatory 'Out of scope emissions'	Biogenic emissions	✓	Included mainly from biofuels
<b>Scope 3</b>	Excluded as of now		





SCOPE 1 & 2 INVENTORY

**RESULTS**

## ABSOLUTE TOTAL EMISSION:

548,4 tCO<sub>2</sub>e

Market-based

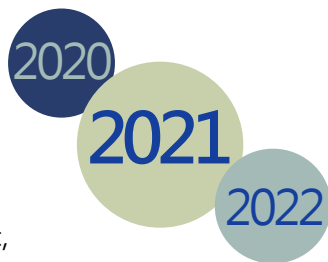
Baseline year, 2021

## RESULTS

# Inventory information

## Base-year information

The base-year, 2021, was chosen on behalf of being a full calendar year with historical data, where 2022 showed lower data quality. The threshold for a Base-year recalculation is set to be: **5%** difference of GHG emissions in base-year inventory. For further explanation and context, visit policy section



## Activity data

In the process of collecting inventory data for each included activity, a log has been made according to the data quality hierarchy, which can be seen in the methodology section. The data presented in this report are produced with the ambition of achieving accuracy, which is credible for decision making, and uncertainties have been reduced as far as is possible.

All data points logged as low are from Primary data. As no meters are used to account for tenants' consumption, a more precise split has not been possible.

In total, a split of data quality according to registered measure points (71 registrations in total) and share of emissions according to the data quality hierarchy has been made, along with a log for each scope category, see graphs to the right. Low data quality registrations are exclusively due to the allocation key used for energy accounting in facilities where tenants are being billed from landlords on behalf of square meters operated.

Figure 2.1: Data quality - number of measure points

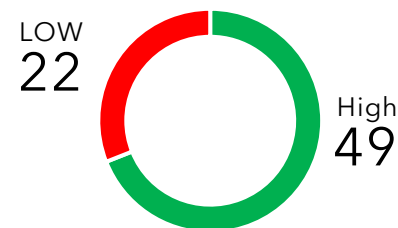


Figure 2.2: Data quality - share of absolute result

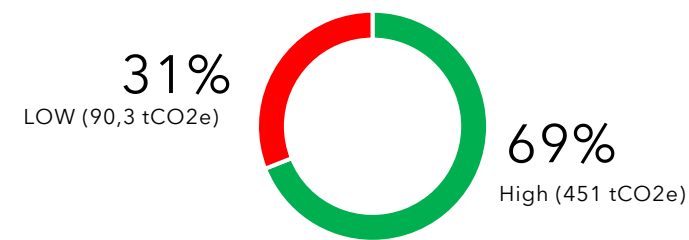


Figure 2.3: Data quality - scope 1v - share of emissions in category

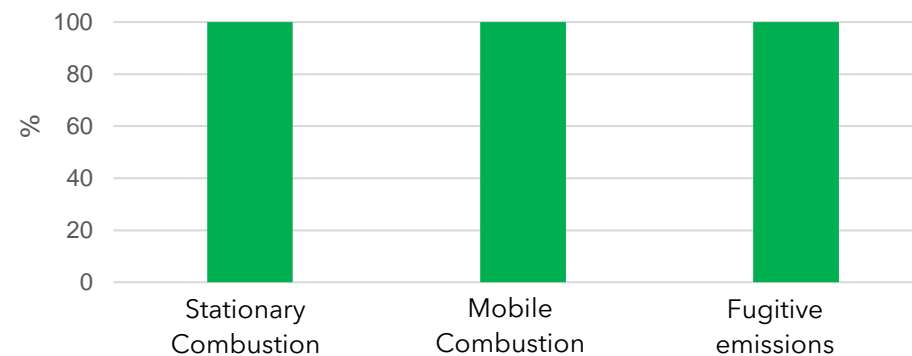
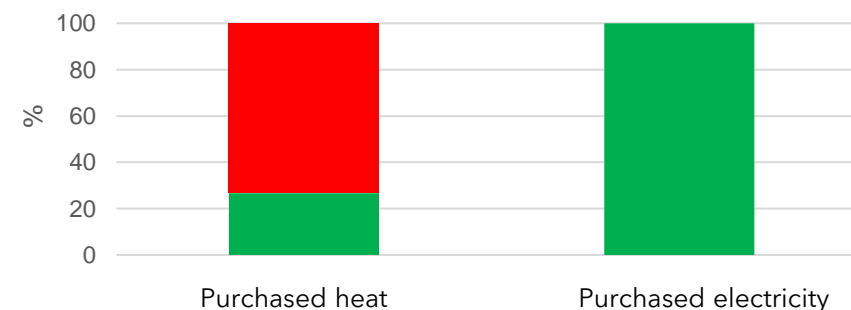


