

# Carbon Accounting Report 2023

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## Storebrand Real Estate

### Storebrand Eiendom - Trygg AS

The aim of this report is to get an overview of the organization's greenhouse gas (GHG) emissions, which is an integrated part of the company's climate strategy. Carbon accounting is a fundamental tool to assess and identify concrete measures to reduce energy consumption and corresponding GHG emissions. The annual report enables the organization to benchmark performance indicators like carbon intensity and evaluate progress over time. The report covers 97 % of the Storebrand Eiendom Trygg AS portfolio, consisting of 8 properties totaling 219.785 m<sup>2</sup> in 2023, as listed below. The properties Luramyrvеien 9 and 11 (5.775 m<sup>2</sup>) are not included due to lack of data. The fund invests in properties in Norway only.

1. Akersgt. 35-39
2. Ruseløkkveien 3
3. Ruseløkkveien 14
4. Haakon VII's gate 10
5. Østre Rosten 28 (City Syd kjøpesenter)
6. Gamle Stokkavei 1 (Kvadrat kjøpesenter)
7. Sjøgata 4 (Aker Brygge Parkering)
8. Ruseløkkveien 26 (included from 2022)

The 2023 accounts include the buildings' tenant emissions from energy and water consumption and waste production and handling. Tenant energy emissions are allocated in Scopes 1 and 2. The practice of allocating energy-related emissions from tenant spaces in scope 3 is becoming common and is allowed according to the GHG protocol. This will be considered going forward.

## Reporting Year Energy and GHG Emissions

| Emission source                          | Description  | Consumption  | Unit           | Energy<br>(MWh)   | Emissions<br>tCO <sub>2</sub> e | % share        |
|--|--------------|--------------|----------------|-------------------|---------------------------------|----------------|
| <b>Electricity total</b>                 |              |              |                | <b>29,369.7</b>   | <b>822.4</b>                    | <b>63.0 %</b>  |
| Electricity Nordic mix                   | Fellesanlegg | 9,233,383.0  | kWh            | 9,233.4           | 258.5                           | 19.8 %         |
| Electricity Nordic mix                   | Leietakere   | 20,136,363.0 | kWh            | 20,136.4          | 563.8                           | 43.2 %         |
| <b>District heating location total</b>   |              |              |                | <b>4,286.4</b>    | <b>40.8</b>                     | <b>3.1 %</b>   |
| District heating NO/Oslo                 |              | 2,515,366.0  | kWh            | 2,515.4           | 22.4                            | 1.7 %          |
| District heating<br>NO/Stavanger/Sandnes |              | 658,332.0    | kWh            | 658.3             | 0.5                             | -              |
| District cooling<br>NO/Stavanger/Sandnes |              | 329,522.0    | kWh            | 329.5             | 1.8                             | 0.1 %          |
| District heating NO/Trondheim            |              | 783,140.0    | kWh            | 783.1             | 16.1                            | 1.2 %          |
| <b>Scope 2 total</b>                     |              |              |                | <b>33,656.1</b>   | <b>863.1</b>                    | <b>66.1 %</b>  |
| <b>Waste total</b>                       |              |              |                | -                 | <b>430.4</b>                    | <b>33.0 %</b>  |
| Residual waste, incinerated              | Usortert     | 713,036.0    | kg             | -                 | 392.9                           | 30.1 %         |
| Mixed waste, recycled                    | Sortert      | 1,760,739.0  | kg             | -                 | 37.5                            | 2.9 %          |
| <b>Water total</b>                       |              |              |                | -                 | <b>12.0</b>                     | <b>0.9 %</b>   |
| Water supply, municipal                  |              | 67,888.0     | m <sup>3</sup> | -                 | 12.0                            | 0.9 %          |
| <b>Scope 3 total</b>                     |              |              |                | -                 | <b>442.4</b>                    | <b>33.9 %</b>  |
| <b>Total</b>                             |              |              |                | <b>33,656.1</b>   | <b>1,305.5</b>                  | <b>100.0 %</b> |
| KJ                                       |              |              |                | 121,161,981,600.0 |                                 |                |

