



ESG REPORT

2021

MAKE
A GOOD
MOVE.

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"Vapaus is part of a solution that allows people to enjoy continued freedom of mobility"

ABOUT US

Our Mission is to advance emission-free mobility worldwide

Vapaus is a company founded in 2018 that offers sustainable mobility solutions that do not produce direct emissions. Our aim is to benefit companies as well as employees – both at work and during their leisure time. We focus on sustainable B2B2C mobility solutions. Our goal is to become a trailblazer in corporate mobility on a global scale. In 2021, our staff consisted of approximately 30 experts. At the end of 2021, Vapaus had 240 corporate clients.

We provide high-quality B2B2C sustainable mobility solutions. Our journey started in Finland, and we plan to be the most influential sustainable mobility partner for work places in several countries within five years.

Even more sustainable options going forward

In late 2021 we launched our Precycled store, a marketplace for our returned and refurbished bicycles. Precycled is a big milestone in our circular economy strategy that allows us to extend the life cycle of our bikes and provide our users with options that are both more affordable and more environmentally friendly at the same time.

We will continue to develop our Precycled concept in the future as an instrument to both promote and develop circular economies for bicycles. We are committed to becoming an industry leader by not just providing the best service, but also the most sustainable one.

This is Vapaus's first corporate responsibility report and covers the calendar year 2021. The report utilizes the Global Reporting Initiative (GRI) standard where applicable.

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"I want to extend a warm thank you to all of our partners, customers and staff that continue to help us make good moves for a better tomorrow!"
– CEO, Mikko Ampuja

OUR SUSTAINABILITY HIGHLIGHTS 2021

HIGHLIGHTS 2021

58 % of our users now drive cars less.

Employee NPS: 74

100 % climate positive

NPS: 61

Launch of our Precycled circular economy concept

Our business expanded, we developed new services to meet the needs of our customers and we hired more professionals including a People & Culture Manager, as an appreciative and open work culture is the foundation of our business. Constantly improving our operations, processes and quality contributes to the customer experience, and thus NPS (customer satisfaction) surveys for service users were conducted. We understand the impact of seasonality on our business and will be more aware of it in the future.

Providing a carbon negative service through carbon footprint calculating and offsetting emissions was one of the highlights of the year. Our compensation partner is Compensate.

We enable the growth of cycling by bringing new options for purchasing a bicycle with a leasing concept. More and more people have access to a

high-quality bicycle for work and leisure. Moreover, cycling has a positive impact on people's physical and mental health in addition to environmental benefits.

We released the Precycled concept, which allows us to offer our customers the opportunity to get a used bike instead of a new one. This will help us achieve our circular economy goal.

As our business scales, we continue to strive for a high level of both staff and customer satisfaction. We want to continue our commitment to overcompensate our emissions so that we can provide a carbon negative service.

"One of our many lightly used Precycled waiting for a new owner"



CASE: PRECYCLED

2021 saw the launch of our Precycled circular economy concept. Our resident bike expert **Sasu Halme** reflects on the significance of efficient resource use in the bike market.

"In many ways, the year 2021 was quite exceptional in the bicycle market, and the challenges in bike supply will continue affecting us in 2022."

The demand for bikes was record-breaking and many models ran out of stock from bikes stores around the world in 2021. Full-suspension e-bikes and gravel bikes, for example, were some of the categories that were in high demand.

Supply challenges were mostly due to Covid-19-related issues, like the lack of components and containers, or the shutdowns of factories. The lack of availability of some bikes will most certainly remain a challenge during 2022 as well. On top of this we now face a new economic environment with increased uncertainty, rising inflation and high energy prices that might very well drive the demand for bikes even higher.

When resources are scarce, efficiency becomes crucial. For our bikes to make the maximum impact we want to make sure they are used as much as possible. Our flexible service

allows users who no longer need their bikes to easily return them. Other users choose to upgrade their bikes at the end of their lease and return their old bikes to us. This is what our Precycled business is based on: we take the time to service and repair all returned bikes so that we can re-offer them to new users.