Figure 2.4: Data quality - scope 2 - share of emissions in category



All shares are calculated with Market-based emissions

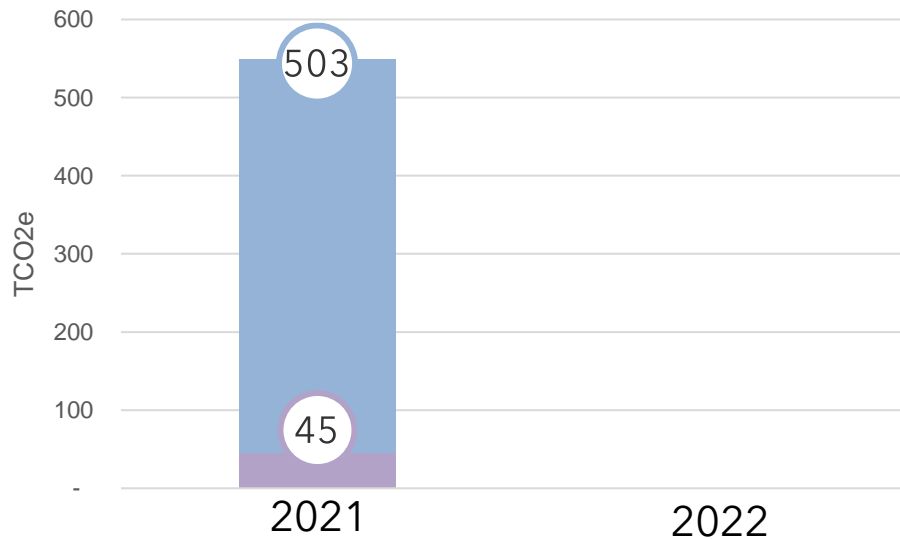
## RESULTS

# Total emissions absolute

## Total inventory emissions

As a result of the full CO<sub>2</sub> inventory calculation, the absolute emissions of all activities performed by Godt Smil Holding ApS in scope 1 & 2 are presented in figure 2.5 below. The absolute baseline result and future scope 1 & 2 results are reported with the use of the marked based methodology. For further information in this, please visit the methodology section.

Figure 2.5: Total inventory emissions: marked-Based results



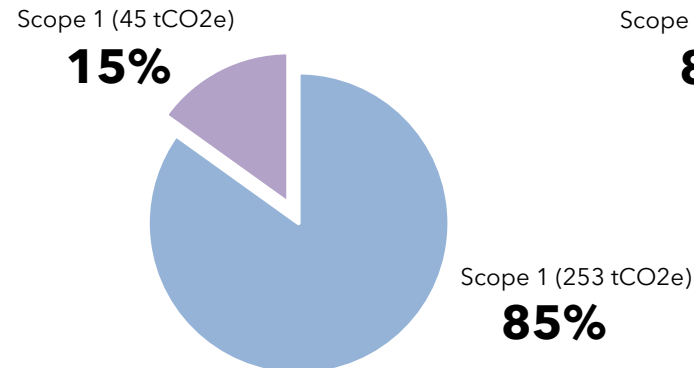
**Info box** It is suggested by the GHG Protocol to showcase results from both methodologies, to show data transparently. Further, it showcases the relation between CO<sub>2</sub>e emissions from electricity usage and grid factors, emphasizing the need for collaborations between private and public actors in the energy market.

