Climate Disclosure Report

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Introductory notes

As we move closer to the 2030 agenda, it's clear that while challenges remain, there are also signs of progress and optimism. Though some Sustainable Development Goals (SDGs) still require significant effort, there have been encouraging advancements in areas like renewable energy adoption, carbon footprint reduction, and corporate climate responsibility. These positive trends are paving the way for a more sustainable future, showing that collective action can make a difference.

The SDGs provide a shared vision for a better world, one where today's needs are met without compromising the ability of future generations to thrive. This vision fosters collaboration, innovation, and a sense of purpose in tackling climate change.

At Doconomy, we recognize that much work remains to be done, but we are committed to being part of the solution. Through this climate disclosure, we aim to promote a culture of transparency and accountability, where environmental impact is not only measured but actively reduced over time. Our ambition is to minimize the footprint of our operations while driving climate awareness and action through our products.

Mathias Wikström, CEO of Doconomy, says: "At Doconomy, we believe that every step towards sustainability counts. While the path ahead may be challenging, we are inspired by the progress we've seen and remain committed to leading by example. Our climate initiatives are not just about compliance; they are about making a real impact. Together, we can build a future where economic growth and environmental stewardship go hand in hand. To many, the first step is the most important, just do it."

Methodology

1. The Greenhouse Gas Protocol

Doconomy's Climate Disclosure has been conducted in accordance with the Greenhouse Gas (GHG) Protocol, the world's most widely used greenhouse gas accounting standard for companies and organizations.

According to the GHG protocol, emissions are divided into three scopes. Scope 1 covers the company's direct emissions, scope 2 covers indirect emissions from purchased energy and scope 3 covers all other indirect emissions in the company's value chain. Scope 3 is further divided into 15 categories.

The consolidation approach chosen for Doconomy's calculations is the operational control approach. The selection of a consolidation approach affects which company activities are categorized as direct emissions (i.e., scope 1 emissions) and indirect emissions (i.e., scope 2 and scope 3 emissions). By choosing the operational control approach, emissions from any assets Doconomy has operational control over are included in scope 1.

In terms of scope 2, there are two calculation methods to consider - the location-based method and the market-based method. The location-based method uses average emission intensities from the grid where the consumption occurs. I.e. the average emission intensity at your location (usually country). The market-based method on the other hand takes contractual agreements into account and allocates emissions thereafter. Doconomy is reporting its scope 2 emissions using both the location-based and the marked-based method, as suggested in the GHG protocol standard.

Read more about the GHG protocol, the guidance and standards used at https://ghgprotocol.org/

2. Selection of sources

Doconomy consistently uses publicly available emission intensity sources from well known organizations such as DEFRA (Department for Environment, Food and Rural Affairs, UK GOV), NTM (Network for Transport Measures) and AIB (Association of Issuing Bodies). For the full list contact Doconomy directly.

The chosen sources include the greenhouse gasses covered by the Kyoto Protocol, expressed as carbon dioxide equivalents (CO2e). GWP100 has been used, in line with the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4).

3. Exclusions

For FY2023, the following scope 3 areas have been excluded from Doconomy's climate disclosure:

Capital Goods - no emission 2023
Transportation and Distribution upstream — less than 1% of Doconomy's total emissions
Transportation and Distribution downstream — not applicable to Doconomy's operations
Leased Assets upstream — No emissions associated with leased assets upstream
Leased Assets downstream — less than 1% of Doconomy's total emissions
Waste generated in operations — less than 1% of Doconomy's total emissions
Processing of sold products — not applicable to Doconomy's operations
End-of-Life treatment of sold products — not applicable to Doconomy's operations
Franchise — not applicable to Doconomy's operations
Investments — not applicable to Doconomy's operations

Doconomy did not make any large purchases that could be classified as capital goods during 2023.

Regarding Transportation and Distribution, Doconomy sometimes uses delivery services for transportation of e.g. office equipment or larger parcels.

Doconomy rents some of its office furniture and a printer, categorized as Leased Assets upstream. Furniture rental does not generate operational emissions, and the printer's electricity consumption is included in the scope 2 calculations. Hence, no emissions to report in this category.

