



Carbon Accounting Report 2022

Skagen AS

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 SKAGEN AS to benchmark performance indicators and evaluate progress over time.

This report comprises the following organisational units:

Stavanger (main office), Stockholm, Frankfurt, Copenhagen, London, Ålesund, Trondheim, Bergen, Oslo.

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
Electricity total				343.8	17.5	16.4 %
Electricity Nordic mix		265,478.0	kWh	265.5	6.9	6.4 %
Electricity UK		6,458.8	kWh	6.5	1.3	1.2 %
Electricity Sweden		10,801.7	kWh	10.8	0.1	0.1 %
Electricity Germany		3,403.0	kWh	3.4	1.1	1.0 %
Electricity Denmark 125		57,639.0	kWh	57.6	8.2	7.6 %
District heating location total				65.0	1.0	1.0 %
District heating NO/Trondheim		12,109.0	kWh	12.1	0.4	0.4 %
District heating SE/Stockholm		9,389.0	kWh	9.4	0.4	0.4 %
District cooling SE/Stockholm		3,858.0	kWh	3.9	-	-
District heating NO/Oslo		22,905.0	kWh	22.9	0.2	0.2 %
District heating NO/Bergen		14,361.0	kWh	14.4	-	-
District heating NO/Aalesund		2,362.0	kWh	2.4	-	-
Scope 2 total				408.8	18.6	17.3 %
Purchased goods and services total				-	1.4	1.3 %
Water supply, municipal		9,309.3	m ³	-	1.4	1.3 %
Waste total				-	2.4	2.2 %
Paper waste, recycled		2,303.6	kg	-	-	-
Glass waste, recycled		427.4	kg	-	-	-
Metal waste, recycled		216.7	kg	-	-	-
EE waste, recycled		27.5	kg	-	-	-
Plastic waste, recycled		610.9	kg	-	-	-
Hazardous waste, recycled		41.0	kg	-	-	-
Residual waste, incinerated		4,575.2	kg	-	2.3	2.1 %
Organic waste, treated		525.0	kg	-	-	-
Mixed waste, recycled		30.3	kg	-	-	-
Wood waste, incinerated		-	kg	-	-	-
Cardboard waste, recycled		86.1	kg	-	-	-
Organic sludge, incinerated		540.0	kg	-	-	-
Business travel total				-	84.7	79.1 %
Air travel, continental		32,711.0	pkm	-	2.7	2.5 %
Air travel, domestic, incl. RF		192,485.1	pkm	-	47.3	44.2 %
Mileage all. car (DK)		3,150.0	km	-	0.4	0.4 %
Air travel, domestic		1,075.0	pkm	-	0.1	0.1 %
Air travel, continental, incl. RF		79,205.8	pkm	-	12.2	11.4 %
Air travel, intercontinental, incl. RF		102,881.0	pkm	-	19.9	18.6 %
Hotel nights, Nordic		110.0	nights	-	0.5	0.4 %
Hotel nights, Europe		17.0	nights	-	0.2	0.2 %
Mileage all. car (NO)		18,558.0	km	-	1.4	1.3 %
Scope 3 total				-	88.5	82.7 %
Total				408.8	107.1	100.0 %
KJ				1,471,552,200.0		

Reporting Year Market-Based GHG Emissions

Category	Unit	2022
Electricity Total (Scope 2) with Market-based calculations	tCO ₂ e	-
Scope 2 Total with Market-based electricity calculations	tCO ₂ e	1.0
Scope 1+2+3 Total with Market-based electricity calculations	tCO ₂ e	89.5

Disclaimers:

The data on residual waste and electricity for the offices in Copenhagen and Frankfurt is based on the average consumption/usage per square meter for the Norwegian and Swedish offices. This is due to the non-existence of reliable reporting data from the building owners of the offices.

When the data of a certain emission point indicates a "-" it means that the emission is less than one tonne.

In 2022 SKAGEN's UK based staff has leased a new office and our Bergen staff has moved to a larger office, so the total of square metres of office space (measured in m²) has increased since 2021.

The market based emissions of SKAGEN's electricity usage is 0. This is due to some offices' electricity providers guaranteeing the electricity comes from 100% renewable sources, and Storebrand's policy of purchasing Guarantees of Origin for the wider group's electricity usage, thus SKAGEN's remaining kwh. The remaining scope 2 market based emissions are the district heating-/cooling figures.