## Scope breakdown - Total Scope 1 & 2 emissions

In this inventory, two scopes have been used for the investigation and calculation of CO<sub>2</sub> emissions related to Godt Smil Holding ApS activities. In the baseline year 2021, Godt Smil Holding ApS is not using any certificates for the purchased of electricity (e.g. guarantess of Origin). As the Maked-based emission factors is higher due to the residul electricity mix, a large result in tCO<sub>2</sub>e emissions is produced. It is planned to utilize certificates in future inventory accounting.

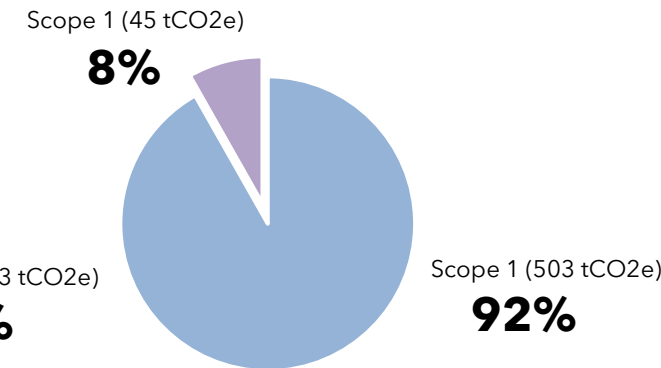
### Location-based

Figure 2.6: Scope breakdown, Location-based



### Marked-based

Figure 2.7: Scope breakdown, Market-based



## RESULTS

# Relative indicators

### Total inventory emissions in key ratios

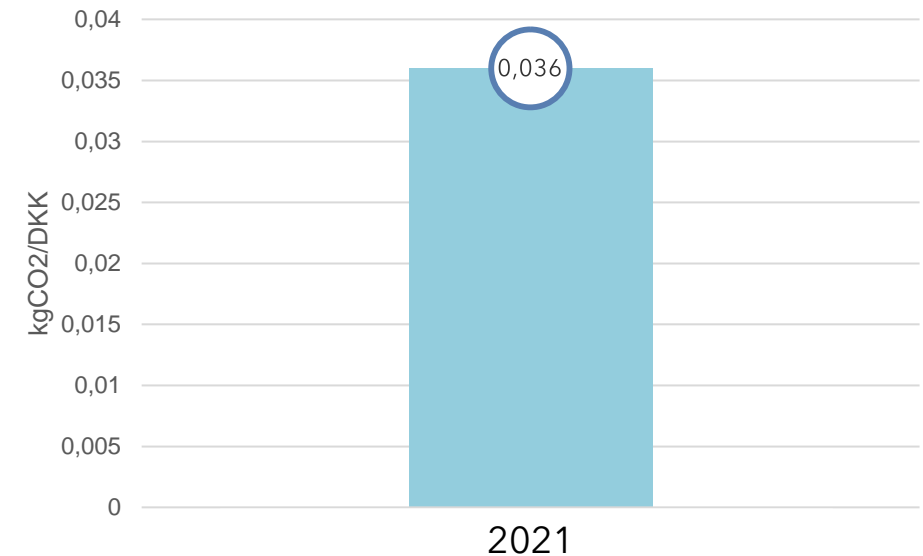
The relative indicator divide the absolute emission of the market-based method into a relative unit of selected business metrics. For this report, the revenue has been chosen as a business indicator.

The relative indicator are useful when managing emissions according to performances or assets and can represent emissions relative to changes in company size and activities.

With a revenue of 15.214 mDKK for 2021 Godt Smil Holding ApS Emits 0,036 kg/CO<sub>2</sub>e for every Danish krone earned.

