

2023

Sustainability report

SPABOGRUPPEN AS



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1 • Basis for preparation

This chapter provide an understanding of how we have prepared this sustainability statement.

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About Spabogruppen

Spabogruppen AS (Spabogroup AS) is the parent company of Amesto Group AS and Spabo AS, a Norwegian family business owned by the Spadow family. Amesto was founded in 2002 and consists of businesses in the Nordic region offering a range of services from accounting, payroll, temporary staffing, and HR services to sustainability, CRM, and IT solutions. Meanwhile, Spabo is a real estate company specializing in developing and management of commercial properties and apartments.

The group has a long-term perspective, and the owners are actively involved in the operations. Spabogruppen had a turnover of 1.3 billion NOK in 2023 and employs more than 1000 people.

Spabogruppen is deeply committed to sustainability and corporate social responsibility. By integrating the triple bottom line into our business strategy, we measure performance across People, Planet, and Profit. It is no longer sufficient to succeed in just one area – we aim for results in all three. Our goal is to address some of the truly significant challenges facing society today. Social responsibility is not new to Amesto; we have been working with Creating Shared Value (CSV) for over a decade.

We have moved from only donating to charitable causes to actively engaging in projects where we can contribute knowledge and actions. What we have learned is that the triple bottom line works best when we leverage our expertise to address societal challenges, big and small, while ensuring profitability.

Here are some examples of Amesto initiatives:

AI and BI for Good: Collaborating with the Cancer Registry to explore AI and synthetic data possibilities to unravel the cancer mystery.

Amesto Aces: A program aimed at creating opportunities where others see challenges. Amesto Aces empowers young individuals who have fallen out of the workforce by offering a 16-week training program for certification as Salesforce and Microsoft resources with real work experience.

Amesto Footprint: Consulting services and software solutions for sustainable business development and reporting. Amesto Footprint assists mid-sized companies in accelerating their sustainability performance.



About this report

The objective of the European Sustainability Reporting Standards (ESRS) is to specify the information that an entity should disclose about its significant impact risks and opportunities related to environmental, social, and governance aspects.

ESRS does not require entities to disclose information on environmental, social, and governance themes the entity has assessed as immaterial.

The information presented in accordance with ESRS enables users of sustainability reports to understand the entity's significant impacts on people and the environment, as well as the significant effects of sustainability issues on the entity's performance and position.

The report is disclosure for Spabogruppen AS for the financial year 2023 and is prepared with the same level of consolidation as the financial annual report. This report is the first ESRS report for Spabogruppen, and the group will be formally obligated to publish an ESRS report for the financial year 2025. We have volunteered to prepare this report to become familiar with the ESRS standards, processes, and associated reporting requirements. Furthermore, to understand what is expected from our business, identify areas of particular relevance to us, and the relevant data points to report.

We have chosen a pragmatic approach, as it is voluntary reporting, so this year's report will serve as a baseline or foundation for further development. It means that we have learned a lot about areas we need to improve next year. This year's reporting process has truly helped us further develop our sustainability strategy, initiatives, and action plan.

For this year's process, we conducted a stakeholder mapping and a double materiality assessment for Spabogruppen collectively. The experience from this process has led us to a decision to conduct two separate processes for next year's reporting for Amesto Group AS and Spabo AS. This is because the nature of the businesses in the two parent companies results in distinct differences concerning relevant stakeholders and significant ESG factors.

The overarching standards are disclosed in accordance with ESRS 1, which covers general requirements and ESRS 2, which includes general disclosures. Furthermore, the relevant standards (Environmental, Social, and Governance) are reported under the VSME ESRS.



General basis for preparation of the sustainability statement

BP-1

Spabogruppen AS is the parent company of Amesto Group AS and Spabo AS. Amesto Group AS consists of businesses in the Nordic region offering a range of services, including accounting, payroll, temporary staffing, HR services, sustainability, CRM, IT security, and IT solutions. Meanwhile, Spabo AS is a real estate company specializing in leasing and management of commercial properties and apartments.

The sustainability declaration is prepared on a consolidated basis for Spabogruppen AS. The scope of consolidation is the same for this report as for the financial statements.

The businesses of companies in Amesto Group AS are in IT solutions, technology consulting, IT security, accounting, temporary staffing, and HR services. The businesses of companies in Spabo AS are in property, property management, and leasing.

For this year's process, we conducted a joint stakeholder mapping and double materiality assessment. Through the process, we learned that for next year, we will conduct 2 separate processes for Amesto Group AS and Spabo AS. This is because the nature of the businesses in the two parent companies results in some differences in terms of stakeholders and significant ESG factors.

For both Amesto Group AS and Spabo AS, the sustainability reporting covers environmental scope 1, 2, and 3 in accordance with the GHG Protocol, and social reporting includes a due diligence process for the value chain. Based on this, it is reasonable to state that the sustainability declaration covers the companies' upstream value chain.

Organizational Structure

Amesto Group AS

Amesto AccountHouse AS
NO 957 170 005, NACE code 69.201
Accounting and bookkeeping

Amesto TechHouse AS
NO 938 473 617, NACE code 62.020
IT consulting services

Amesto Top Temp AS
NO 994 600 613, NACE code 78.200
Temp agency

Amesto FortyTwo AS
NO 991 450 068, NACE code 62.020
IT consulting services

ConnectMyApps AS
NO 913 244 990, NACE code 58.290
Software publishing

Spabo AS

Spabo Eiendom AS
NO 947 843 028, NACE code 68.209
Rental of own or leased real estate

Spabo Næring AS
NO 879 749 212, NACE code 68.209
Rental of own or leased real estate

Disclosures in relation to specific circumstances

BP-2

This report for 2023 is the first ESRS report for Spabogruppen, and we have undertaken this voluntary reporting to learn more about the expectations for the business, key focus areas, and associated data points. We have chosen a pragmatic approach since it is voluntary reporting, meaning this year's report will serve as a baseline for further development. This implies that we have learned a lot about areas where we need improvement for next year, and this year's reporting process has truly aided us in further developing our sustainability strategy, initiatives, and action plan.

Time period

The report is based on the following time frames for short, medium, and long term, where short term corresponds to one financial year, medium term spans from 2 to 5 years, and long term extends over more than 5 years.

Value Chain Estimation

The climate accounting scope 1, 2, and 3 is done using a cost-based approach. This means that the emission factors are average factors for each activity in the chart of accounts. The climate accounting is done in accordance with the 5 principles in the GHG Protocol: Relevance, completeness, consistency, transparency, and accuracy.

We have used the group financial statements for Spabogruppen as the basis for the climate accounting. This means that all internal transactions are eliminated, and the activities that the various companies do for each other are not visible. We have made no adjustments for this as the internal transactions are not material and have a minimal impact on the overall carbon footprint.

In accordance with the principles of the GHG Protocol, we apply the same principles for climate accounting for 2022 (baseline year) and 2023. Additionally, we have prepared separate carbon footprints for each of the group companies in Spabogruppen, and these will be published on the respective group company websites.

For supply chain due diligence under the transparency law, we have employed a risk-based assessment of the supply chain. This means that we have assessed all suppliers based on country risk, industry risk, and product risk from 1 (low risk) to 5 (high risk). Suppliers with a total risk above 7 or those scoring 4 or 5 in any area will undergo further investigation and follow-up. This is detailed in the Transparency Report for each of the group companies* and in an aggregated summary report for Spabogruppen as a whole.

* Amesto Top Temp AS has not followed the group process for the Transparency Act and will report in a separate process.





2 • Management and Leadership

This chapter disclose information to understand the governance processes, controls and procedures put in place to monitor and manage sustainability matters.

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The role of the administrative, management and supervisory bodies

GOV-1

It has been more than 70 years since Else Widerøe founded the company Contact Service, from which the companies in Spabogruppen originate. Contact Service initially arranged secretary jobs for women in need of work post-World War II. This operation later evolved into a professional player in the temporary staffing industry. Else's son, Thor Spandow, took over the business in 1980. Under Thor's leadership, the company developed into Norsk Personal Gruppen, along with partner Lars B. Gjerde, which later became Olsten Personal Norden. This company was sold to Adecco in 2001. At the time of the sale, the company was the second-largest recruitment agency in the Nordic region, with an annual turnover of 2.1 billion NOK.

After the sale to Adecco, Thor chose to reinvest parts of the profits into the family's real estate company, Spabo AS, which today consists of Spabo Eiendom AS and Spabo Næring AS.

A few years ago, Spabogruppen underwent a generational shift, transitioning the business to the third generation: Arild, Jan, and Ariane Spandow.

Arild (52) joined the division of the family business operating in the service industry. In 2002, Amesto Group was established. The company is wholly owned by Spabogruppen. Amesto provides outsourcing services in accounting, payroll, HR, robotics, business systems, cloud infrastructure, AI & Analytics, IT consulting, and staffing services through Toptemp. Amesto Group has also welcomed several "intrapreneurs" who have chosen to leverage their entrepreneurial genes with us.

Jan Spandow (50) entered the real estate industry in 2001, overseeing the real estate company Spabo and its subsidiaries since then. The company specializes in leasing commercial properties and apartments centrally located in Oslo and Ålesund. Spabo Eiendom offers both furnished and unfurnished apartments for short- and long-term rentals, with a significant portfolio of commercial properties in Grünerløkka, Bislet, Tøyen, and Frogner. Spabo also owns properties abroad.

After founding and operating her own company, Ariane (45) decided to join the group's business operations in 2012. Since then, she has worked to establish sustainable operations with a social perspective as the cornerstone of all companies in the group. In 2021, she became the chairman of Spabogruppen. She is passionate about sustainable businesses and continually explores various ways in which Amesto Group and Spabo can strategically work with the company's social values. Her goal is for the bottom line of all companies in Spabogruppen to reflect a triple bottom line.



PEOPLE
THE PEOPLE AROUND US

PLANET
THE WORLD WE LIVE IN

PROFIT
THE ECONOMIC VALUES WE CREATE

The role of the administrative, management and supervisory bodies

GOV-1

Diversity

The family owns and operates the business with heart and mind. They operate profitably and sustainably, with a sincere desire to make the world a better place. Profitability and sustainability are two sides of the same coin and are the reasons why the group's sustainability projects are closely tied to our core business.

Diversity enriches the workplace and directly contributes to profitability and value creation. Customer segments are experiencing rapid changes, especially from a global perspective. Our sales representatives must increasingly adapt to new customer groups, cultures, and business structures. By actively working on diversity and inclusion, we lay a stronger foundation for innovation and value creation.

For a while, Spabogruppen has focused on increasing the share of women and the age span in its employee composition. At the same time, we are also looking at how we can increase openness in other dimensions of diversity.

We are proud to have a consistently growing number of women in leadership positions and an increased age span within our company. These are important goals, but we are also focused on raising awareness of diversity throughout the organization. Especially concerning who we hire, how we hire, and how new competencies complement existing expertise.