A bike's lifespan is longer than you might think: with regular maintenance, bikes aged even up to 2-3 years are still rideable for a very long time. The best thing, however, about our Precycled bikes is how climate-friendly they are. A used bike is even more sustainable than a new bike, especially when you start racking up kilometers on it!

Our customers have caught on quickly to the benefits of Precycled. Currently about 70% of our returned bikes have been either re-sold or re-leased to new users. I think the main draws of Precycled lie in sustainability and immediacy. Precycled bikes are available here and now, there are no long order times or wait lists.

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"2021 was a big year for Vapaus in many ways, however, we are especially proud of the positive impact we were able to make on both people and the environment!"
– CEO, Mikko Ampuja

SUSTAINABILITY MANAGEMENT

We have developed our values together with our staff. It is important to us that each of our employees is committed to our values and

works in accordance with them. We want to promote our business in line with our values in our daily work.

Carbon neutrality

Every kilometer traveled using our services reduces the amount of carbon dioxide in the atmosphere, helping not only our environment but also our customers on the road to carbon neutrality.

Solution for people

We develop solutions for people. We thrive when we take good care of our customers as well as our own employees.

Genuine partnerships

Our upright and honest conduct allows us to garner a deep level of trust from our customers and build genuine partnerships.

The customer experience

The customer experience is of paramount importance to us and as a partner, we are always willing to go the extra mile to please.

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"The Principles of Global Compact are at the core of our strategy. We express our continued support for the Global Compact." – CEO, Mikko Ampuja

Commitments

The European Green Deal aims to make the EU climate neutral by 2050. The shift to low-emission mobility is a central factor in achieving this goal. We need for example mobility with increased efficiency, and vehicles with lower emissions. Sustainability is core of our business, and therefore we want to participate in initiatives that promote responsibility and participate in collaborative projects in accordance with our values. We do our part by helping companies find and provide mobility solutions that are better for both the environment and their employees.

Global Compact

The United Nations Global Compact is the world's largest corporate sustainability initiative with 13000 members in 170 countries. The goal of the initiative is to promote responsible business practices UN values in the global business community.

Vapaus joined the Global Compact in 2021 and it is an important part of our corporate responsibility strategy

through which we make a firm commitment to continually integrate principles on human rights, labor, environment and anti-corruption in our business strategy, culture and daily operations. We take a number of actions to ensure that our operations closely align with the principles of the Global Compact in each of its areas. The different parts of this report describe the actions we've taken to date.

We will continue to share our progress with the Global Compact regularly with our stakeholders in the future.

Collaboration

Together with the Cyclists' Union, we have discussed the role of employers in the EU's green transition. In cooperation with ITS Finland and Henry RY, we have held trainings and events for employers. We will continue to co-operate with benefit cycling operators. Our goal create as many benefit cyclists as possible, and to promote low-emission mobility and people's well-being.

STAKEHOLDERS

We believe that to achieve global sustainability in time, we need to come together in networks. Our key stakeholders are our employees, customers, investors, policymakers, and city developers. We are committed to the role of enabler, engaging closely with our stakeholders and other parties of society, to achieve a low-emission future. Furthermore, cycling is an inexpensive mode of transportation from the perspective of both individuals and wider society.

Materiality

This Sustainability framework sheds light on Vapaus sustainability work, continuous development, and reporting. We have assessed our materiality based on our greatest impacts, with the help of carbon footprint calculations and stakeholder discussions.

In the future, we are going to complement our materiality assessment by conducting a Sustainability Survey for our employees, customers, and investors.

Three levels of impact

Our approach to Sustainability work focuses on assuring the Impact that we promise to deliver to society, customers, and users of our service. Therefore, we have chosen to break down our impact into three levels seen below, for performance measurement and goal setting.

We break down our sustainability work into three levels of impact.