**Info box:** When reporting by a decentralized approach, the GHG Protocol requires ratio indicators to be reported. Further, these indicators are useful when making GHG reduction plans with intensity targets. Here, the target goal is to reduce the ratio of emissions relative to a business metric over time.

Figure 2.8: CO<sub>2</sub>e intensity of revenue (DKK)



## RESULTS

# Renewables & biogenic emissions

## Electricity certificates

In the baseline year 2021, no certificates (e.g. Guarantees of Origin) or Power Purchase Agreements (PPAs) have been utilised.

Figure 2.9: List of certificates used in the baseline inventory

Location of use	Certificate provider	Certificate requirements	Energy source	Certificate coverage
Denmark	None	None	None	%

**Info box:** Purchased certificates stating the acquired amount of electricity from renewable sources (according to current market trade methodology) can be used in market-based calculations and are named Renewable Energy Certificates (REC) in North America and Guarantees of Origin (GO) in Europe.

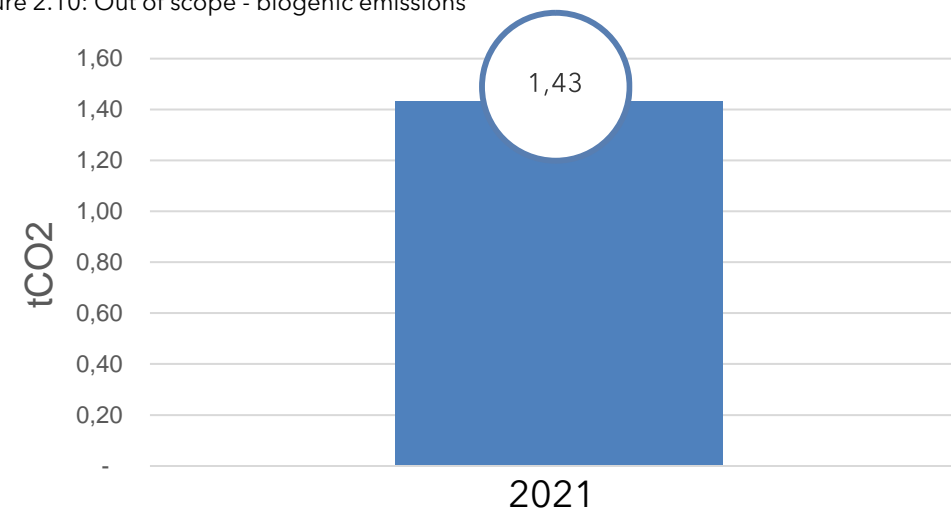
## Out of Scope emissions

### Direct CO2 emissions from Biogenic combustion

The biogenic emissions from combustion of fuels with a share of biofuels are illustrated in figure 2.10 below, to show data on emissions categorized as 'Out of Scope' transparently. The biogenic emissions are calculated from the activity 'mobile combustion' and the tCO2 is derived from the share of biofuel blend in petrol and diesel. Calculations are based on the product datasheet from the fuel supplier used for vehicle activities. For more information on the accounting methodology, please visit the methodology section.

It is known that the Danish energy sectors utilises biomass for the production of both electricity and heat. Due to a lack of data insight from energy institutions towards a split in emission factors, no 'out of scope' emissions have been reported from scope 2.

Figure 2.10: Out of scope - biogenic emissions





GHG INVENTORY

# METHODOLOGY

## METHODOLOGY

# Data inventory

The activity data for the Scope 1 & 2 inventory is compiled from a string of meta data, shown in figure 3.1. The activity data is then qualified through the data quality hierarchy shown in figure 3.2

**Primary - Measured** (HIGH quality. This is data measured directly within the organisation, for example by reading meters for gas or electricity usage.)