Governance Structure

The boards of the companies in the Spabo group primarily consist of representatives of the owning family.

Spabogruppen: 5 men and 1 woman, with an average age of 61 years.

Amesto Group AS: 4 men and 1 woman, with an average age of 62 years. Additionally, there is a female employee representative on the board.

Spabo AS: 3 men and 1 woman, with an average age of 60 years.

Spabogruppen and Amesto Group are two family-owned holding companies that currently have a significant representation of family members. These companies primarily function as investment entities with no significant operational activity. The average age in the boards is high, mainly due to our 85-year-old father and the 72-year-old CFO of Spabogruppen, which raise the average. We are aware of the high average age in our boards but also recognize the value of the perspectives of the experienced generation.

The companies are in a transitional phase where the older generation is gradually stepping back, and there are ongoing discussions about the composition of the boards and how the future boards will look. Amesto Group has no employees, while Spabogruppen has 7 employees.

We have focused on strengthening all the holding companies under Amesto Group, as most strategic decisions are made by these companies' boards. Therefore, we have included employee representatives and prioritized recruitment for diversity, including gender diversity.

During 2023, we introduced new external board members to increase diversity and expertise. We have achieved a 40% female representation on all boards in the operating holding companies, except for Amesto TechHouse AS. In this company, minority shareholders have the right to a board seat not available to others, and two male employee representatives have already been elected. Therefore, we do not seek to expand the board further, but at the next employee representative election, we will actively encourage female candidates to apply.

The information provided to, and sustainability matters addressed by the administrative, management, and supervisory bodies

In 2023, the business unit Amesto Footprint has taken over the responsibility for driving the sustainable agenda in the group. They lead the process to ensure the operationalization of the strategy and are responsible for coordinating and aligning the reporting for all group companies into a unified sustainability report for Spabogruppen. This includes compliance with the Transparency Law, carbon accounting, and sustainability reporting in accordance with CSRD/ESRS.

The reporting process for the year has been led by the director of Amesto Footprint, with a dedicated project group comprising members from Amesto Footprint, cross-functional representatives from the Nordic countries, and procurement leaders from the headquarters to ensure strong alignment throughout the organization.

The project group has provided regular updates to a steering committee consisting of the chairman of Spabogruppen, CEO of Amesto AccountHouse, CFO, and COO of the group. Furthermore, the sustainability work has been organized into 5 phases as described in chapter Strategy SBM-1.

The initial phase was conducted in December 2023. The mapping and analysis of 2023 have been the primary focus in the first quarter of 2024, along with a review of established ambitions and goals. We have conducted GAP analyses on social aspects, and the same will be carried out for climate and environmental aspects during the third and fourth quarters of the current year.



Integration of sustainability-related performance into incentive schemes

GOV-3

Spabogruppen is guided by the triple bottom line – people, planet, profit – and all leaders are evaluated based on these three dimensions. The CEO and management teams in the various group companies are assessed according to People, Planet, Profit. Bonus incentives are tied to performance across all three dimensions. This way, the focus on sustainability is integrated all the way from the board level to the operational departments.

Statement on due diligence

GOV-4

All group companies* in Spabogruppen report according to the requirements of the Transparency Act. In this context, a thorough due diligence of each company's value chains has been conducted in accordance with the OECD Guidelines for Multinational Enterprises.

The due diligence process has been carried out for all suppliers in a structured manner, where suppliers have been evaluated based on country risk, industry risk, and product risk. For value chain due diligence under the Transparency Law, we have employed a risk-based assessment of the supplier chain. This means that all suppliers have been assessed for country risk, industry risk, and product risk from 1 (low risk) to 5 (high risk). Suppliers with a total risk score above 7 or scoring 4 or 5 in any area will be subject to further investigation and follow-up. This detailed process is outlined in the transparency reports for each group company and in an overall summary report for Spabogruppen as a whole.

For suppliers with the highest risk, desk research has been conducted, with subsequent follow-up in cases where closer investigation did not provide verifiable confirmation of responsibility. The due diligence process and follow-up actions are further detailed in each group company's Transparency Law report, and a summarizing report has been prepared for Spabogruppen as a whole. These reports are signed by the managing directors and the boards of each group company.

Based on this, it is reasonable to state that sustainability reporting covers the companies' upstream value chain. The due diligence process will be expanded to cover climate, environment, and nature when the CSDDD is integrated into Norwegian law. This is expected to occur within 2 – 4 years.

*Amesto Top Temp AS has not followed the group process for the Transparency Act and will report in a separate process.

Risk management and internal controls over sustainability reporting

GOV-5

The group companies in Spabogruppen will introduce a more detailed risk management and internal control system for sustainability reporting during the period 2024-2025. For 2023, it has mainly been the internal project group that has managed the process, with regular reporting to the steering committee.

The risk assessments follow the methodology outlined in ESRS 1 Appendix A: Application Requirements AR 9 - AR 16.

The work has been organized into a 5-step strategic process:

1. Commitment and involvement of the administrative management, and supervisory bodies
2. Mapping and analysis of the current situation
3. Defining ambition and goals
4. Implementation
5. Communication, reporting, and adjustment

For the second half of 2024, the companies in Spabogruppen will further develop their operational goals and strategy to ensure a clear integration of material social factors as well as considerations for climate, environment, and nature. Furthermore, stakeholder mapping will be enhanced from the current solution by establishing channels for direct dialogue and follow-up with several stakeholders.





3. Strategy

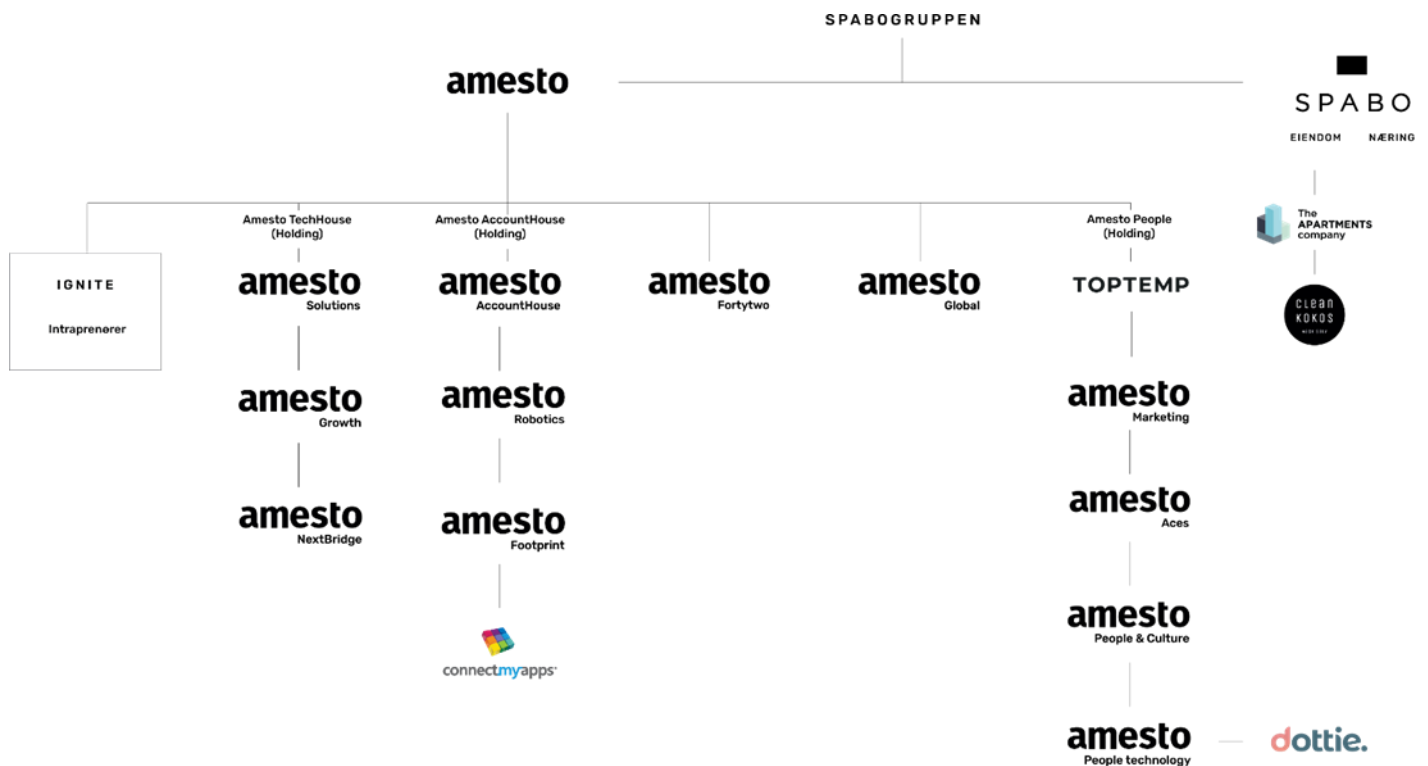
This chapter disclose elements of the group strategy that relate to our sustainability matters, our business model and value chain. How our stakeholders are taken into account and the outcome of our assessment of material impacts, risks and opportunities.

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Strategy, business model and value chain

Spabogruppen is governed in accordance with a triple bottom line; People - Planet - Profit. This means that the group's company strategy and business model reflect the assessments made of significant impacts, risks, and opportunities related to economic profitability, growth, profit distribution, climate, environment, and social conditions. In recent years, Spabogruppen has evolved from being a supporter of good causes and conducting philanthropic activities to actively integrating sustainable products and services as part of its daily operations. As a result of this development, the group has been named one of the [25 most innovative companies](#) in Norway for several years, ranking 18th for 2023-24.

Spabogruppen AS is the parent company for Amesto Group AS and Spabo AS. Below is the organizational structure for Spabogruppen as of 31.12.2023.



Strategy, business model and value chain

Amesto Group AS is the parent company for:

1. Amesto AccountHouse AS
2. Amesto TechHouse AS
3. Amesto Top Temp AS
4. Amesto FortyTwo AS
5. Connectmyapps AS

Amesto Group AS consists of businesses in the Nordic region that offer a range of services in accounting, payroll, temporary staffing, HR services, sustainability, CRM, IT security, and IT solutions. A common feature among the businesses in the group is that their business models encompass a combination of technology deliveries and associated consultancy services. Some of the companies develop their own software solutions, while others act as distributors of standard ERP and Office systems.

Spabo AS is the parent company for:

1. Spabo Eiendom AS
2. Spabo Næring AS

Spabo AS is a real estate company specialized in the rental and management of commercial properties and apartments. The group owns several office buildings and apartment complexes, catering to both the corporate market and private tenants.

This means that relevant sustainability areas revolve around the entire value chain from maintenance, renovation, new construction, operation, and leasing. Energy and greenhouse gas emissions are crucial focal points, in addition to areas such as waste, reuse, social conditions, and how the group acts as a community player in the neighborhoods where they have buildings.