Doconomy offers car fringe benefits, categorized as leased assets downstream (as the cars are used solely for personal travel and not for business). Note that all cars are either electric or hybrid electric.

The waste generated by Doconomy's operations is primarily office-related. With a strong focus on recycling and the remaining general waste being incinerated with energy recovery, emissions from this category remain minimal.

All excluded categories combined make up less than 1% of Doconomy's total emissions and have therefore been deliberately removed from the final results.

Results

1. FY 2023

The results from Doconomy's climate accounting are presented in table 1 and table 2. All emissions are presented in tonnes CO_2e.

Table 1, total emissions 2023

FY 2023	Emissions scope 1 [tonnes Co2e]	Emissions scope 2 [tonnes Co2e]	Emissions scope 3 [tonnes Co2e]	Total emissions [tonnes Co2e]	Percentage of total emissions
Office	**-**	**0,4**	**0,2**	**0,6**	**0,2%**
**Electricity consumption*	-	0,0	0,1	0,1	0%
Heating consumption	-	0,4	0,1	0,5	0%
Cooling	-	0,0	-	0,0	0%
Business travel	**-**	**-**	**198,5**	**198,5**	**54,7%**
Car rental	-	-	0,9	0,9	0%
Taxi	-	-	1,5	1,5	0%
Train	-	-	0,1	0,1	0%
Boat	-	-	0,0	0,0	0%
Air	-	-	196,0	196,0	54%
Purchased goods & services	**-**	**-**	**153,1**	**153,1**	**42,2%**
Electronic equipment	-	-	0,4	0,4	0%
Food & Representation	-	-	43,2	43,2	12%
Marketing and events	-	-	16,7	16,7	5%
Software	-	-	7,4	7,4	2%
Consultancy services	-	-	18,7	18,7	5%
Other	-	-	66,6	66,6	18%
Employees	**-**	**-**	**10,2**	**10,2**	**3%**
*** Employee commuting*	-	-	10,2	10,2	3%
Use of sold products	**-**	**-**	**0,3**	**0,3**	**0%**
Data centers & Data transfer	-	-	0,3	0,3	0%
Total Emissions	**-**	**0,4**	**362,3**	**362,8**	**100%**
* The numbers in the table are calculated with the market-based method. The location-based scope 2 emissions are 0,8 tonnes CO2e.					
** Full-time consultants have been calculated as part of Doconomy and included in employee commuting					

Table 2, scope breakdown

Breakdown 2022	Emissions [tonne CO2e]	Percentage of total emissions [%]
Scope 1	-	0
Scope 2	0,4	0,1%
Scope 3	362,3	99,9%

As Doconomy does not burn any fuels in operations or has any company vehicles, scope 1 is zero. Rental cars are included in scope 3, business travel, and leased vehicles for Doconomy's car fringe benefits are categorized as leased assets downstream.

Scope 2 emissions originate from electricity, heat and cooling consumption at Doconomy's offices. Doconomy purchases 100% renewable electricity with a guarantee of origin.

Scope 3 emissions include business travel, purchased goods and services, employee commuting, use of sold products and fuel and energy related activities.

- Air travel is one of the largest emission sources, not only in the business travel category but also for Doconomy as a whole. Business travel also includes taxi, train, boat and car rentals. Hotel nights are included in Purchased Goods and Services during 2023, due to the lack of specific data on hotel stays.

- Purchased goods and services are divided into six sub-categories. *Electronic equipment* includes the purchase of computers, phones etc. for employees and offices. *Food & Representation* covers food for the office (fruit, milk etc.) as well as restaurant visits and other activities where food and beverages are purchased. *Marketing and events* cover different types of marketing media and advertising, translations, participation fees for events and sponsorships. *Software* includes software and licenses used in operations. *Consultancy services* cover all types of consultancy services Doconomy purchases except recurring consultants (calculated as FTCs and included in e.g. employee commuting). *Other* includes all other purchased goods or services, such as cleaning or security services, office material or digital subscriptions.

- Employee commuting includes both Doconomy's full-time employees and full-time consultants. The number of employees and consultants used is an average over the year. Electricity consumption when working from home has not been included.