User

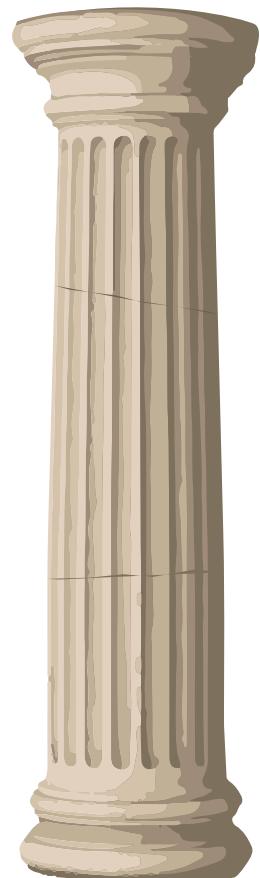
- Mental health
- Physical health

Customer

- Carbon footprint of commuting
- Employer brand
- Employee satisfaction
- Data privacy
- Customer engagement

Society

- Global Compact partnership
- Impact on green transition
- Responsible partner and employer
- Sustainable value chain



We believe that to achieve global sustainability in time, we need to come together in networks.



Sustainable Development Goals

The 17 Sustainable goals were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet and ensure that by 2030 all people enjoy peace and prosperity. Based on stakeholder discussions, we have selected the four most important UN Sustainable Development Goals for the development of our business: 3 Good Health and Well-being, 11 Sustainable Cities and Communities, 12 Responsible Consumption and Production, and 13 Climate Action.

VALUE CHAIN & ESG IMPACT

TARGET 2022

During 2022, we will develop and implement responsibility criteria for our partners, and we will systematically monitor their implementation.

We work closely with our sustainability partners to continually hone our sustainability strategy and find new ways to improve our products and contribute to a better tomorrow.

Sustainable supply chain

Our service is a link in the chain of suppliers, partners, and customers. To be sustainable, we evaluate and support the sustainability of our supply chain. We have assessed the life cycle emissions of the bikes included in our service. We encourage all our partners and suppliers to implement policies and procedures to further develop their environmental and social sustainability.

Responsible Partner

Sustainable business is based on economic responsibility and responsible governance. Our economic growth enables us to be part of building a sustainable society by paying taxes, salaries, and other personnel expenses, and growing together with our partners and suppliers.

We conducted a nonrecurring NPS survey for customers that use our

partners in the summer of 2021. The NPS, measured in June and July, was 65. The availability of bikes was better in physical stores than in online stores. Customer satisfaction is higher when bike sourcing is streamlined and smooth with partners. Partners have learned how to use our Vapaus application. From the customer's point of view, it is smoother than placing an online order and waiting for a tracking code. The partner survey is to be developed in the same way as our customer service and e-commerce order process survey.

