

Carbon Accounting Report 2020

Storebrand & SPP

This report provides an overview of the organisation's greenhouse gas (GHG) emissions, which is an integrated part of the organisation's climate strategy. Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

This report comprises the following organisational units: Storebrand ASA, including its operations in Norway and SPP in Sweden.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO₂-equivalents (tCO₂e). The carbon footprint analysis is based on the international standard; *A Corporate Accounting and Reporting Standard*, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-1.



Reporting Year Energy and GHG Emissions

Emission source	Description	Consumption	Unit	Energy (MWh)	Emissions tCO ₂ e	% share
Transportation total				5.9	1.2	0.3 %
Diesel (NO)		566.0	liters	5.9	1.2	0.3 %
Scope 1 total				5.9	1.2	0.3 %
Electricity total				2,612.6	107.1	24.9 %
Electricity Nordic mix	Lysaker	2,035,839.0	kWh	2,035.8	83.5	19.4 %
Electricity Nordic mix	Stockholm	576,786.0	kWh	576.8	23.6	5.5 %
DH Nordic locations total				1,929.9	41.2	9.6 %
District heating SE/Stockholm		473,421.0	kWh	473.4	28.9	6.7 %
District cooling SE/Stockholm		176,742.0	kWh	176.7	-	-
District heating NO/Lysaker/Fornebu/Lilleaker		1,279,781.0	kWh	1,279.8	12.3	2.9 %
Scope 2 total				4,542.6	148.3	34.5 %
Waste total				-	21.2	4.9 %
Residual waste, incinerated		35,173.0	kg	-	17.7	4.1 %
Paper waste, recycled		27,505.0	kg	-	0.6	0.1 %
Glass waste, recycled		4,184.0	kg	-	0.1	-
Metal waste, recycled		1,442.0	kg	-	-	-
Organic waste, recycled		47,458.0	kg	-	1.0	0.2 %
Plastic waste, recycled		6,185.0	kg	-	0.1	-
EE waste, recycled		616.0	m ³	-	1.5	0.3 %
EE waste, recycled		1,590.0	kg	-	-	-
Wood waste, recycled		520.0	kg	-	-	-
Special waste	Annet avfall	8,020.0	kg	-	0.2	-
Business travel total				-	257.3	59.8 %
Taxi		691,278.0	NOK	-	-	-
Flights		230.1	tCO ₂ e	-	230.1	53.5 %
Train (SE)	TOG SJ	158,673.0	pkm	-	-	-
Mileage all. car (NO)		155,367.0	km	-	21.8	5.1 %
Mileage all. car (NO)	km godtgjørelse SE	36,323.0	km	-	5.1	1.2 %
Mileage all. el car Nordic		43,061.0	km	-	0.3	0.1 %
Mileage all. el car Nordic	km godtgjørelse SE EL	6,616.0	km	-	-	-
Water total				-	2.3	0.5 %
Water supply, municipal		6,617.0	m ³	-	2.3	0.5 %
Scope 3 total				-	280.8	65.2 %
Total				4,548.5	430.3	100.0 %
KJ				16,374,480,192.0		

Carbon Accounting

In the carbon accounting for 2020, Storebrand and SPP had a total of 430,3 tons CO₂-equivalents (tCO₂e). This was a reduction of 1 096,6 tCO₂e, or 71,8 %, compared to 2019. One reason for the reduction was due to travel restrictions caused by the Covid-19 pandemic in 2020, and because of less waste generation and electricity use due to mandatory home office in parts of 2020.

The greenhouse gas (GHG) emissions in 2020 were separated into scope 1, 2, and 3 in the following way:

Scope 1:	1,2 tCO ₂ e	(0,3 %)
Scope 2:	148,3 tCO ₂ e	(34,5 %)
Scope 3:	280,8 tCO ₂ e	(65,2 %)

From 2019 to 2020 there was an increase in emissions from scope 1 and a reduction in emissions from scope 2 and 3.

Scope 1

Company cars: Diesel consumption from one company car in Norway.