**Primary - Calculated** (MEDIUM quality. This is data calculated based on input from own organisation, for example km driven)

**Primary - Estimated** (LOW quality. This is data estimated based on input from own organisation, for example petrol use based on km driven)

**Secondary - Measured** (HIGH quality. This is data retrieved from a valid external source, for example invoices and bills from electricity and gas providers)

**Secondary - Calculated** (LOW quality. This is data calculated based on an external source, for example allocating a buildings overall electricity use, based on an office's rented m2)

**Secondary - Estimated** (LOW quality. This data is estimated based on an external source., for example estimating 2018 office electricity based on 2019 electricity bills)

Figure 3.1: Meta data string

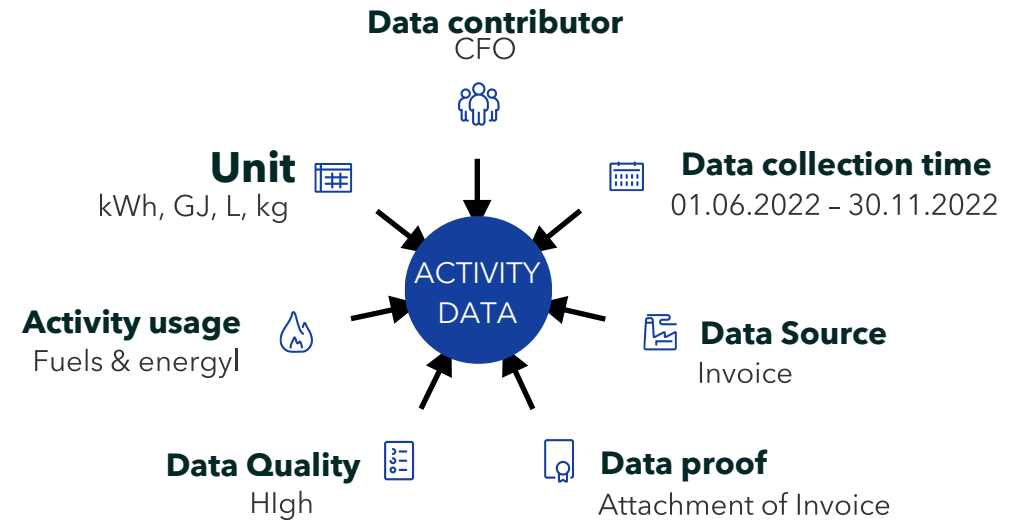
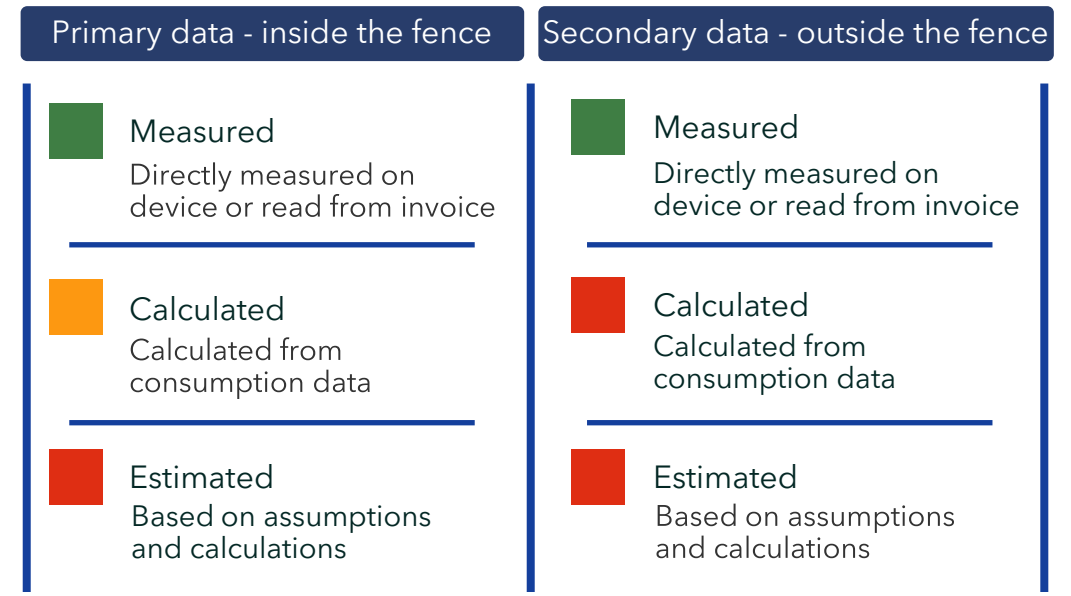