Throughout 2024, both group companies, Amesto Group AS and Spabo AS, will delve deeper into their activities and value chains to identify specific sustainability goals and corresponding actions. Through this year's process, we have learned how much the various business models and value chains influence what becomes significant sustainability areas, prompting the implementation of two separate processes for these group companies.

Specific results in climate, environmental and social sustainability for 2023

SBM-1

Spabo AS has done efforts to improve energy performance certificates for their buildings, and have achieved BREEAM certification for several of its buildings. In 2023, Amesto AccountHouse and Amesto TechHouse collaborated on various deliveries with Amesto Footprint. This collaboration involved software solutions and consultancy, which along with ERP systems, provide efficient management and reporting tools to customers to support their sustainable business development.

Amesto People, through Amesto Aces and Top Temp, has contributed to providing training and engagement opportunities for a group of young individuals who were outside the workforce, leading to permanent jobs. 30 individuals were given the opportunity to participate in the training program by Amesto Aces. Of these, 11 individuals secured jobs in IT, 8 others found employment in different industries, and 11 dropped out during the period. Therefore, after completing the course, 63.3% of participants ended up with employment.

Connect My Apps, in collaboration with Amesto TechHouse and Amesto Footprint, has developed solutions and integrations for sustainability data. This has provided customers with effective management systems for ongoing monitoring of financial and climate-related aspects.



Interests and views of stakeholders

Spabogruppen is committed to considering the interests and perspectives of all our stakeholders when developing the group companies' strategies and business models.

We define our stakeholders following ESRS 1, section 3.1: Stakeholders are those who can influence or can be influenced by matters within Spabogruppen. This includes those who can be positively or negatively affected, directly or indirectly, or influence, by our activities, and it involves users of our company's reporting.

For the 2023 reporting, the project group conducted a structured internal process to map out Spabogruppen's stakeholders and the sustainability factors they are concerned about. An 8-step process was carried out to identify primary and secondary stakeholders, and to what extent they influence or are influenced by Spabogruppen's activities and the users of the sustainability report.

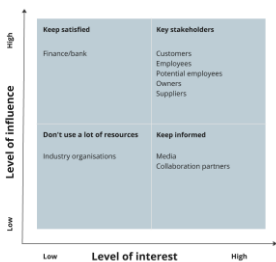
Stakeholder and double materiality analysis

A key part of developing the group companies' strategies and business models is ensuring a precise and comprehensive understanding of our priorities, significant impacts, risks, opportunities, and meeting the needs of our stakeholders. Stakeholders are defined as those who can influence or be influenced by the affairs of Spabogruppen. This includes those who could be positively or negatively affected, directly or indirectly, by our activities, as well as users of our corporate reporting.

For the 2023 reporting, the project group conducted a structured internal process to map stakeholders and the sustainability factors they are concerned with.

Phase 1

Understand the impact in the value chain and relevant stakeholders



Phase 2

Create a gross list of ESG topics through dialogue with stakeholders

Concerns	Opportunities	Risks	Enablers
Available capital	A good environment that makes it be proud of membership	Social entrepreneurship	Waste and digital pollution
Professional expertise	A path that gives meaning	Philanthropy work	Climate adaptation/Resilience
Companies they identify with	A path that gives meaning	Family vision and values	Social responsibility
High quality	A positive societal actor	Triple P's well-being/brand	Diversity, inclusion, and equality
Operator will be seen and recognized	Work-life balance	Leading in sustainability reporting	Low air pollution
Resource efficient solutions	A good working environment	A good reputation	Water consumption
Lower emissions/less than industry average	Diversity and inclusion	Innovation/growth	Brand and sharing culture (include economic)
Sustainability as a competitive advantage	Fair pay and rewards	Innovation accelerator through automation	Energy and/or building good ambience
Solutions that provide high financial return	The company's climate ambition	Operates with less and regulates	Operates with less and regulates
Energy efficiency	No greenhouse/social mobility	Solutions that provide high financial return	Community contributions through less and more
Climate change adaptation	Development opportunities for all	Brand and sharing culture (include economic)	
Reduce emissions	Facilitation for activities and good health	Responsible investments	
High customer satisfaction	High job attendance	Taxonomy aligned (in our economy)	
	Low turnover		

Phase 3

Assess and highlight the most significant ESG topics according to scale

Scale	Severity	Scope	Irreversibility	Probability
5	Critical	Community	Irreversible	Very Likely
4	High	Value chain	Long-term actions	Likely
3	Medium	Medium	Medium Actions	An opportunity
2	Low	Business	Own Effort	Unlikely
1	Minimal	Limited	Simple Actions	Unlikely

Phase 4

Double materiality matrix



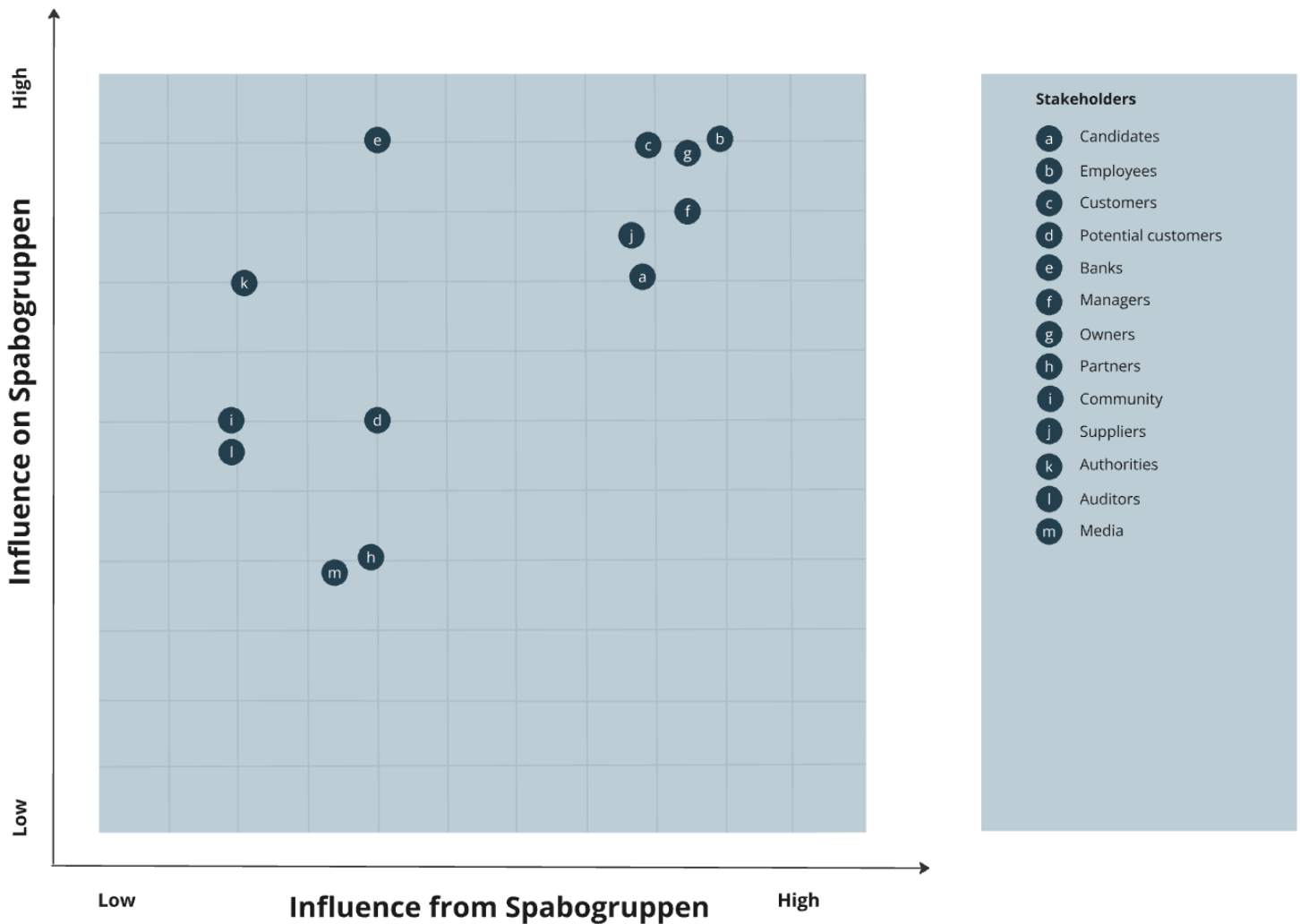
Process description

Step 1

A questionnaire was distributed to employees and managers at all levels and in all parts of the organization. The aim was to identify their perspective on key stakeholders and the sustainability factors relevant to these stakeholders. Employees and managers are in direct contact with various stakeholders and have first-hand information about what these stakeholders are concerned about in their interactions with the companies in Spabogruppen.

Step 2

The project team collected and structured all the feedback from the whole organization. This insights was processed by the team and the information was compiled into a stakeholder gross list and matrix due to influence on Spabogruppen and influence from Spabogruppen.



Process description

Step 3

The stakeholder gross list and matrix was sent to the steering group for evaluation. In a following meeting the project team discussed and anchored the gross list with the sustainability reporting steering group. During this process, the four most important stakeholder groups were prioritized.

Stakeholder group	Why they are important to Spabogruppen
Customers	Customers are our most important external stakeholders because we exist for and because of them. Without customer growth, the development of the group halts.
Employees	Leaders and co-workers are our most important internal stakeholders. Our success depends on our ability to attract, develop, and retain talents. The primary driver for high customer satisfaction and economic growth is motivated and engaged employees.
Owners	Resources and investments are contingent on the business being run in alignment with the owners' goals and ambitions.
Suppliers	Good agreements and responsible suppliers are central to achieving success with the triple bottom line.