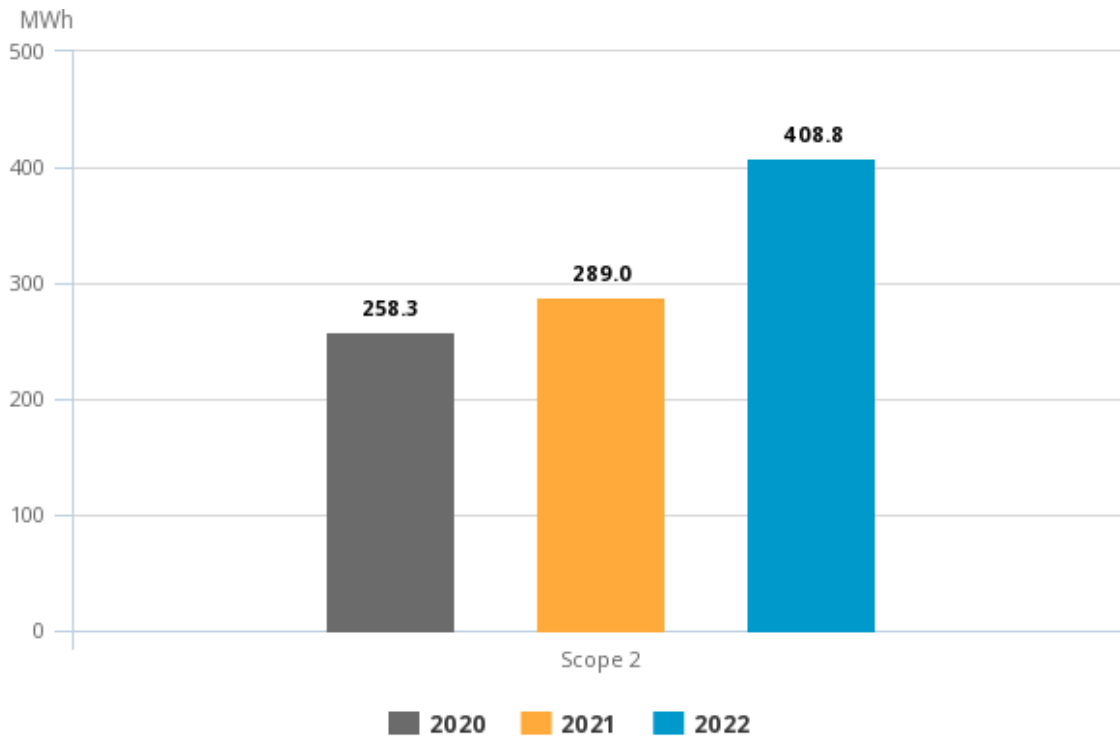
This report comprises only the CO₂e emissions from SKAGEN's direct business operations, and not the emissions for portfolio holdings. In the future, as a company under the Storebrand group, the group commitment to "Net Zero 2050" will also include SKAGEN.

Annual GHG Emissions

Category	Description	2020	2021	2022	% change from previous year
Electricity total		14.9	10.6	17.5	64.8 %
Electricity Nordic mix		8.1	6.7	6.9	3.2 %
Electricity Denmark 125		3.7	3.4	8.2	142.9 %
Electricity Sweden		-	-	0.1	331.2 %
Electricity UK		0.8	-	1.3	100.0 %
Electricity Netherlands		1.7	-	-	-
Electricity Germany		0.6	0.6	1.1	93.5 %
District heating location total		0.5	0.5	1.0	111.8 %
District heating NO/Aalesund		-	-	-	121.7 %
District heating NO/Trondheim		0.1	0.2	0.4	157.6 %
District heating SE/Stockholm		0.1	0.1	0.4	359.7 %
District cooling SE/Stockholm		-	-	-	-
District heating NO/Oslo		0.3	0.2	0.2	-10.5 %
District cooling NO/Trondheim		-	-	-	-100.0 %
District heating NO/Bergen		-	-	-	100.0 %
Scope 2 total		15.4	11.1	18.6	66.9 %
Business travel total		34.0	24.8	84.7	241.8 %
Air travel, continental, incl. RF		8.9	2.3	12.2	430.3 %
Hotel nights, Nordic		0.6	1.2	0.5	-59.4 %
Air travel, intercontinental, incl. RF		7.4	-	19.9	100.0 %
Air travel, domestic, incl. RF		14.2	18.8	47.3	151.9 %
Hotel nights, Europe		0.2	0.1	0.2	292.0 %
Hotel nights, world		-	-	-	-
Mileage all. avg. car		1.2	-	-	-
Mileage all. el car Nordic		-	-	-	-
Mileage all. car (NO)		1.0	0.9	1.4	59.8 %
Mileage all. car (DK)		0.5	0.2	0.4	134.0 %
Air travel, continental		-	1.4	2.7	86.5 %
Train (NO)		-	-	-	-100.0 %
Air travel, domestic		-	-	0.1	100.0 %
Waste total		3.0	2.8	2.4	-15.4 %
EE waste, recycled		-	-	-	-65.2 %
Plastic waste, recycled		-	-	-	-38.3 %
Residual waste, incinerated		2.8	2.6	2.3	-12.8 %
Organic waste, treated		-	-	-	11.5 %
Glass waste, recycled		-	-	-	63.2 %
Paper waste, recycled		0.2	0.1	-	-58.2 %
Metal waste, recycled		-	-	-	13.9 %
Hazardous waste, recycled		-	-	-	1,364.3 %
Mixed waste, recycled		-	-	-	-96.1 %
Industrial waste, recycled		-	-	-	-100.0 %
Cardboard waste, recycled		-	-	-	148.8 %
Wood waste, recycled		-	-	-	-100.0 %
Wood waste, incinerated		-	-	-	100.0 %
Organic sludge, incinerated		-	-	-	100.0 %
Purchased goods and services total		0.2	0.1	1.4	1,947.7 %

Water supply, municipal	0.2	0.1	1.4	1,947.7 %
Scope 3 total	37.2	27.7	88.5	219.6 %
Total	52.6	38.8	107.1	175.8 %
Percentage change	100.0 %	-26.3 %	175.8 %	

Annual energy consumption (MWh) Scope 1 & 2



Annual Market-Based GHG Emissions

Category	Unit	2020	2021	2022
Electricity Total (Scope 2) with Market-based calculations	tCO ₂ e	28.3	22.8	-
Scope 2 Total with Market-based electricity calculations	tCO ₂ e	28.8	23.3	1.0
Scope 1+2+3 Total with Market-based electricity calculations	tCO ₂ e	66.1	51.0	89.5
Percentage change		100.0 %	-22.9 %	75.6 %

Annual Key Energy and Climate Performance Indicators

Name	Unit	2020	2021	2022	% change from previous year
Total emissions (s1+s2+s3) (tCO ₂ e)		52.6	38.8	107.1	175.8 %
tCO ₂ e/FTE		0.6	0.5	1.1	147.1 %
tCO ₂ e/MNOK		0.1	-	-	-100.0 %

Methodology and sources

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.