Figure 3.2: data quality hierarchy





## METHODOLOGY

### Exclusion

In the Scope 1 & 2 inventory, company wide activities were screened and included after relevance. Where datapoints were not sufficient, exclusion were made.

#### Exclusion:

Electricity data from Randers and heat data from Horsens was not included based on missing data. It has not been possible to collect activity data on the two locations because of a delay in the yearly accounting and thereby the invoices.

#### Future:

When the full accounting has been done, a recalculation of the climate accounting will be made. If the total result of the accounting increases with more than 5% of the baseline result, a recalculation of the report will be made.



# Emission calculation approach

Measure points were calculated with the following formula (using conversion factors in tCO<sub>2</sub>e): Activity data x emission factor = tCO<sub>2</sub>e

## Approach

Each emission factor must be complemented with a basic methodology:

- Inclusion of greenhouse gases
- origin or database name and version
- time period the emission factor is valid for
- units
- assumptions and calculations for performing conversions.

If the emission factor is modified from the database, a methodology and results approach have to be documented.

## Scope 1

### **Stationary combustion:**

Market average emission factor from dataset.

### **Company vehicles:**

Supplier specific emission factor

### **Refrigerants:**

Gas specific emission factor from dataset. The Top-up method, was used to measure the emissions related to leakage from air-conditions at Godt Smil Holding ApS. The top-up method assume that any piece of equipment is charged with refrigerant gas, and any leaked gas must be replaced. Assuming that the system was full before the leakage occurred and is full again after a top-up, the amount of top-up gas is equal to the gas leaked or lost to the atmosphere.

## Scope 2

### **Purchased electricity:**

*Location-based:* emission factor produced from eloprindelse.dk (specific for 2021)

*Market-based:* Residual emission factor from energinet.dk (EI-deklarationen 2021)

### **Purchased district heating:**

Supplier specific emission factor selected from the dataset made available by Energistyrelsen (data om fjernvarmenettet 2019 - 2021) and the specific declarations from district heating plants.

Danish energy institutes offer emission factors accounted for by two types of methodologies: 200% and 125% method. This method refers to the allocation of emissions relative to production of energy for electricity and heat. As recommended by 'Energistyrelsen', the 125% method has been used for bothelectricity and heat emission calculations.

## METHODOLOGY

# Emission Factors

The following sources have been used for inventory emission calculations. The inclusion of GHGs are represented in figure 3.3, 3.4 and 3.7 with the reference number shown in the source column. Individual emission factors has been used if possible.

### Scope 1

1. Energistyrelsen
2. DEFRA, 2021 Government Greenhouse Gas Conversion Factors for Company Reporting

### Scope 2

1. Energinet, el-deklarationer
2. Energistyrelsen, data om fjernvarmenettet
3. Individual district heating plants

## Forecourt fuel

To account for purchases of fuels for mobile combustion from various suppliers (forecourt fuels), the DEFRA conversion factors have been used to account for average bioblend diesel and petrol emissions. This average bioblend factor is representative for the UK market, but due to EU regulations of biofuel share they are estimated to be representative of the Danish market as well.