Table 1. Mapping of prioritized stakeholder groups

Material impacts, risks and opportunities

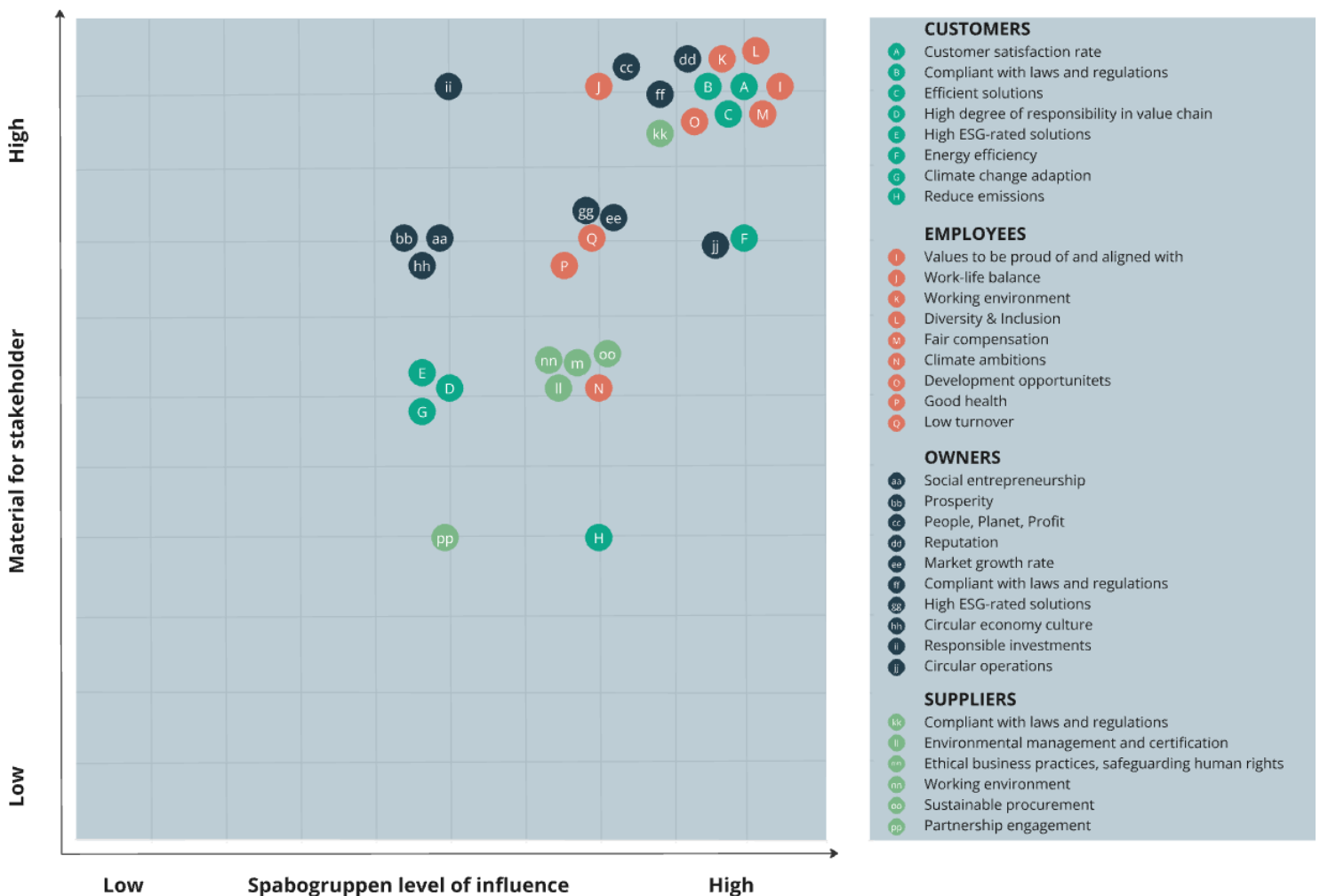
The aim of this disclosure requirement is to provide an understanding of the significant impacts, risks, and opportunities resulting from the enterprise's materiality assessment and how these inform and drive adjustments to the company's strategy and business model, including resource allocation.

The information to be disclosed about the management of the company's significant impacts, risks, and opportunities is explained under sector-specific standards (ESG) in accordance with the minimum disclosure requirements on policies, actions, and goals set out in this standard.

The process of defining Spabogruppen's significant ESG factors has been conducted in line with the description in ESRS 1, points 3.3 – 3.6.

Step 4

Based on the dialogue with the prioritized stakeholder groups, the project team has developed and refined a list of significant ESG factors for each group. A total of 50 sustainability themes were identified. Many of these overlapped, and the list was then reduced to 33 themes. Below is an overview of the significant ESG factors, organized based on their importance to our stakeholders and our ability to influence.



Material impacts, risks and opportunities

Step 5

The significant ESG factors, organized based on their importance to our stakeholders and our ability to influence was analyzed by the project team. The sustainability factors considered most significant for stakeholders and with the highest level of impact from the group's side was prioritized. This assessment was then anchored and discussed with the steering group. This process led us to a list of 17 sustainability factors considered material for Spabogruppen.

Subtopic		ESG
1	Customer satisfaction	Governance
2	Compliance with laws and regulations	Governance
3	Effective solutions	Governance
4	Energy efficiency- GHG emissions	Environmental
5	Vaues one identifies with	Social
6	Work-life balance	Social
7	Working environment	Social
8	Diversity and Inclusion	Social
9	Fair compensation	Social
10	Development opportunities	Social
11	Good health	Social
12	Low Turnover	Social
13	People, Planet, Profitt	Governance
14	Reputation	Social
15	Market growth rate	Governance
16	High ESG-related solutions	Governance
17	Circular Operations	Environmental

Table 2. Overview of material sustainability subtopics

Material impacts, risks and opportunities

Step 6

To evaluate our impact on climate, nature, social conditions, and economic effects across the 17 prioritized sustainability factors, we have applied a double materiality analysis with various assessment criteria (see tables 2-4). Regarding material impact, we have assessed actual and potential negative and positive influences. This process involved a thorough evaluation of factors such as severity (how severe is the impact?), scope (how widespread is the impact?), irreversibility (to what extent can the damage be corrected?), and probability (how likely is the impact?). Furthermore, financial impact was assessed based on the significance of the theme from a financial and reputational perspective, and to what extent the themes can contribute to or hinder the realization of economic goals.

Scale	Severity	Scope	Irreversibility	Probability
5	Critical	Community	Irreversible	Very Likely
4	High	Value chain	Long-term actions	Likely
3	Medium	Medium	Medium Actions	An opportunity
2	Low	Business	Own Effort	Unlikely
1	Minimal	Limited	Simple Actions	Unlikely

Table 3. Assessment scale for actual and potential negative and positive impacts

Impact	Actual	Potential
Negative	Scale x scope x severity	Scale x scope x severity x likelihood
Positive	Scale x scope	Scale x scope x likelihood

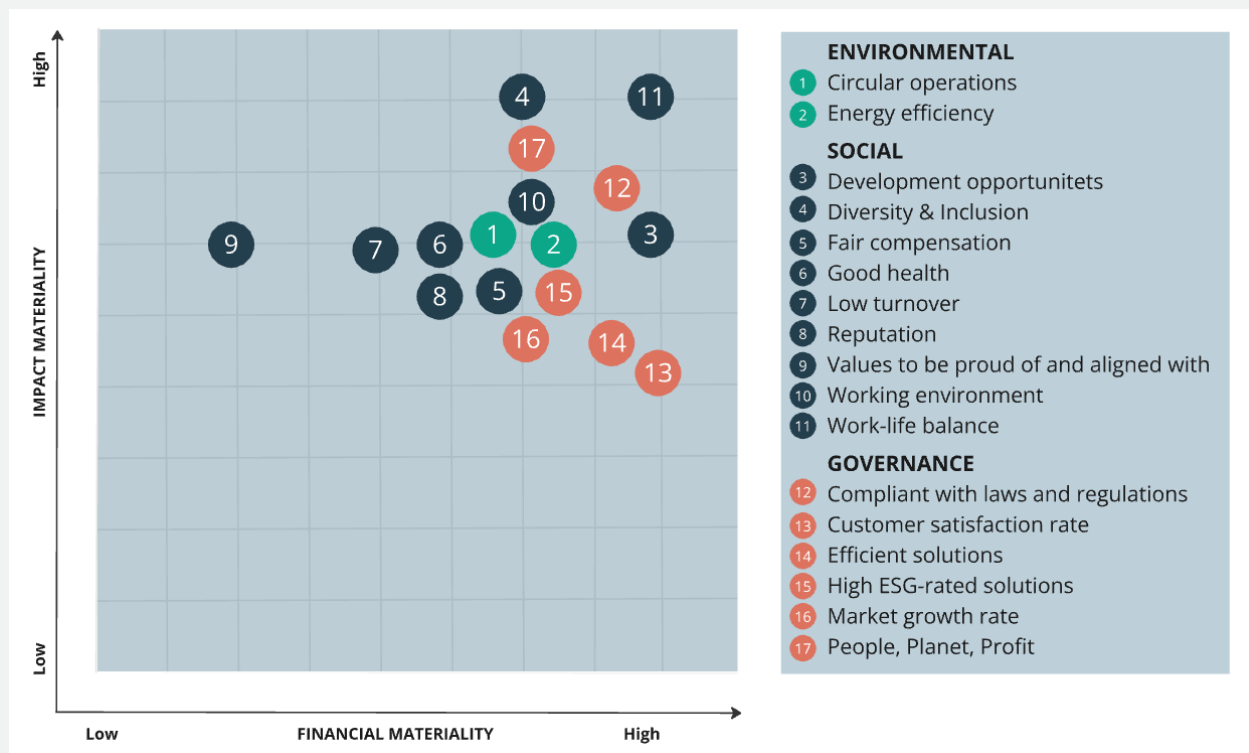
Table 4. Assessment scale for material impact on climate, environment, and social factors

Scale	Financial impact
5 - Critical	The topic is considered critical for Spabogruppen from a financial and or reputational perspective
4 - Significant	The topic is considered significant for Spabogruppen from a financial and or reputational perspective
3 - Important	The topic is considered important for Spabogruppen from a financial and or reputational perspective
2 - Informative	The topic is considered less important for Spabogruppen from a financial and or reputational perspective
1 - Minimal	The topic is considered insignificant for Spabogruppen from a financial and or reputational perspective

Table 5. Assessment scale for financial impact

Step 7

The results from the double materiality analysis are presented in a matrix, as shown below. The selected sustainability factors have been categorized according to environmental, social, and business ethical aspects.



Step 8

In a closing meeting the project team discussed the findings with the steering group and defined the following 8 sustainability factors as material for Spabogruppen. The group companies in Spabogruppen will integrate these material sustainability factors into their strategies and specify the actions in their action plans during the second half of 2024.

Sustainability topic
Work-life balance
Diversity and inclusion
People, Planet, Profit
Compliant with laws and regulations
Working environment
Development opportunities
Circular operations
Energy efficiency and GHG emissions

Table 6. Material sustainability themes for Spabogruppen



4.

Impact, risk and opportunity management

This chapter disclose information to give an understanding of the process we have done to identify material impacts, risks and opportunities. (IRO-1). And as a result of our materiality assessment, the information we have included in this sustainability statement (IRO-2).

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Materiality assessment process

This is our description of how we have carried out the process to identify our impacts, risks and opportunities and how we have assessed which ones that are material.

The project team have followed the requirements in ESRS 1, chapter 3 regarding the materiality process. The work have been organized in sequences to assess and prioritize material ESG factors. The process started by mapping relevant stakeholders, how Spabogruppen impact on ESG factors and how changes in these factors can influence our financial situation going forward. The findings in each sequence has been presented and discussed with the steering group. The process resulted in 8 sustainability areas as material for Spabogruppen.

Several of the significant ESG factors revolve around the people in the organization and the value chains. This means that strategies and action plans related to these can be aligned with the measures described in the action plan for following up on the processes according to the Transparency Act, as well as the measures resulting from the Activity and Reporting Duty (ARP).