- Doconomy offers digital products focused on climate and financial wellbeing. The products cover savings and measuring of the climate footprint of transactions and lifestyle activities. Since the products Doconomy offers are digital, the emissions from the use of these products are emissions associated with data storage and data transfer. Even though the emissions are small today, Doconomy has chosen to include this number as it is connected to the company's core business and since it might grow in the future (as the use of Doconomy's products increases).

- See description of scope 2 for fuel and energy related activities.

2. Comparison with previous year

Doconomy has had a public climate disclosure since 2021, see comparison with previous years below.

Table 3, comparison with last year

Emissions [tonne CO2e]	2021	2022	**2023**
Scope 1	0,4	-	**-**
Scope 2	0,7	0,4	**0,4**
Scope 3	313,8	571,8	**362,3**
Total	314,9	572,2	**362,8**

As seen in table 3, the emissions are fluctuating between the years. The emissions reflect the fast changing environment that is Doconomy, as well as the market that Doconomy operates in. Over the last few years there have been both external and internal factors influencing the operations. External factors such as the aftershock from Covid 19, inflation and increased cost of living, and internal factors such as the acquisition of Dreams Technology, a Stockholm-based financial wellbeing fintech company, and the work leading up to the closure of one of Europe's largest funding rounds in the sector.

However, looking at the emission breakdown there are many similarities over the years.

1. The largest category of emissions for Doconomy is Business travel, where air travel is by far the largest emitter within the category. Doconomy's products are sold globally, and a large part of the business travel is connected to meetings with potential and current clients. Doconomy has also been present at events during 2023, to engage and accelerate climate action in society. Lastly, Doconomy has employees across the globe, who occasionally travel to the Stockholm office.

   There has been a slight decrease this year compared to 2022, due to actions taken with the 2023 travel budget and the fact that during 2022 there had been a buildup of travel left from the Covid 19 pandemic.

2. Purchased goods and services is the second largest emission category for Doconomy. This will together with business travel be the main focus areas and a review of suppliers were made in 2023. Supplier action will be part of addressing these emissions.

3. Emissions from offices, employee commuting and use of sold products remain low as Doconomy purchases renewable energy, promotes the use of public transport and has a supplier for web services that focus on reducing emissions as well.

Changes compared to last year are:

1. Emissions from purchased goods and services have decreased. As Doconomy changed offices in 2022 it was expected that emissions in this area would increase during that specific period, and decrease once the new office was fully equipped and furnished.

2. Emissions from employee commuting have increased, as the number of employees have increased compared to 2022.

3. The introduction of emissions from cooling, related to the Tokyo office.

3. Biogenic emissions

Biogenic CO2 emissions, both direct emissions and emissions that occur in the value chain, shall not be included in the scopes, but shall be reported separately. Biogenic CO2 emissions refer to emissions from combustion or biodegradation of biomass. Doconomy has no biogenic emissions to report for FY 2023.

Discussion

Doconomy is following the guidance of the Greenhouse Gas Protocol and is including all three scopes in this climate disclosure report. For scope 3, Doconomy has conducted a thorough analysis estimating the emissions from all 15 categories. This has led to the conclusion that five categories have a relevant footprint and they have been included in the calculations and disclosure. For a service provider like Doconomy, business travel is usually a large part of the company footprint, and this is also what the calculations show. However, a category that is usually difficult to calculate emissions from is Purchased Goods and Services, but as Doconomy is aiming to inspire others and follow best practice, this category has been analyzed thoroughly. The results show that this category is the second largest for Doconomy, with most emissions coming from purchases of food and different types of services. These are sources of emissions that are often overlooked within service companies, but Doconomy aims to shed light on these emissions, and work to reduce them going forward.

The Exponential Roadmap Initiative (ERI), of which Doconomy is a member, introduced the Supplier Action Guide that companies can use to work with suppliers to set and meet 1.5°C aligned targets. This approach can be cascaded by suppliers across their own supply chains and at Doconomy we see this as a guide suitable for our business and one way to work with these emissions.

1. Calculation methods & Uncertainties

All emissions in this climate disclosure originate from actual data (either activity data or spend data).

Electricity and heating are based on primary data, in the form of kWh, and reported both according to the location-based and market-based method.