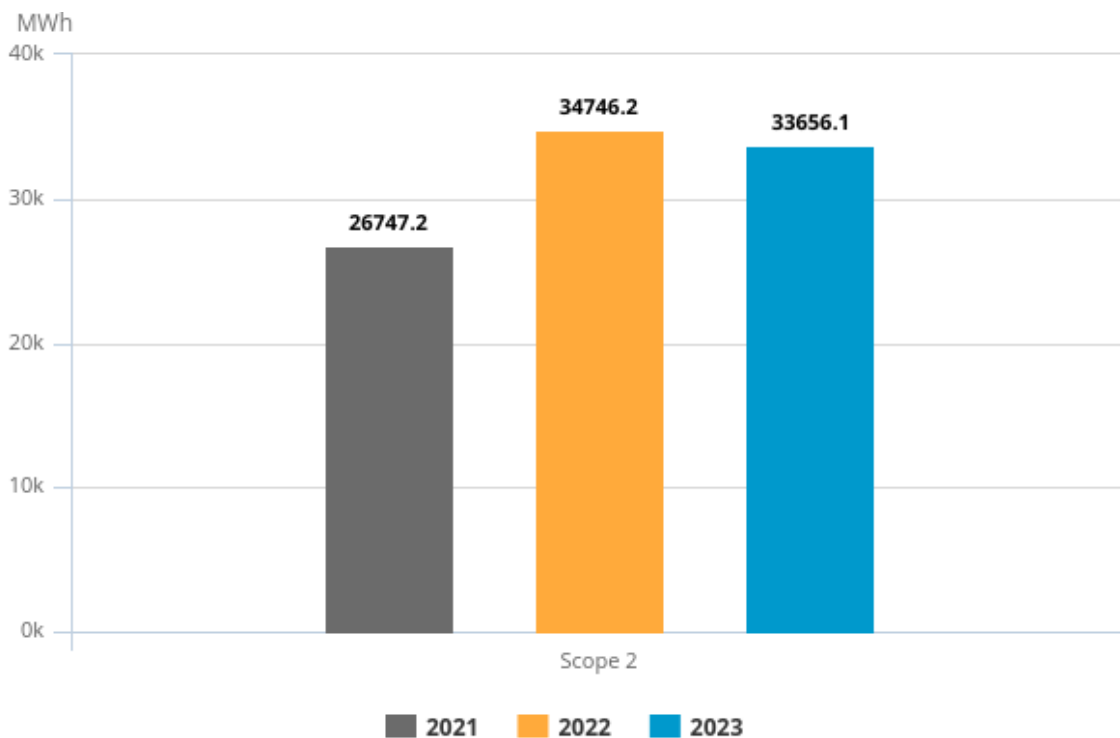
## Reporting Year Market-Based GHG Emissions

| Category   | Unit               | 2023     |
|--|--------------------|----------|
| Electricity Total (Scope 2) with Market-based calculations   | tCO <sub>2</sub> e | 9,633.3  |
| Scope 2 Total with Market-based electricity calculations     | tCO <sub>2</sub> e | 9,674.1  |
| Scope 1+2+3 Total with Market-based electricity calculations | tCO <sub>2</sub> e | 10,116.5 |