Figure 3.3: GWP multiplication factor of each GHG to CO2 equivalent. HFCs and PFCs range due to variation of the gas.  
Source: IPCC Fifth Assessment Report, 2014 (AR5)

Global warming potential (GWP) values relative to CO2 100 year time horizon						
CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>
1	28	265	4 - 12400	7910 - 9540	23500	16100

Figure 3.4: Greenhouse gases included in the scope 1 inventory

Scope 1 - Direct emissions		
Process / activity	Included GHGs	Source
Stationary combustion	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	1
Mobil combustion	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	2
Refrigerants	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	2

Figure 3.5: Greenhouse gases included in the scope 2 inventory

Scope 2 - Indirect emissions		
Process / activity	Included GHGs	Source
Purchased electricity	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	1
Purchased district heating	CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O	2,3



GHG INVENTORY

**POLICIES**

## Re-calculation policy

If significant changes affecting emissions are identified during the preparation of future GHG Inventories the baseline year must be recalculated.

### Significant changes can be:

- 1) Structural changes in the reporting organization, such as mergers, acquisitions, divestments, outsourcing, and insourcing (not reported on in other scopes)
- 2) Changes in calculation methodologies, improvements in data accuracy, or discovery of significant errors
- 3) Changes in the categories or activities included in the scope 3 inventory

Figure 4.1: Thresholds for recalculation of scope 1 & 2 baseline

### Thresholds for recalculation of scope 1 & 2 baseline:

- >5 % of deviation from baseline year due to company changes that affect the comparability between the years.
- Errors in data that are greater than 10% or affect the result by more than 5% in total or 10% in each category.

## POLICIES

# Exclusions

No exclusions were made for the 2021 accounting of Godt Smil Holding.

From 2022, Godt Smil Holding ApS will expand with at least two new facilities. To manage organizational changes that might, or do affect the baseline inventory, a change log has been established, see figure 4.3.

From 2022, the two new facilities will be mapped in the change log for recalculation to ensure representativeness and transparency, for future reporting purposes.

Figure 4.2: forecast of new facilities due to organic growth

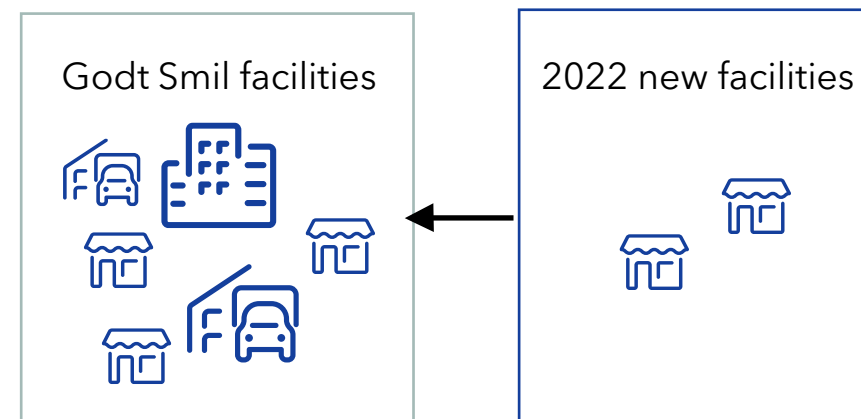


Figure 4.3: Change log for recalculation

Change	Reason	Scope	Structural change	Change in result
Exclusion				
Exclusion				
Exclusion				

## POLICIES

# Reporting

As the yearly climate accounting inventory is depending activity data to be confirmed and emission factors to be up-to-date, the reporting and publishing of results has a series of temporal considerations.

Activity data can be collected and logged throughout the year, for current calendar year. Due to closing activities, supplier invoicing and system updates, an inventory should not be confirmed until the end of the calendar year.

Furthermore, as emission factors of various activities depend on the collection and processing of sector data from relevant agencies, and governmental- and sector-specific bodies, emission factors are updated at a period of generally 9 months, after end of year. For this reason, it is recommended to publish inventory data with a delayed time period of approximately 12 months, see figure 4.4. For the full-year inventory management, the cycle of figure 4.5 is used to manage completeness.