For purchased goods and services a spend-based method was used to estimate emissions. Data on economic value for the goods and services purchased was collected and emission factors from Doconomy's own product Åland Index (industry average emission factors, based on company reporting and an EEIO model) was used in calculations. The spend based method comes with some uncertainty, and Doconomy aims to improve the calculation method of the purchase goods and services category over time. For example, engaging with suppliers, or a hybrid method, could be relevant for emission intense areas. Due to data limitations hotel stays could not be separated and hence included in purchased goods and services instead of business travel for 2023.

For business travel the goal is to use the distance-based method to the greatest extent possible, and fill any gaps with the spend-based method. However, as Doconomy changed systems, moving away from the previously used travel agency, distance based data was unavailable 2023. Spend based estimations have been based on 2022s data on cost and distance, assuming the travel patterns are similar between the years. Going forward Doconomy aims to go back to obtaining as much distance based data as possible.

As Doconomy is selling digital products, the emissions associated with the use of sold products are connected to data storage and data transfer. The emissions are calculated using a supplier specific method, taking the specific supplier emissions from the data connected to Doconomy's products into account. However, data availability was limited during 2023 and the same estimates were used as for 2022. It's assumed that the use of these digital services are about the same between the years, and as they make up less than 1% of Doconomy's total emissions they are not a prioritized area.

Data on employee commuting was gathered through an employee survey.

2. Events and changes that have an impact on reported data

Apart from being a fast paced business, the most notable change is the acquisition of Stockholm-based financial wellbeing fintech company Dreams Technology. This marks the first deal of its kind to bridge the unique intersection of behavioral economics and climate impact.

Dreams Technology is on a mission to create deeper and more valuable relationships between banks and customers and make financial wellbeing an everyday reality for millions of people worldwide. Building on insights from behavioral science, the Dreams engagement banking platform offers unparalleled effectiveness in encouraging mindful consumption habits.

By combining this with empowering individuals and corporations to take responsibility for their environmental footprint, enabling a sustainable lifestyle for all, Doconomy hopes to provide applied impact solutions using world leading data together with engagement services based on behavioral science. Combining the talent from both companies to become a force for driving climate action globally. 2023 has been focused on this extended behavioral science-driven product portfolio.

In October 2023 Doconomy officially joined the Exponential Roadmap Initiative (ERI), another notable event that has an effect on the climate efforts of the business. Joining the initiative Doconomy has gone through a rigorous assessment, but also been provided with guidance and the possibility to collaborate with others. The focus of the ERI is very well aligned with Doconomy’s vision and strategy.

Climate mitigation targets & KPIs

In line with the Exponential Roadmap Initiative (ERI) and the UN-backed Race to Zero, and to contribute to the Paris Agreements target of keeping global warming to no more than 1.5°C, Doconomy has developed two climate mitigation targets.

To reach these targets, Doconomy is working on a strategy to mitigate emissions from our operations. The strategy is inspired by the WWF beyond net-zero framework, and the transition plan for operationalizing the climate strategy is done with the guidance the ERI.

1. Targets

Doconomy commits to a 50% reduction in GHG emissions per employee until 2030, compared to 2022.
Doconomy commits to reach net zero by 2040.[1]

[1] Our definition of net zero means to follow or exceed the science-based Carbon Law, reduce absolute emissions in tCO2e by at least 90% and counterbalance the remaining residual with permanent or like-for-like carbon removals.

2. KPIs

Doconomy is currently tracking the KPIs presented in table 4. These may be subject to change as the strategy and transition plan come into effect.

Table 4, Doconomy KPIs

KPIs	2021	2022	2023
Target			
Tonnes CO2e/Employee	6,7	8,3	4,3
Progress towards 2030 target (emission reduction per employee)	-	0%	49%
Office			
Electricity consumption total [MWh]	46	36	19
Electricity consumption [MWh] /Employee	1	0,5	0,23
Share of electricity with REC [%]	100%	100%	100%
Energy consumption total [MWh]	49	64	48
Energy consumption [MWh] /Employee	1	0,9	0,6
Business travel			
Emissions from air travel total [tonnes CO2e]	43,6	274,4	196
Emissions from air travel [tonneCO2e] /Employee	0,9	4	2,3
Purchased goods and services			
Emissions from top 10 financial accounts [tonnes CO2e]	199	254,8	103
Employee commuting			
Emissions from commuting total [tonnes CO2e]	6,7	4,4	10,2
Emissions from commuting [kgCO2e] /Employee	142	64	120

As Doconomy is a growing company, emissions per employee are considered the best indicator of the company's emissions. Employees are defined as average FTE and average FTC during the year.