Regarding energy efficiency and climate gas emissions, Spabogruppen has already implemented measures in both Spabo AS and Amesto Group AS, and the effects of these are reported in the carbon footprint reports of each group company.

The group companies in Spabogruppen will integrate these material sustainability factors into their strategies and specify the actions in their action plans during the second half of 2024.

In terms of the time horizon, ESRS 1, section 6.4 categorizes Short-term: One financial year, Medium-term: 2 - 5 years, and Long-term: Over 5 years. These categories will be integrated into the action plan for each individual group company in the group.



Disclosure requirements in ESRS covered by the company's sustainability statement

IRO-2

The list below is an overview of the Disclosure Requirements included in Spabogruppens sustainability statement. The list is developed according to ESRS 1, chapter 3.

The 2023 declaration is a volunteer reporting and Spabogruppen have decided to not disclose the topics that that have been assessed as material during the materiality assessment. This will be disclosed no later than the sustainability report for 2025.

ESRS	DR	Name of DR	Page	Paragraph
ESRS2	BP-1	General basis for preparation of sustainability matters	6	
ESRS 2	BP-2	Disclosures in relation to specific circumstances	7	
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	9-10	
ESRS 2	GOV-2	Information provided to and sustainability issues addressed by the company's administrative, management, and supervisory bodies	11	
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	12	1
ESRS 2	GOV-4	Statement on due diligence	12	2
ESRS 2	GOV-5	Risk management and internal control over sustainability reporting	13	
ESRS 2	SBM-1	Strategy, business model, and value chain	15-17	
ESRS 2	SBM-2	Interests and views of stakeholders	18-20	
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	21-24	
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	26	
ESRS 2	IRO-2	Requirements in ESRS covered by the undertaking's sustainability statement	27	
ESRS 2	S1	Own workforce	40-41	
ESRS 2	S2	Workers in the value chain	42	
ESRS 2	MDR-A	Actions and resources in relation to material sustainability matters.	42	
ESRS 2	MDR-P	Policies adopted to manage material sustainability matters.	35	



5 • Material ESG factors

This chapter offers a disclosure of material Environmental, Social and Governance (ESG) factors identified through an in-depth double materiality assessment. Furthermore, it outlines Spabogruppens policies, progress, actions and targets associated with to these identified ESGs at a topical level (MDR).

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5.0 Material ESG matters

Spabogruppen has completed an eight-step double materiality assessment as described in this report chapter 3. The process concluded these ESG factors to be material for our organisation:

Environmental

- Energy efficiency and GHG emissions
- Circular operations – will be included in the 2024 sustainability report

Social

- Work – life balance
- Diversity and inclusion
- Working environment
- Development opportunities

Governance

- Tripple bottom line: People – Planet – Profit
- Compliant with laws and regulations

For this year's process, we conducted a joint stakeholder mapping and double materiality assessment. We disclose these sustainability topics in accordance with VSME ESRS.

Factors regarding **Social/People** are the most material sustainability themes for Spabogruppen.

Through the process, we learned that for next year, we will conduct two separate processes for Amesto Group AS and Spabo AS. This is because the nature of the businesses in the two parent companies results in some differences in terms of stakeholders and significant ESG factors.



5.1 Minimum Disclosure Requirements

Minimum Disclosure Requirements Policies MDR-P:

Policies adopted to manage material sustainability matters.

The objective of this MDR is to provide an understanding of the policies that Spabogruppen has in place to prevent, mitigate and remediate actual and potential impacts, and the policies in place to address risks and opportunities. Furthermore, this MDR requires to disclose information about policies adopted to manage material sustainability matters.

Minimum Disclosure Requirements Actions MDR-A:

Actions and resources in relation to material sustainability matters.

The objective of this MDR is to provide an understanding of the key actions taken or planned to prevent, mitigate and remediate actual and potential impacts, and the actions taken or planned to address risks and opportunities.

Where the implementation of an action plan requires significant operational expenditures (opex) or capital expenditures (capex), the disclosure shall describe the type of financial and other resources allocated to the action plan.

According to ESRS 2 paragraph 62: If the undertaking cannot provide the information on policies and actions, because it has not adopted them, it shall disclose this to be the case and may provide a timeframe in which it aims to adopt them. For Spabogruppen this will be disclosed no later than the sustainability report for 2025.

Minimum Disclosure Requirements Metrics MDR-M:

Metrics in relation to material sustainability matters.

The purpose of this MDR is to provide an understanding of the metrics/KPIs Spabogruppen employs to monitor and assess the effectiveness of our actions to manage material ESG factors. This means to disclose any metrics that we use to evaluate our performance and effectiveness on those matters.

Minimum Disclosure Requirements Targets MDR-T:

Tracking effectiveness of policies and actions through targets.

The objective of this MDR is to provide for each material ESG matter an understanding of:

- How Spabogruppen tracks the effectiveness of our actions
- Measurable time-bound outcome-oriented targets we have set to meet the policy objectives, or alternatively how we track the effectiveness of our actions to address material impacts, risks and opportunities
- The overall progress towards the adopted targets over time
- Whether and how stakeholders have been involved in target setting for each material ESG matter

For each material ESG factor, Spabogruppen has set to assess progress, the disclosure shall then include a description specified according to ESRS 2 paragraph 80.

5.2 Environmental

In the pursuit of sustainable development, environmental factors play a crucial role in shaping the strategies and operational practices of businesses today. This chapter delineates Spabogruppen's commitment to environmental stewardship within the framework of our Environmental, Social, and Governance initiatives.

As we navigate the complexities of our society, we recognize the importance of minimizing our ecological and carbon footprint while maximizing resource efficiency. Our approach encompasses various aspects of environmental management, including waste reduction, energy consumption, and the adoption of renewable resources.

By integrating robust environmental practices into our core operations, Spabogruppen aims not only to comply with regulatory requirements but also to drive meaningful change in our sectors. Through this chapter, we will outline initiatives, current performance metrics, and future objectives related to environmental sustainability, demonstrating our dedication to responsible business practices that contribute to a healthier planet. We will report on energy and emissions as a result of the double materiality analysis. A broader report with other relevant environmental impacts can be expected the coming reporting year.



ESG factor: GHG emissions

Method

Our climate accounting provides a holistic overview of the greenhouse gas emissions associated with our business and is based on the financial reporting. It is closely linked to our company's economic activities, thus offering a detailed overview of which activities are responsible for the most significant emissions.

The climate accounting serves as a foundation to ensure that we implement the correct measures to reduce our climate impact in line with our set climate goals. We have clear targets for emission reduction and have established a base year as a reference to compare our greenhouse gas emissions over time.

The climate accounting is measured in tons of carbon dioxide equivalents (tons CO₂-e), providing a standardized unit for comparing the potential global warming effect of various greenhouse gases relative to carbon dioxide. This approach simplifies the comparison of emissions from different sources by converting them to CO₂-e to assess their overall climate impact.

In accordance with the principles of the GHG Protocol, we apply the same principles for climate accounting for 2022 (baseline year) and 2023. Additionally, we have prepared separate carbon footprints for each of the group companies in Spabogruppen, and these will be published on the respective group company websites.

Notes

1. We have used the group financial statements for Spabogruppen as the basis for the climate accounting. This means that all internal transactions are eliminated, and the activities that the various companies do for each other are not visible. We have made no adjustments for this as the internal transactions are not material and have a minimal impact on the overall carbon footprint.
2. The calculations are adjusted for inflation and price index, while the effects of financial costs/income, depreciation, value added tax, employee commuting, sales revenue, and employee wages are not included in the climate accounting calculations.

GHG Protocol

Our climate accounting has been developed in accordance with the standards and methodology established by the Greenhouse Gas Protocol (GHG Protocol). This is the most recognized standard for measuring and reporting greenhouse gas emissions from businesses and organizations.

This reporting standard ensures that our reporting is reliable, transparent, complete, consistent, and comparable. According to the framework, greenhouse gas emissions are categorized into three scopes:



Scope 1: Direct GHG emissions

Covers emissions that arise from sources owned and operated by the organisation, e.g. exhaust from company vehicles or emissions from onsite equipment.



Scope 2: Indirect GHG emissions

Covers emissions from the consumption of energy purchased by an organisation for its own use, e.g. electricity.



Scope 3: Indirect GHG emissions

Covers emissions resulting from activities related to the production of a company's goods and services, e.g. business travel or distribution.

Overview.