Measuring and developing the responsibility of the value chain

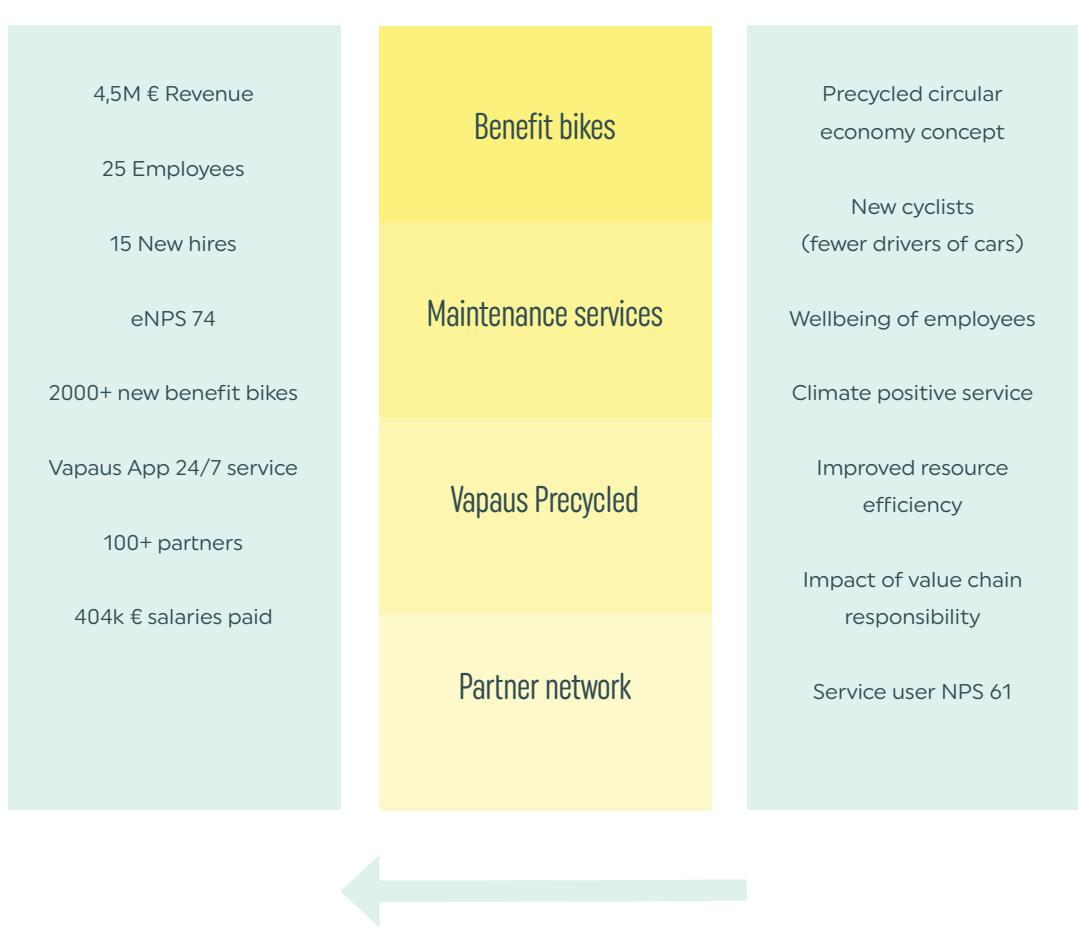
It is important to us that our partners share our values and responsibility goals. The company must be aware of the risks related to the corporate responsibility of its business both in its own operations and in its value chain and integrate them into its risk management. We want to encourage our partners to develop their own operations to be more sustainable and measure their own responsibility and set goals. In this way, together we can ensure a more sustainable service for our customers.

ECONOMIC RESPONSIBILITY & GOOD GOVERNANCE

The value creation chart below describes what kind of services we provide, and what financial and sustainability impacts the business has each year. Vapaus has grown

rapidly along with customer companies. The business generates especially positive social and environmental impacts.

The value creation chart highlights our significant activities in 2021.



In collaboration with the Finnish company the Upright Project, we used AI to determine the net impact score of Vapaus, and we are proud to announce that we are on the right path.

Business that does good for the world

In collaboration with the Finnish company the Upright Project, we used AI to determine the net impact score of Vapaus, and we are proud to announce that we are on the right path. We received an excellent AA rating, which means our current operations result in a significantly more positive than negative impact around us.

Upright's mathematical model examines the overall impact of different products, services, and companies using artificial intelligence. The model explains what resources a company uses and what it provides with them. The Upright Project model measures and compares the positive and negative net effects of corporate core activities through four dimensions: environment, physical and mental health, society and creation and distribution of knowledge.

The net impact of more than 43,000 companies has already been calculated using Upright's model. Data is comparable between companies and impacts.

We wanted to measure our current net impact on the world so we could identify new ways to develop our business activities and become even more sustainable in the process.

Upright's analysis includes the effects of business activities on the environment, health, society and knowledge. According to the profile calculated for Vapaus, our net impact rating is higher than 87% of all companies globally, higher than 86% of other Finnish companies and 97% of other companies in the transport industry.

Our NPS improved strongly in 2021, reaching 61 in Q4.

Q2 2021
NPS: 20

Action:
Systematic development of ordering and customer service processes

Q3 2021
NPS: 36

Action:
Developed our operations by increasing our customer service resources (staff) and developing our ordering process and ticketing system.

Q4 2021
NPS: 61

Action:
We will measure and further develop our operations.

TARGET 2022

Reaching for end-users satisfaction level NPS 70?

Financial Impact on Customers' Business

Our vision is to be one of the leading global partners for sustainable mobility. To serve as many organizations as possible, our service is designed to provide a cost-effective solution. Increasing the daily activity level of employees may result in a decreasing number of sick leaves and more effective work performance. These have a positive financial impact on businesses and society.