Scope 2

Electricity: Measured use of electricity in company owned or leased locations. The table shows emissions from electricity with the location-based emission factor Nordic Mix. Note that the emission factor Nordic Mix has increased by 4,8% compared to 2019. Electricity with a market-based emission factor, called Market-based electricity (GoO & residual), is presented on page 5. Guaranties of Origin (GoO) has been purchased for 100% of the electricity consumption. For consumption with GoO, the emission factor is zero. Consumption of electricity without GoO's have the emissions factor Nordic Residual Mix is used. This new practice of presenting electricity with two different emissions factors was introduced in 2015. This is further explained under Scope 2 in the Methodology section.

District heating and cooling: Consumption of energy from district heating and cooling per location reported.

Scope 3

Air travel: Annual emissions from air travel reported in tCO₂e from travel agency.

Mileage allowance: Emissions from traveling with employees' own vehicles from mileage allowance, reported in km.

Waste: Reported annual waste generation in kg per type and recycling or incineration processes.

Other travel: Reported travel by train in Sweden.

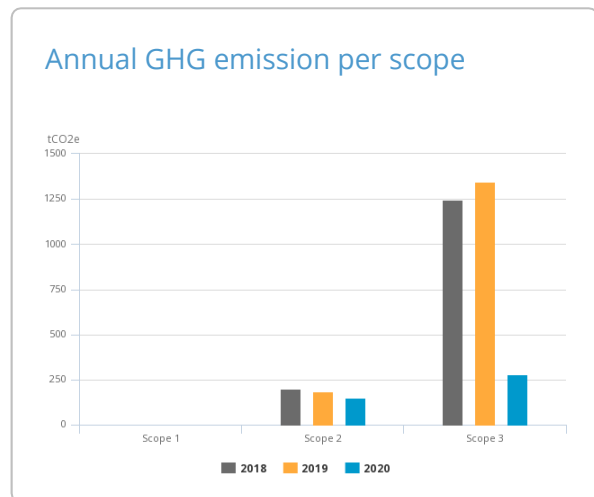
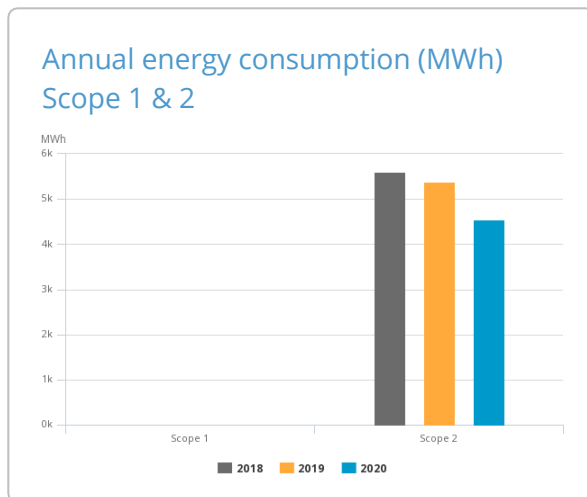
Annual GHG Emissions