0,0

SCOPE 1
tCO₂-e



220

SCOPE 2
tCO₂-e

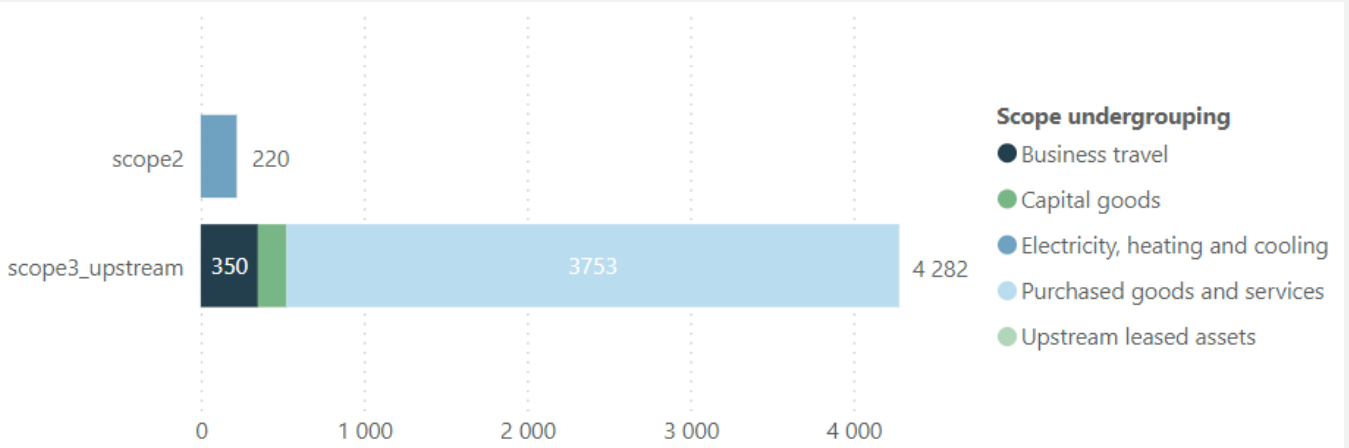


4.282

SCOPE 3
tCO₂-e

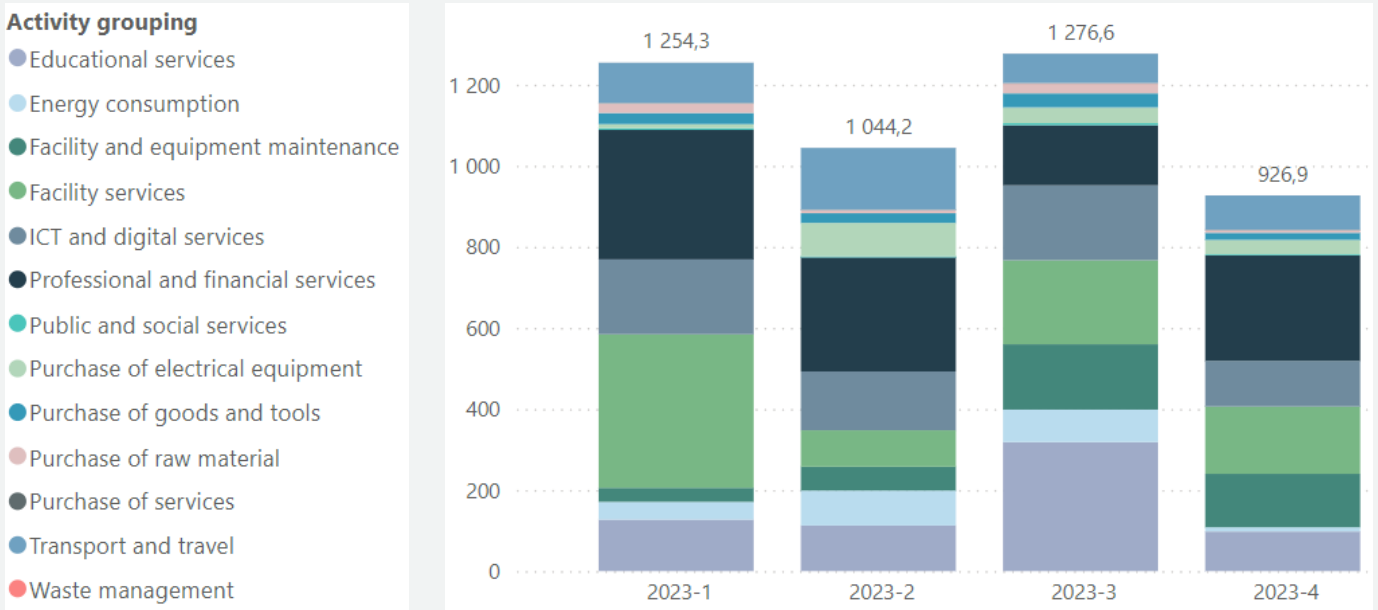
4.502

TOTAL EMISSIONS 2023
tCO₂-e

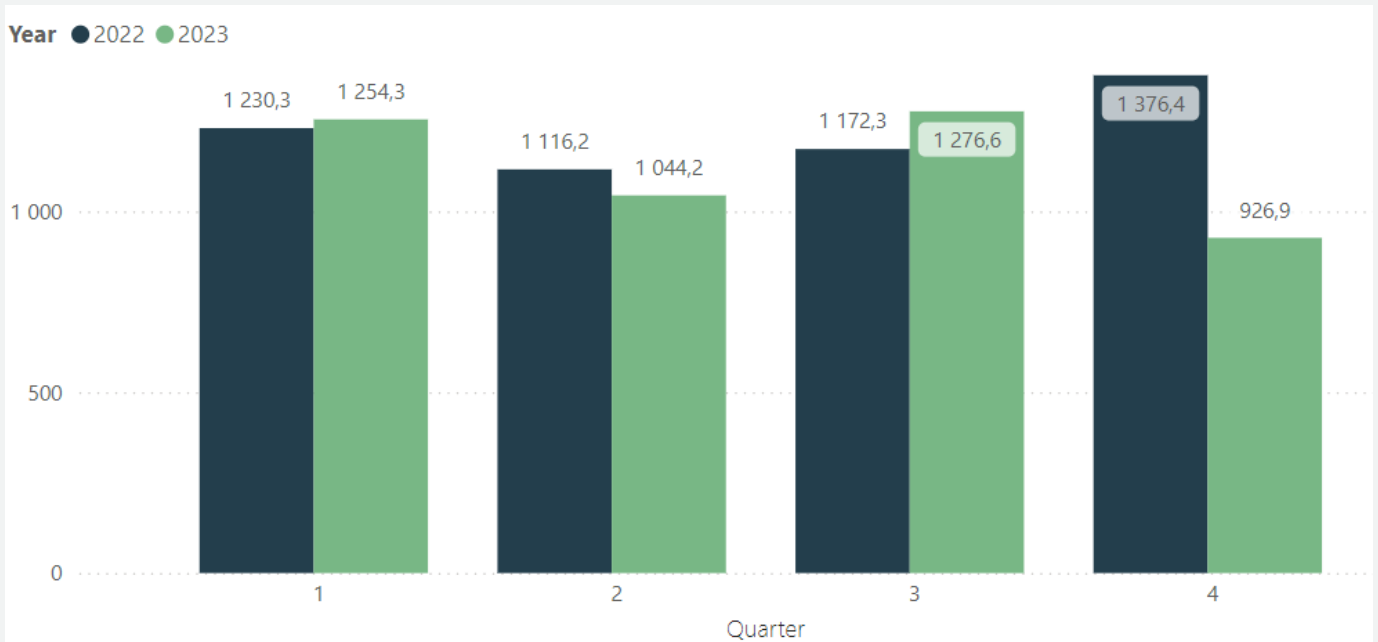


Detailed overview.

Quarterly emissions trend 2023 (t CO2-e)



Comparison of quarterly emissions trend (t CO2-e)



Carbon productivity (capro)

0,12 (MNOK/t CO2-e)

Total emissions per employee

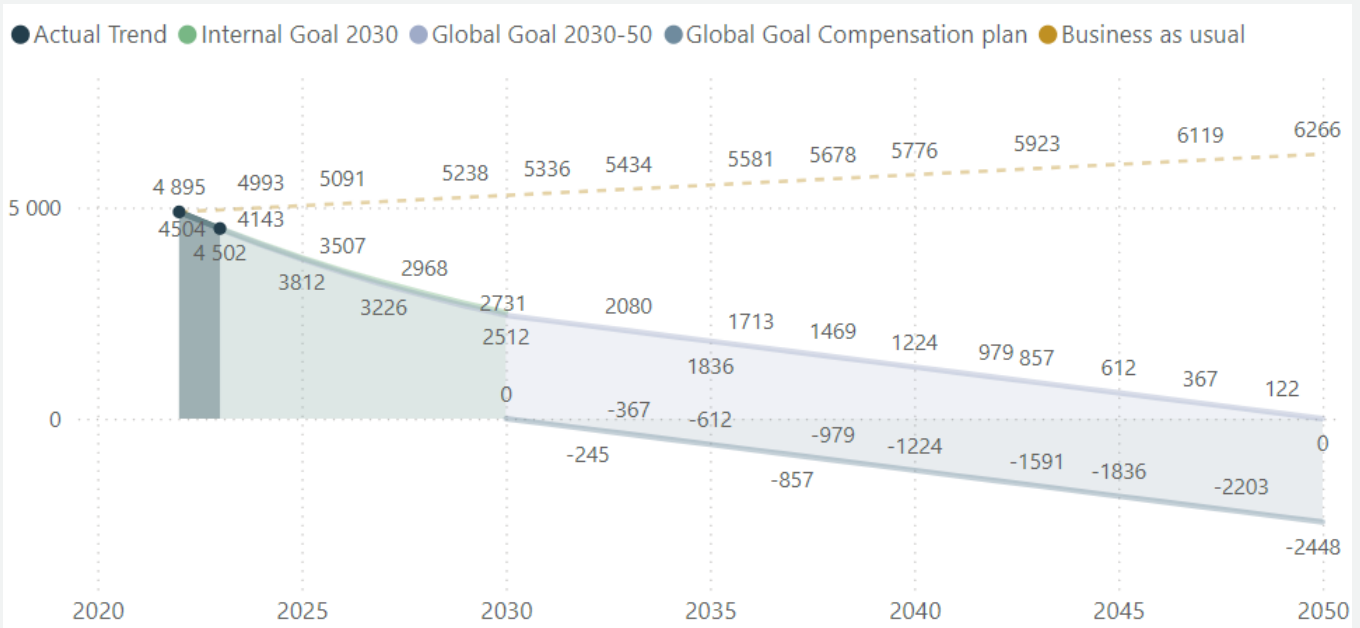
4,55 (t CO2-e)

Trend and goal.

8%

YEARLY EMISSION REDUCTION GOAL

Emissions trend and goal performance (t CO₂-e)



MDR-P

Spabogruppen aim to reduce carbon missions by 8% yearly over the next six years, in alignment with the Paris agreement. As a company specializing in providing services, in addition to leasing and managing commercial properties and apartments, our biggest climate impact is in purchased goods and services, energy consumption, business travel and capital goods. We aim to reduce carbon emissions across all operational aspects, with a primary focus on areas within our control like energy efficiency, business travel- and purchase policies.

This strategy ensures that Spabogruppen can effectively track and reduce its carbon footprint across various operational areas. The management team and board is responsible for the overseeing the implementation of relevant actions and policies and ensuring compliance throughout the organization. Spabogruppen commits to adhering to the ISO14001 environment management standard, has been a member of UN Global Compact since 2012, is ECO lighthouse certified and participates in relevant industry initiatives to reduce emissions.

ESG factor: Energy efficiency

For Spabogruppen, the adoption and implementation of energy-saving measures is a critical step towards improving our sustainability performance and reducing energy consumption. As a company who also lease and manage commercial properties, it is a priority to reduce energy consumption through energy-saving measures and improved energy performance certificates.

Energy consumption

For this reporting period, our total energy consumption amounted to:

Main office: 156,77 MWH

Spabo properties: 2.613,854 MWH

Data on energy consumption for the main office in Smeltedigelen 1, has been retrieved from our reported numbers in VENI Energy Group, whilst the reported number on Spabo properties has been retrieved through NOVA Energy Systems. Further, the composition of the energy mix, encompassing both renewable and non-renewable energy sources, reflects the general energy profile of Norway.

As part of our commitment to sustainability we continue to monitor and assess our energy consumption patterns, with a focus on increasing our reliance on renewable sources over time.



Examples of energy-saving measures

This table outlines energy performance certificates (grades) and some energy-saving initiatives that Spabo AS has implemented and are planning to implement. This includes the installation of heat pumps, solar panel systems and rehabilitating buildings. By analyzing the effectiveness of these measures and their impact on energy consumption and costs, we aim to demonstrate how these initiatives not only benefit Spabo, but also set a standard for responsible practices within the industry.

City	Adress	Grade 2012/2013	Grade 2022/2023	Energy- saving initiatives
Oslo	Hansteensgate 5	-	F	Established geothermal energysystem for water heating in 2023
Oslo	Hagegata 32	D	B	Completed rehabilitation, BREEAM very good
Oslo	Schleppegrellsgate 14	-	E	Heat pump installment in spring 2024
Oslo	Nordre gate 18	-	C	District heating in 2023/2024
Oslo	Bjørnerudveien 14	-	G	Establishing solar cells 2023/2024

Property energy performance example from implemented initiative

Hansteens gate 5A – 30 % reduced energy consumption following the installation of a geothermal energy system as energy source for water heating.