TARGET 2022

Start measuring employer satisfaction or NPS

Impact on service user

The users of our service may eventually give up driving in favor of cycling. The financial savings gained from the swap could be substantial. It has been estimated that the monthly expenses of owning a car are between € 240 and 522 in Finland, depending on driven kilome-

ters per year and the car model. The maintenance cost of a bicycle per year is about € 240 . We continue estimating the financial impact of our service to users.

Impact on customer

The quality of our service is a promise we give to our customers. We apply analytics and process development to measure and continuously develop our service quality. We measure our customer service quality and performance with Net Promoter Score surveys. During 2021, we implemented a NPS or customer satisfaction rate survey of service users three times. The results are shown in the chart above.

The first NPS was 20. From the beginning of the year, our customer service received an unexpected

number of questions and orders, and it shows in our NPS. The internal shortage of resources resulted in prolonged response times towards customers and increased dissatisfaction. At the same time, we were challenged by global bike delivery difficulties. Our systematic improvement of ordering and customer service processes was properly launched in April 2021.

Our NPS result increased by 80% between April and June. We developed our operations by increasing our customer service resources (staff), and the ordering process and ticketing system were systematically developed. Our last NPS result was 61, which is an excellent result. The result increased by 205% from April to June and by 69% between July and September. Although our NPS is partially affected by seasonality, we strive to steadily improve our performance in 2022.

Supporting a Sustainable Employer Brand

Our service supports the employer brand of both social and environmental sustainability. The commute is an important part of nearly every working day and relevant for all employees. Providing Vapaus service for employees is a concrete way of showing support for employee health, well-being, activity, and commitment to sustainability.

Anti-corruption

Vapaus does not accept bribery or corruption in any form. We comply with the principles of opposing bribery and corruption in all of our operations and duties. We operate in accordance with the law and our guidelines for resisting bribery.

- We evaluate business partners against potential corruption
- We pay attention to not establish work roles that enable corruption
- We mention "anti-corruption" and/or "ethical behavior" in contracts with our business partners
- We ensure that internal procedures support the company's anti-corruption commitment

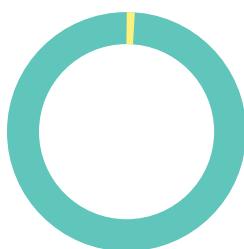
Information Security and Confidentiality of Data

Our customers trust in our service to be safe to use. We consider risks associated with our business and shall implement the appropriate measures to control the information security risks. We have implemented a Data Privacy Policy and respect the confidentiality of personal data and business secrets.

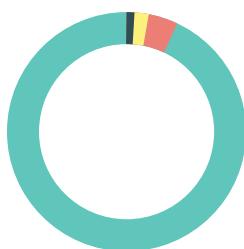


ENVIRONMENTAL IMPACT

Vapaus Emissions by Scope 2021 (%)



Vapaus Emissions by Source 2021 (%)



We do our part by helping companies find and provide mobility solutions that are better for both the environment and their employees.

Carbon Negative Service

We over-compensate our carbon footprint to ensure that our service has a positive impact on the environment. To promote and enable sustainability, we must make sure we measure our carbon footprint in a reliable way. We have chosen to partner with Compensate Operations Ltd. to receive a high-quality assessment of our emissions. We commit to making reductions where it is possible and over-compensating the remaining emissions. The project criteria for emission units considers climate integrity, community well-being and biodiversity, as well as the long-term viability of the project.

Our operations and the production of all the bikes we leased produced a total of 525,2 tCO₂e emissions, that we were able to both calculate and offset together with our sustainability partner Compensate. By closely tracking and compensating both our own emissions and the life-cycle emissions of our bikes we

ensure that our service remains 100% climate positive and that each bike we lease is a benefit to the environment.

We have calculated our carbon footprint according to the GHG protocol Corporate Standard. Data were collected from Scope 1 and 2 classes. In addition, business travel and purchases from Scope 3 have been included in the calculation.

We offer companies the opportunity to reduce emissions in all areas of mobility with convenient and climate friendly fleets.