Category	Description	2018	2019	2020	% change from previous year
Transportation total		1.4	1.1	1.2	16.8 %
Diesel (NO)		1.4	1.1	1.2	16.8 %
Scope 1 total		1.4	1.1	1.2	16.8 %
Electricity total		142.1	121.8	107.1	-12.1 %
Electricity Nordic mix	Lysaker	101.6	89.4	83.5	-6.6 %
Electricity Nordic mix	Stockholm	33.6	27.6	23.6	-14.4 %
Electricity Nordic mix	Göteborg	1.2	1.0	-	-100.0 %
Electricity Nordic mix	Sundsvall	0.7	-	-	-
Electricity Nordic mix	Västerås	1.3	1.2	-	-100.0 %
Electricity Nordic mix	Malmö	2.7	2.1	-	-100.0 %
Electricity Nordic mix	Linköping	0.5	0.5	-	-100.0 %
Electricity Nordic mix	Jonköping	0.5	-	-	-
DH Nordic locations total		59.6	60.2	41.2	-31.6 %
District heating SE/Goteborg		1.0	1.0	-	-100.0 %
District heating SE/Stockholm		18.4	35.2	28.9	-18.1 %
District heating Sweden mix		1.3	-	-	-
District cooling SE/Stockholm		6.9	-	-	-
District heating NO/Lysaker/Fornebu/Lilleaker		27.9	13.0	12.3	-5.5 %
District heating SE/Tannefors		0.6	2.9	-	-100.0 %
District heating SE/Vasteras		0.8	4.0	-	-100.0 %
District heating SE/Malmo		2.5	4.0	-	-100.0 %
District cooling SE/Goteborg		-	-	-	-100.0 %
District heating SE/Sundsvall		0.1	-	-	-
Scope 2 total		201.7	182.0	148.3	-18.5 %
Waste total		33.9	32.3	21.2	-34.3 %
Residual waste, incinerated		30.6	29.0	17.7	-39.1 %
Paper waste, recycled		0.9	1.2	0.6	-53.0 %
Glass waste, recycled		0.2	0.1	0.1	-39.2 %
Metal waste, recycled		-	0.1	-	-61.5 %
Organic waste, recycled		1.7	1.6	1.0	-36.2 %
Plastic waste, recycled		0.2	0.2	0.1	-28.4 %
EE waste, recycled		-	-	1.5	100.0 %
EE waste, recycled		-	-	-	100.0 %
Wood waste, recycled		-	-	-	100.0 %
Special waste	Annet avfall	0.2	-	0.2	531.5 %
Business travel total		1,161.6	1,265.6	257.3	-79.7 %
Taxi		-	9.1	-	-100.0 %
Taxi		8.9	-	-	100.0 %
Flights		1,125.0	1,229.0	230.1	-81.3 %
Train (SE)		1.8	0.1	-	-100.0 %
Train (SE)	TOG SJ	-	-	-	100.0 %
Mileage all. car (NO)		25.8	27.2	21.8	-20.1 %
Mileage all. car (NO)	km godtgjørelse SE	-	-	5.1	100.0 %
Mileage all. el car Nordic		0.2	0.2	0.3	31.3 %
Mileage all. el car Nordic	km godtgjørelse SE EL	-	-	-	100.0 %

Kmgodtgjørelse(SE) total	45.3	40.9	-	-9.9 %
Diesel (B5)	12.2	11.0	-	-100.0 %
Petrol	33.0	29.8	-	-100.0 %
Mileage all. el car Nordic	0.1	0.1	-	-100.0 %
Water total	4.6	5.0	2.3	-54.7 %
Water supply, municipal	4.6	5.0	2.3	-54.7 %
Scope 3 total	1,245.5	1,343.7	280.8	-79.1 %
Total	1,448.6	1,526.9	430.3	-71.8 %
Percentage change	100.0 %	5.4 %	-71.8 %	

Annual Market-Based GHG Emissions

Category	Unit	2018	2019	2020
Electricity market-based	tCO ₂ e	-	-	-
Scope 2 market-based	tCO ₂ e	59.6	60.2	41.2
Total market-based	tCO ₂ e	1,306.5	1,405.0	323.2
Percentage change		100.0 %	7.5 %	-77.0 %



Annual Key Energy and Climate Performance Indicators

Name	Unit	2018	2019	2020	% change from previous year
Sum energy per location (MWh)		5,599.0	5,376.6	4,542.6	-15.5 %
Sum square meters (m2)		38,011.0	37,643.0	37,643.0	-
Sum locations kWh/m2		147.3	142.8	120.7	-15.5 %
tCO2e/årsverk (Scope 1+2+3)		0.9	0.9	-	-100.0 %
tCO2e/AuM (Scope 1+2+3)		0.1	1.8	-	-100.0 %
FTE	Gjennomsnitt årsverk	1,611.0	1,649.0	-	-100.0 %
Asset under Management MNOK	MNOK	12,367.0	831.0	-	-100.0 %

Methodology

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to A *Corporate Accounting and Reporting Standard Revised edition*, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄ (methane), N₂O (laughing gas), SF₆, HFCs, PFCs and NF₃.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g., chemical processes, industrial gases, direct methane emissions etc.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control. The electricity emission factors used in CEMAsys are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organisations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the market-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factors when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams CO₂e per kWh.

However, for electricity without the GoO or REC, the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs/RECs to foreign consumers. In a market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the

company's upstream and downstream activities, which are not controlled by the company, i.e., they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc.

In general, the carbon accounting should include information that users, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

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