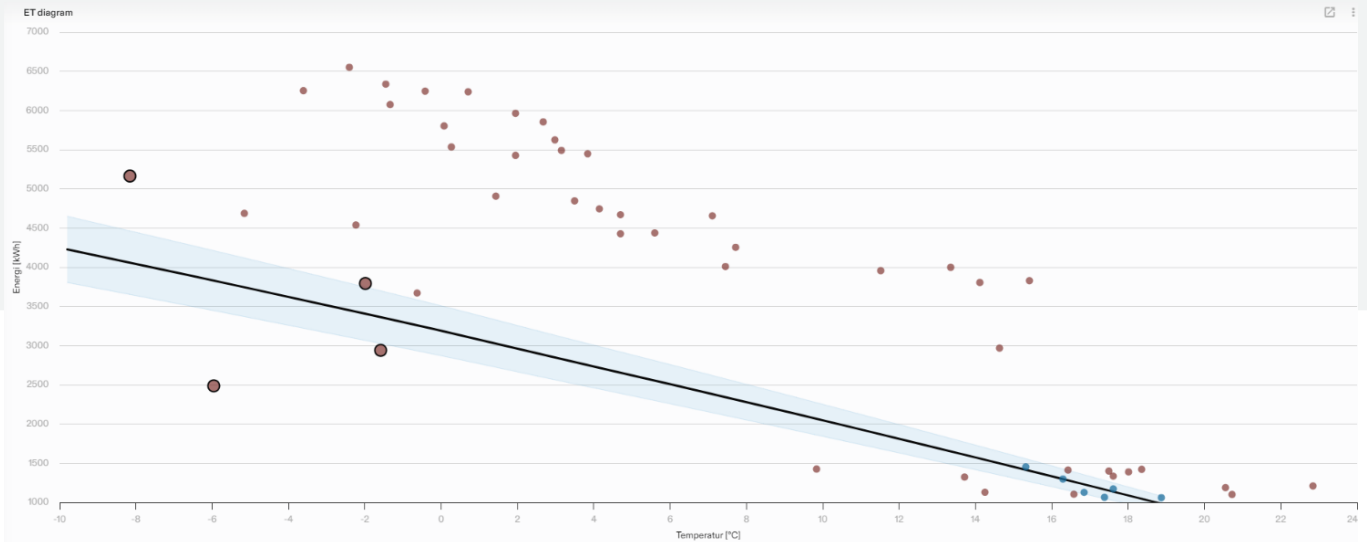


Diagram 1. Hansteens gate 5A energy consumption 01.01.23–31.12.23.

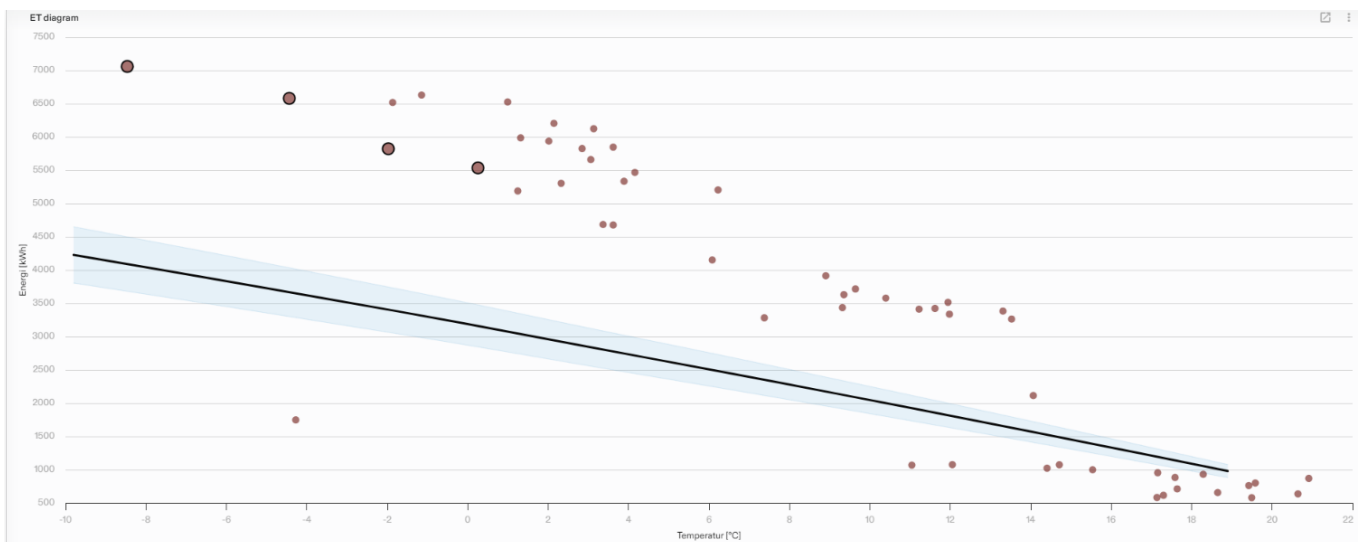


Diagram 2. Hansteens gate 5A energy consumption 01.01.22–31.12.22.

5.3 Social

The social dimension of ESG factors is pivotal in shaping the relationship and impact that businesses have on their stakeholder, communities, and the broader society. This dimension has been focused on in every aspect of Spabogruppens work. In this chapter, we explore Spabogruppen's commitment to promoting social responsibility and fostering positive social outcomes in our own operations and engagement with stakeholders.

At Spabogruppen, we understand the importance of cultivating a diverse and inclusive workplace, ensuring employee well-being, and actively contributing to the communities in which we operate. Our initiatives focus on promoting a healthy work-life balance, enhancing employee engagement and aligning our goals with our stakeholders.

Through this chapter, we will provide an overview of our social policies, the measures we have implemented to create a supportive work environment and our ongoing efforts to engage with key stakeholders. We believe that by prioritizing the social aspects of our operations, we can build stronger relationships and contribute to a more equitable and sustainable society.



ESG factor:

Work-life balance, Working environment, Diversity and Inclusion

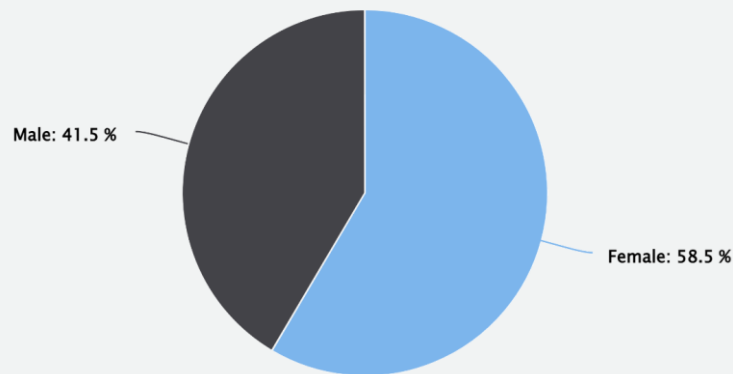
S1 Own workforce

In the line with Spabogruppen commitment to maintaining transparent and inclusive work environments, we have conducted an analysis of our workforce to provide a comprehensive view of employee's contract types, gender composition and total headcount. The data below offers insight into various aspects of the organization

Total number of employees: In 2023, we had a total workforce of 1,000 employees, consisting of both temporary and permanent employees.

Contract types: Out of the total workforce, 98% of employees are on permanent contracts, while 2% are on temporary contracts. This signifies Spabogruppen's long-term commitment to the majority of our workforce.

Gender Composition: Spabogruppen AS value and support diversity, including gender representation within the organization. Of the total workforce, 41.5% are male, and 58.5% are female. It is essential for Spabogruppen to promote gender equality and encourage a balanced gender distribution across all levels in the organization.



Spabogruppen is dedicated to continuously evaluating and enchanting the practices to ensure an inclusive workplace where all employees have equal opportunities and can thrive. We will continue to uphold transparency and adhere to the principles of equality and diversity in all aspects of our operations.

Employee Distribution: Norway: 80.19% and Nordic Region: 19.81%

Gender Equality Metrics: Gender Representation Disparity: 9.3%

Ratio of the entry level to the minimum wage: Not applicable, will be reported in the next reporting year.

Family-Related Leave: For this reporting year, the scope of family-related disclosure is specifically focused on maternity and paternity leave. Further, all employee's entitled to family-related leave took it.

Percentage of female employees entitled to family-related leave: 18.2%

Percentage of male employees entitled to family-related leave: 6.6%

The overall workforce distribution between Norway and the Nordic region showcases the geographical dispersion of employees. While the gender gap in employee representation is relatively low, the figures pertaining to family-related leave highlight areas for potential exploration and enhancement of family-friendly policies and practices in promoting work-life balance.

These insights will guide us in fostering an inclusive work environment that supports gender equality and encourages a culture of equal opportunity and support for all employees, irrespective of gender or geographical location.



S2 Workers in the value chain

It is important for us to be sure that we run our own business without this being at the expense of basic human rights and decent working conditions. The same applies to our suppliers.

Throughout 2023, the various companies in the Spabo Group have worked on due diligence assessments of suppliers and partners, where possible risks have previously been identified. At Group level, work has been initiated to update the Code of Conduct and the Supplier Code of Conduct. This work will continue into the next reporting period.

For 2023 Spabogruppen conducted a thorough due diligence process with all suppliers to assess their social impact. This included evaluating suppliers' sustainability practices and ethical guidelines. Spabogruppen key actions with due diligence covers all suppliers in the value chain, irrespective of geographic location. This means that we have assessed all suppliers based on country risk, industry risk, and product risk from 1 (low risk) to 5 (high risk). Suppliers with a total risk above 7 or those scoring 4 or 5 in any area will undergo further investigation and follow-up. This is detailed in the Transparency Report for each of the group companies* and in an aggregated summary report for Spabogruppen as a whole. Stakeholders involved include suppliers and employees.

The due diligence process will be expanded to cover climate, environment, and nature when the CSDDD is integrated into Norwegian law. This is expected to occur within 3 - 4 years. Spabogruppen has implemented measures to collaborate with suppliers to support the provision of remedies for those harmed by actual material impacts. This includes follow-up on deviations and implementing improvement measures to reduce negative impacts. Spabogruppen discloses quantitative and qualitative information on the progress of the due diligence process with suppliers through regular reporting, including results from previous actions taken.

*Amesto Top Temp AS has not followed the group process for the Transparency Act and will report in a separate process.

More information on measures implemented in the subsidiaries can be found in the [individual reports](#).



5.4 Governance

Effective governance is essential for ensuring transparency, accountability, and ethical decision making within the organization. This chapter addresses the governance framework that guides Spabogruppen in its quest for responsible business practices and long-term creation.