Embracing Circular Economy

Circular economy is an integral part of our philosophy. Our service pursues to raise the utilization rate of bicycles, to achieve the best results while using the least number of natural resources. Our service is designed to keep bicycles busy – we find our bicycles new owners.

Our service follows the model of a circular economy. In the circular economy model, people own few long-lasting and high-quality goods that are used for a long time by

Currently, about 70% of our returned bikes have been re-used. Some of the bikes (13%) have been resold and some have been re-leased (55%).



using services. We implement the philosophy of the circular economy by enabling leasing bicycles for employees. With careful, regular maintenance we achieve the longest, high-quality product life spans. Our Precycled concept is a good example of this philosophy in action, where we give users the option to choose a pre-owned and serviced bike instead of buying a new one.

Due to the corona pandemic, there is currently a huge shortage of bicycle parts. Demand for bicycles has grown strongly globally, but at the same time the pandemic has affected factory operations and product deliveries. Our Precycled concept also works as a solution to this challenge.

We track our sales of used and second-hand bikes. Currently, about 70% of our used and second-hand benefit bikes have been re-purposed. Some of the bikes (13%) have been re-sold and some have been re-leased (55%). Our goal is re-sell or re-lease all of our returned bikes.

Together with our partners and customers we have enabled healthier and more environmentally friendly modes of transport for over 2000 new benefit bikers.

“Diversity, equality, and honesty are inherent parts of our business.”

SOCIAL IMPACT

Responsible Employer

We succeed when we take good care of our people. Diversity, equality, and honesty are inherent parts of our business. We recruit people from all backgrounds, nationalities, and age groups. We have zero tolerance against workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. We promote a culture where everyone is free to be themselves. We support the mental

and physical health of our employees and provide opportunities to continuously develop their competence and expertise.

The well-being of our staff is very important to us. Our work culture does not encourage us to work sick. We had no reported cases of harassment and no occupational accidents in 2021. We had an increase in sick leaves during 2021 due to the corona pandemic.

The table on the right shows our Employment KPIs.

Employment KPIs	2021	2020
Number of employees	25	10
Nationalities	4	1
Recruitment	15	6
Employment relationships	25	10
Full time	15	4
Part time	7	5
Freelancer	3	1
Average age of employees	33,2	32,4
Personnel turnover rate	12%	20%

The table on the right shows our wellbeing and health related KPIs.

Wellbeing and health	2021	2020
Sick leave	4,2%	2%
Occupational accidents	0	0
Number of discrimination cases	0	0

TARGET 2022

Increase the amount of internal training

Design courses for customers, for example cycling traffic rules and other safety trainings

Employee Net Promoter Score

Employee Net Promoter Score (eNPS) shows how employees feel about the organization and how willing the employees are to recommend their workplace to friends and acquaintances. Our eNPS survey result in 2021 was 74, which is excellent.

It is important for us to continue to take care of the well-being of our employees at work and developing skills is one of our focuses in 2022. Together with our employees we will map out training needs and themes.

of cycling to try our service and integrate cycling into their routines. This is how we can make a positive environmental and social impact at the same time.

Safety

Our suppliers and partners provide high-quality bikes. One of the key components of ensuring safety is regular maintenance and choosing a bike model that fits its purpose. We guide all our users to wear a helmet and the service includes high-quality locks.

Impact on service user

In the hectic everyday life, cycling is an excellent mode of exercise. Half an hour of daily, moderate exercise has been found sufficient for most people for maintaining good health. We continue seeking and exploring methods to accurately measure the impact of our service on mental and physical health of service users. We particularly encourage people that have not previously found the joys

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"We are committed to becoming an industry leader by not just providing the best service, but also the most sustainable one." – CEO, Mikko Ampuja

TARGETS 2022

Responsible employer

We develop indicators and monitoring:

- Average hours of training per employee
- Well-being and equality pulse

Responsible partner

We create ethical principles for our business together as a team, training once a year. We will follow up on the results of our training.

Customer satisfaction

Our goal is to steadily improve service users NPS in 2022. We will start measuring employer satisfaction or NPS.

Climate positive Service

We will offset all carbon emissions caused by our service during 2022.

Sustainable supply chain

We will create sustainability criteria for bikes and provide the information to our partners. We will follow up on the percentage of new suppliers screened using environmental criteria.