Figure 4.4: Temporal considerations for publishing results

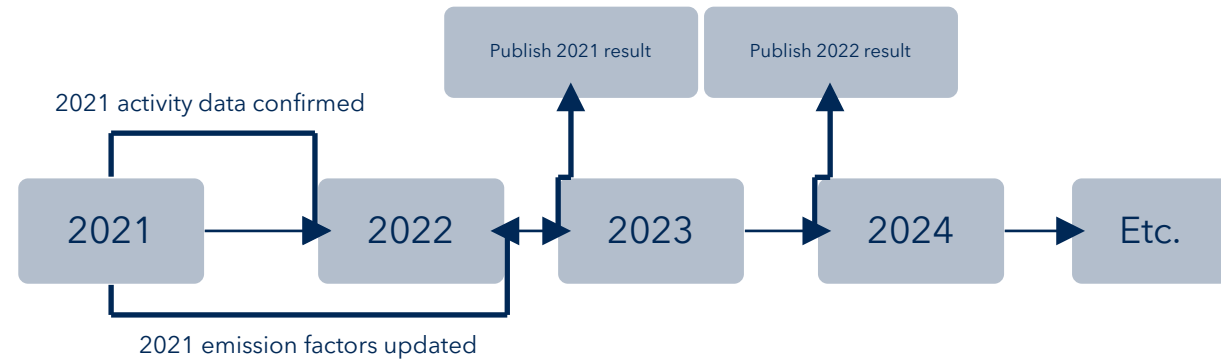


Figure 4.5: Yearly considerations for reporting





Climate strategy



## Climate strategy

# Action plan

### 2022

- Data was collected from all facilities for the 2021 Scope 1 & 2 GHG emissions calculations. Some refrigerant gas replacements might not have been recorded during 2021, but every facility will record air-conditioning maintenance and gas replacements from this year on.
- The 2022 Scope 3 GHG emissions were screened with the use of GHG protocol scope 3 screening tool or the Danish "klimakompasset"
- Godt Smil considers the environmental impact of purchased services and capital goods. Lightbulbs, ovens, new refrigerating appliances, air conditioners, LED lamps and other electronic devices should have a minimum "Energy Efficiency Rating" B.
- Suppliers that are more sustainable than their competition are preferred..

### 2023

- All necessary data from all facilities will be collected to perform very precise Scope 1 & 2 GHG emissions calculations, including all electricity, heating, fuels and fugitive refrigerant gas emissions.
- The car fleet will start being replaced by greener alternatives, like hybrid and electric cars.

### 2024

- Complete data collection system and very precise Scope 1 & 2 GHG emissions calculations.
- Create a dedicated agenda for climate goals. Start considering potential investments, their risks and benefits, as well as potential "Carbon Sinks" like forestry
- Further improve data collection protocols, for scope 3 GHG emission. Some subcategories will be quantified.
  - Godt Smil Holding A should further consider the environmental impact of purchased services and capital goods. New cars, lightbulbs, ovens, new refrigerating appliances, air conditioners, LED lamps and other electronic devices should have an "Energy Efficiency Rating" A.
  - Suppliers that are more sustainable than their competition, even if they are sometimes more expensive, should be preferred.

### 2025

- Complete data collection and quantification of Scope 1,2 & 3 GHG emissions.
- Actively reduce emissions in accordance with Science Based Targets.
- Source electricity via long-term renewable energy contracts and potentially on-site renewables, like solar panels.
- Consider replace all natural gas heating systems with a greener alternative.
- Perform the first Proprietary Carbon Sink (avoidance via nature-based solutions, like forestry).

### In 10 years

- Continuous data collection and complete quantification of Scope 1,2 & 3 GHG emissions.
- Achieve most of the goals of the dedicated climate agenda set up in 2023. Renew and reevaluate the climate agenda, where necessary.
- Disclose all progress on the Science Based Targets.
- Active efforts to achieve net zero.
- At least 85% renewable electricity sources.
- Several "Carbon Sink" Investments.
- Completely electric fleet.
- Purchases of green goods and services and collaborations with suppliers that have green certificates.