At Spabogruppen, we prioritize strong corporate governance by adhering to established policies and standards that promote integrity and fairness in all our dealings. Our governance practices encompass board structure, risk management and stakeholder engagement, ensuring that we operate with transparency and accountability at all levels.

By emphasizing sound governance practices, Spabogruppen aims to build trust among our stakeholders and ensure our alignment with sustainability goals and regulatory requirements.



ESG factor: Compliant with law and regulations

The undertaking shall describe the governance and responsibilities in relation to sustainability matters

Roles and responsibilities of the highest governance body or of the individual(s) in charge of managing sustainability matters in Spabogruppen is the board.

Spabogruppen is a member of UN Global Compact and our policies regarding to the workforce are aligned with relevant internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights.

We have processes in place to monitor our compliance with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the International Bill of Human Rights and the eight fundamental conventions identified in the ILO Declaration.

Spabogruppen have an advanced HR function that prioritize an instant follow up on any issues or situations regarding our own employees. It is important for us to have a complaints handling mechanisms to address violations of the above standards regarding our own workforce.

There has not been registered any violations of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises with regard to our own workforce during the reporting year.

As one of the ten largest accounting companies in Norway, Amesto AccountHouse has a very high standard of compliance for all the finance and accounting laws, including anti money laundry and quality controls.



ESG factor: Tripple bottom line

Spabogruppen is committed to sustainability and corporate social responsibility. We incorporate the triple bottom line into our business strategy, assessing performance across People, Planet and Profit. We strive to achieve results in all three areas to tackle significant societal challenges. Our focus on social responsibility is longstanding; we have been working with Creating Shared Value for over a decade. Creating Shared Value (CSV) is a business strategy where companies focus on generating economic value while simultaneously contributing positively to society and the environment. Spabogruppen is committed to this concept through its guidelines for corporate social values and ethics, which express the Group's commitment in key areas such as human rights, health, safety, and the environment, as well as anti-corruption.

These guidelines are anchored in important international documents such as the UN Declaration of Human Rights, the ILO core conventions, and the OECD guidelines for multinational enterprises. Additionally, Spabogruppen is committed to the UN Global Compact, which emphasizes the protection of human rights, labor rights, environmental sustainability, and anti-corruption measures. By integrating these principles into its business strategy, Spabogruppen aims to identify and address societal challenges, thereby gaining a competitive advantage and contributing to sustainable communities. See chapter 2 for further information regarding metrics, achievements and actions.

Here are some examples of our actions:

AI and BI for Good: Collaborating with the Cancer Registry to explore AI and synthetic data possibilities to unravel the cancer mystery.

Amesto Aces: A program aimed at creating opportunities where others see challenges. Amesto Aces empowers young individuals who have fallen out of the workforce by offering a 16-week training program for certification as Salesforce and Microsoft resources with real work experience.

Amesto Footprint: Consulting services and software solutions for sustainable business development and reporting. Amesto Footprint assists mid-sized companies in accelerating their sustainability performance. Their goal is to support organizations in their sustainability initiatives and contribute to a more environmentally friendly future.



A person stands on a large, dark rock in the center of a cave opening. The cave walls are dark and textured, with some green moss or plants growing on them. The view through the cave opening shows a sandy beach, the ocean with waves, and a cloudy sky. The overall mood is serene and contemplative.

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Simplifying business.

The quality of the ESRS report is ensured by Amesto footprint.

Accounting
for accountability.

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Appendix: Explanations

Below follows an explanation of key terms in the ESRS report.

Appendix: Explanations 1/3

The disclosure requirements in ESRS 2 are structured in the following reporting areas:

(a) Governance (GOV) means governance processes, controls and procedures used to monitor to manage and monitor impacts, risks and opportunities (see ESRS 2 Chapter 2 Governance);

(b) Strategy and Business Model (SBM) means how the Company's strategy and business model interact with its material impact risks and opportunities, including how the Company manages those impact risks and opportunities.

(c) Impact, Risk and Opportunity Management (IRO) means the process(s) by which the undertaking:

i. identifies impact risks and opportunities and assesses their materiality;

ii. handles material sustainability matters through policies and actions;

(d) Metrics and targets (MT) : the company's performance including goals it has set and progress towards achieving them.

In all ESRS:

(a) The term "impacts" refers to positive and negative sustainability-related impacts that are related to the Company's operations as identified through a materiality assessment (see Section 3.4 Materiality). It refers both to actual consequences and to potential future consequences.

(b) The term "risks and opportunities" refers to the Entity's sustainability-related financial risks and opportunities, including those arising from reliance on natural human and social resources, identified through a financial materiality assessment (see Section 3.5).

Together, these are referred to as "impact risks and opportunities" (IROs). Ours reflects the dual materiality perspective of the ESRS described in Part 3.

Double materiality as a basis for sustainability disclosures

The company shall report on sustainability matters based on the principle of double materiality as defined and explained in this chapter.

Stakeholders and their relevance to the materiality assessment process

Stakeholders are those who can influence or be affected by the enterprise. There are two main groups of stakeholders:

(a) Affected stakeholders : individuals or groups whose interests are or may be affected, positively or negatively, by the activities of the enterprise and its direct and indirect business relationships across the value chain; and

(b) Users of sustainability statements : primary users of general financial reporting (existing and potential investors, lenders and other creditors, including asset managers, credit institutions, insurance companies) and other users of sustainability statements, including the entity's business partners, trade unions and civil labor partners, communities and non-governmental organizations, governments, analysts and academics.

Appendix: Explanations 2/3

Material conditions and materiality of information

It is necessary to carry out a materiality assessment (see section 3.4 Materiality of impact and 3.5 Financial materiality) in order for the entity to identify the material effects, risks and opportunities to be reported.

Materiality assessment is the starting point for sustainability reporting under ESRS. IRO-1 in Section 4.1 of ESRS 2 includes general disclosure requirements about the entity's process for identifying impacts, risks and opportunities and assessing their materiality. SBM-3 in ESRS 2 provides general disclosure requirements on significant impact risks and opportunities arising from the undertaking's materiality assessment.

A sustainability case is "material" when it meets the criteria defined for materiality, impact (see section 3.4 of this standard) or economic materiality (see section 3.5 of this standard), or both.

Double materiality

Double materiality has two dimensions, namely: impact materiality and economic materiality. Unless otherwise specified, the terms "material" and "materiality" are used throughout the ESRS to refer to double materiality.

Assessments of materiality and economic materiality are interrelated, and the interdependencies between these two dimensions must be assessed. In general, the starting point is the assessment of impacts, but there may also be significant risks and opportunities that are not related to the business's impacts. A sustainability impact may be materially material from the outset or become material, when it can reasonably be expected to affect the entity's financial position, financial performance, cash flows, its access to financing or its cost of capital in the short-term, medium- or long-term. Influences are captured by the materiality perspective regardless of whether we are financially significant or not.

When identifying and assessing pressures, risks and opportunities in the enterprise's value chain in order to determine their materiality, the enterprise shall focus on areas where impact risks and opportunities are considered likely to arise based on the nature of the activity, business relationships, geography or other affected factors.

The undertaking shall assess how it is affected by its reliance on the availability of natural human and social resources at appropriate prices and quality regardless of its potential impact on those resources.

An entity's principal impacts, risks and opportunities are understood to be the same as material impact risks and opportunities identified under the principle of double materiality and therefore reported on in its sustainability statement.

The firm shall apply the criteria set out in sections 3.4 and 3.5 of this standard using appropriate quantitative and/or qualitative thresholds. Appropriate thresholds are necessary to determine which impacts, risks and opportunities are identified and addressed by the entity as material and to determine which sustainability issues are material for reporting purposes. Some existing standards and frameworks use the term "most significant impacts" when referring to the threshold used to identify the impacts described in the ESRS as "significant impacts."

Climate gas accounting

The 5 principles of the GHG Protocol:

Relevance: Organizations should focus on relevant GHG emission sources and activities that have a significant impact on their overall emissions profile.

Completeness: Reporting should cover all significant greenhouse gas emission sources and activities within an organization's operational boundaries.

Consistency: Consistent methods and data collection practices should be used over time to enable accurate comparisons.

Transparency: Organizations should provide clear and transparent information about their greenhouse gas emissions, including data sources, calculation methods, and assumptions.

Accuracy: Reported emissions data should be accurate, reliable, and based on robust measurement and calculation methods.

Appendix: Explanations 3/3

Efficiency

A sustainability case is material from an impact perspective when it comes to the company's material, actual or potential positive or negative impacts on people or the environment in the short, medium or long term. Impacts include those related to the enterprise's own operations and upstream and downstream value chain, including through its products and services as well as through its business contacts. Business relationships include those in the enterprise's upstream and downstream value chain and are not limited to direct contractual relationships.

In this context, impacts on people or the environment include impacts in relation to environmental, social and governance conditions.

The materiality assessment of adverse impacts is based on the due diligence process defined in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. For actual adverse impacts, materiality is based on the severity of the impact, while for potential adverse impacts, it's based on the severity and likelihood of the impact. Severity is based on the following factors:

- (a) the scale;
- (b) scope; and
- (c) irreparable nature of the influence.

In the event of a potential adverse human rights impact, the severity of the impact takes precedence over probability.

For positive effects, materiality is based on:

- (a) the extent and extent of the impact on actual impacts;
- (b) the extent and likelihood of the impact on potential impacts.

Economic significance

The scope of financial materiality for sustainability reporting is an extension of the scope of materiality used in the process of determining what information to include in the enterprise's financial statements.

The economic materiality assessment corresponds to the identification of information that is considered material to primary users of general financial reports by making decisions related to providing resources to the enterprise. In particular, information is considered material for primary users of general financial statements if the omission of misstatements or the obfuscation of this information can reasonably be expected to influence decisions we make on the basis of the Company's sustainability statement.

A sustainability relationship is material from a financial perspective if it triggers or can reasonably be expected to trigger significant financial effects on the enterprise. This is the case when a sustainability relationship generates risks or opportunities that have a material influence or that can reasonably be expected to have a material influence on the company's development, financial position, financial performance, cash flows, access to financing or cost of capital over the short, medium or long term. Risks and opportunities may stem from past events or future events. The financial materiality of a sustainability relationship is not limited to matters that are within the entity's control but includes information about material risks and opportunities attributable to business contacts outside the scope of consolidation used in the preparation of the financial statements.

Reliance on natural human and social resources can be sources of financial risk or opportunity. Dependencies can trigger effects in two possible ways:

- (a) we may influence the Company's ability to continue to use or obtain the resources needed in its business processes, as well as the quality and price of those resources; and
- (b) ours may affect the Company's ability to rely on relationships needed in its business processes on acceptable terms.

The materiality of risks and opportunities is assessed based on a combination of the probability of their occurrence and the potential magnitude of the economic effects.