There has been a slight decrease in energy consumption, mainly due to the finalizing of the Doconomy office move. During 2022, both the old and new office in Stockholm were part of the energy consumption.

During 2023, to reduce emissions from Doconomy's purchased goods and services, and to facilitate a collaborative and aligned approach to emission reductions, we have started to interact with our suppliers. This has been done in accordance with ERI guidance and the goal is to report on this engagement every year. We have asked our suppliers to:

- Set a public target to halve absolute emissions by 2030 and start taking action.
- Disclose progress publicly on an annual basis.
- Ask their suppliers to commit, and communicate the climate commitment to customers.

Doconomy had during 2022 over 250 suppliers, where 22 suppliers stood for about 70% of the total spend. To cut this down to a manageable number, we identified a few selection criteria:

We evaluated the 22 companies that account for 70% of Doconomy's supplier spend, prioritizing those with the highest spend for maximum impact. We excluded micro and small companies due to their limited capacity to set targets and focused only on active suppliers. For those without climate targets, we concentrated on encouraging them to set goals, while engaging those with targets about their transition plans.

Based on this, 4 companies were selected in 2023, covering 26% of 2022 spend. For 2024 the intention is to continue to review suppliers and increase the number of interactions. By doing so we hope to create incentive for 1.5 degree targets throughout our supply chain, and in the long run reduce our own scope 3 emissions from purchased goods and services.

3. Risks & Opportunities

As the impacts of climate change become more pronounced even smaller organizations must proactively identify and manage potential risks to maintain a sustainable business. This year Doconomy started tracking risks and opportunities affecting its business and operations. This chapter explores major identified risks and opportunities associated with climate change and other related factors so far. The risk landscape is the same as for 2022.

- *Higher Cost of Materials due to Natural Resource Degradation:* Climate change leads to the degradation of natural resources, resulting in increased costs for materials required in various business operations. Doconomy assesses the potential impact of rising costs and explores alternative materials or sustainable sourcing practices to mitigate this risk.

- *Vulnerability of Offices and Employees to Natural Disasters:* As climate change intensifies, the frequency and severity of natural disasters like hurricanes, floods, and wildfires, may increase. This poses a risk to both office locations and employees residing in regions prone to such events.

- *Less Stable Institutions due to Polarization and Global Migration:* Climate change can intensify social and political tensions, leading to polarization and increased global migration. This instability can have significant impacts on business operations, particularly in regions where institutions become less stable. Understanding and monitoring the geopolitical landscape can help identify potential risks and adapt business strategies accordingly.

- *Increased Energy Usage for Cooling during Heat Waves:* Heat waves resulting from climate change can lead to a surge in energy demand for cooling systems, in regions with hot climates. Exploring energy-efficient cooling alternatives can help mitigate the risk of increased energy expenses.

- *Disruption in Supply Chains:* Climate change can trigger extreme weather events, including hurricanes, storms, and droughts, which have the potential to disrupt supply chains. This disruption can arise from damage to transportation infrastructure, delays in shipping, or destruction of facilities. Political tensions arising from climate-related issues, such as disputes over resources or trade policies, can also impact the supply chain.

- *Fast-changing Legal Requirements on the Financial Sector:* The financial sector faces rapidly evolving legal requirements, including those related to data protection, cybersecurity, and climate action plans. Failure to comply with these requirements can result in reputational damage, legal consequences, and potential loss of business opportunities. Implementing robust data protection measures, comprehensive cybersecurity protocols, and proactive climate action plans are essential to mitigate these risks. Strict regulations imposed on the financial sector are driving the availability of more climate data. This, in turn, presents an opportunity to enhance the accuracy of our solutions like Åland Index.

For any questions, or if you want to engage and discuss any topic in the report, please reach out to hello@doconomy.com