FRAMEWORK OF REPORT

Vapaus uses the Global Reporting Initiative (GRI) as its main reporting language to communicate its sustainability progress and commitment to the UN Global Compact.

Global Compact Principles	GRI Disclosure	Our focus area	KPIs	Target
Principle 6: Labor	401-1, 403-2	Responsible Employer	<ul style="list-style-type: none"> new hires employee turnover eNPS sick leave (%) 	Well-being and equality at work are measured and discussed minimum twice a year
Principle 6: Labor	404-1, 404-3	Responsible Employer	<ul style="list-style-type: none"> employees receiving regular performance and career development reviews (%) avg. hours of training per year per employee 	Every Vapaus employee receives a career development discussion and performance review annually. 20h training/employee
Principle 7 and 8: Environment	305-2, 305-3	Carbon Negative Service	<ul style="list-style-type: none"> Scope 2 emissions Scope 3 emissions 	We measure and reduce our emissions.
Principle 7 and 8: Environment		Carbon Negative Service	<ul style="list-style-type: none"> climate impact of compensation, tonnes of CO2 	We over-compensate all our calculated emissions.
Principle 8: Environment	308-1	Sustainable Supply Chain	<ul style="list-style-type: none"> new suppliers that were screened using environmental criteria (%) 	We develop environmental criteria to enhance the sustainability of our supply chain.
Principle 10: Anti-Corruption	102-16, 205-2	Responsible Partner	<ul style="list-style-type: none"> governance body members and employees received communication and training on ethical principles (%) 	Training on ethical principles is implemented in Vapaus introduction material for new employees.
		High-Quality Service	<ul style="list-style-type: none"> NPS 	We continuously develop our service based on customer expectations and feedback.

CASE: HOW GREEN IS CYCLING?

Cycling is an extremely efficient mode of transport. From an environmental standpoint it is roughly twice as efficient as walking and thirteen times more efficient than driving!

How do you estimate the emissions of cycling?

Estimating the emissions of cycling is a bit different from calculating the emissions of other forms of transport. While the principles for estimating the environmental impact of production and maintenance are the same for both cars and bicycles, the operation of a bicycle burns calories while a car or a bus burn fuel.

Every human is different and there are numerous factors that

affect how many calories we burn. Different diets have vastly different impacts on the environment, we also assume that every calorie burned results in an extra calorie consumed.

By estimating an average persons diet and energy use we can form a reasonable estimate of emissions, but there are many factors that will vary on an individual level.

It should also be noted that this comparison does not take into account the impact of external factors such as construction and maintenance of infrastructure, parking and road accidents. Including these factors would likely tip the comparison even more in favour of cycling.

Bike: 21g CO₂e/km ¹



Ebike: 22g CO₂e/km ²



Walking: 41g CO₂e/km ³

Bus: 101g CO₂e/km ⁴



EV: 108g CO₂e/km ⁵

Car: 271g CO₂e/km ⁶



1 Adult 70kg. Calorie burn rate at rest 105 kcal/h. Average EU diet 1,44g CO₂e/kcal. Calorie burn 16 km/h 280 kcal/h. Production and maintenance 5g Co₂e/km. (ECF,2011)

2 Adult 70kg. Calorie burn rate at rest 105 kcal/h. Average EU diet 1,44g CO₂e/kcal. Calorie burn 16 km/h 175 kcal/h. Production and maintenance 7g Co₂e/km. Electricity 9g Co₂e/km. (ECF,2011)

3 Adult 70kg. Calorie burn rate at rest 105 kcal/h. Average EU diet 1,44g CO₂e/kcal. (ECF,2011) Calorie burn rate walking 5,6 km/h 266 kcal/h. (Harvard Health Publishing, 2021)

4 Production 6g CO₂e/km. Operation 70% urban, 30% regional, average 10 passengers 95g CO₂/km. (ECF,2011)

5 Tesla Model 3, EU average electricity production. (Hausfather, 2019)

6 Production 42g CO₂e/km. Operation 70% urban, 25% road, 5% highway 229g CO₂/km (ECF,2011)

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