## Annual GHG Emissions

| Category                                | Description  | 2021           | 2022           | 2023           | % change from previous year |
|---|--------------|----------------|----------------|----------------|-----------------------------|
| <b>Electricity location-based total</b> |              | <b>650.9</b>   | <b>783.3</b>   | <b>822.4</b>   | <b>5.0 %</b>                |
| Electricity Nordic mix                  | Fellesanlegg | 223.7          | 244.1          | 258.5          | 5.9 %                       |
| Electricity Nordic mix                  | Leietakere   | 427.2          | 539.2          | 563.8          | 4.6 %                       |
| <b>District heating location total</b>  |              | <b>53.7</b>    | <b>61.1</b>    | <b>40.8</b>    | <b>-33.2 %</b>              |
| District heating NO/Oslo                |              | 26.5           | 23.1           | 22.4           | -3.0 %                      |
| District cooling NO/Stavanger/Sandnes   |              | 4.1            | 3.5            | 1.8            | -48.6 %                     |
| District heating NO/Stavanger/Sandnes   |              | -              | -              | 0.5            | 100.0 %                     |
| District heating NO/Trondheim           |              | 23.1           | 34.5           | 16.1           | -53.3 %                     |
| <b>Scope 2 total</b>                    |              | <b>704.6</b>   | <b>844.4</b>   | <b>863.1</b>   | <b>2.2 %</b>                |
| <b>Waste total</b>                      |              | <b>262.6</b>   | <b>364.6</b>   | <b>430.4</b>   | <b>18.0 %</b>               |
| Residual waste, incinerated             | Usortert     | 241.6          | 335.6          | 392.9          | 17.1 %                      |
| Mixed waste, recycled                   | Sortert      | 21.0           | 29.0           | 37.5           | 29.3 %                      |
| <b>Water total</b>                      |              | <b>5.8</b>     | <b>11.3</b>    | <b>12.0</b>    | <b>6.2 %</b>                |
| Water supply, municipal                 |              | 5.8            | 11.3           | 12.0           | 6.2 %                       |
| <b>Scope 3 total</b>                    |              | <b>268.4</b>   | <b>375.9</b>   | <b>442.4</b>   | <b>17.7 %</b>               |
| <b>Total</b>                            |              | <b>973.0</b>   | <b>1,220.3</b> | <b>1,305.5</b> | <b>7.0 %</b>                |
| <b>Percentage change</b>                |              | <b>100.0 %</b> | <b>25.4 %</b>  | <b>7.0 %</b>   |                             |

## Annual energy consumption (MWh) Scope 1 &amp; 2



## Annual Market-Based GHG Emissions

| Category   | Unit               | 2021    | 2022    | 2023     |
|--|--------------------|---------|---------|----------|
| Electricity Total (Scope 2) with Market-based calculations   | tCO <sub>2</sub> e | 4,892.2 | 8,013.6 | 9,633.3  |
| Scope 2 Total with Market-based electricity calculations     | tCO <sub>2</sub> e | 4,945.9 | 8,074.6 | 9,674.1  |
| Scope 1+2+3 Total with Market-based electricity calculations | tCO <sub>2</sub> e | 5,214.3 | 8,450.6 | 10,116.5 |
| Percentage change  |                    | 100.0 % | 62.1 %  | 19.7 %   |

## Annual Key Energy and Climate Performance Indicators

| Name                          | Unit | 2021      | 2022      | 2023      | % change from previous year |
|-------------------------------|------|-----------|-----------|-----------|-----------------------------|
| Total energy scope 1 +2 (MWh) |      | 26,747.2  | 34,746.2  | 33,656.1  | -3.1 %                      |
| Sum energy per location (MWh) |      | 26,747.2  | 34,746.2  | 33,656.1  | -3.1 %                      |
| Sum square meters (m2)        |      | 171,401.0 | 219,785.0 | 219,785.0 | -                           |

## Methodology and sources

### Methodology

The Greenhouse Gas Protocol Initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and the 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 for calculating and reporting GHG emissions. The report considers the following greenhouse gases, all converted into CO<sub>2</sub>-equivalents: CO<sub>2</sub>, CH<sub>4</sub> (methane), N<sub>2</sub>O (laughing gas), SF<sub>6</sub>, HFCs, PFCs, and NF<sub>3</sub>.

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, is owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, 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 location-based emissions from the production of electricity, and 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 twofold. On one hand, it shows the impact of energy efficiency measures, and on the other hand, this amendment displays how the acquisition of GoOs or RECs affects GHG emissions. Using both methods in 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 CO<sub>2</sub>e 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, GHG emissions accounting should include information that users, both internal and external to the company, need for their decision-making. A relevant consideration is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.

## Sources

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WBCSD/WRI (2015). GHG protocol Scope 2 guidance: An amendment to the GHG protocol corporate standard. World Business Council on Sustainable Development (WBCSD), Geneva, Switzerland /World Resource Institute (WRI), Washington DC, USA, 117 pp.

The reference list above is incomplete but contains the essential references used in CEMAsys. In addition, several local/national sources may be relevant, depending on which emission factors are used.