Normative

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# Net zero by 2030

Normative Sustainability Report 2021

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# Net zero by 2030:

# Normative Sustainability Report 2021

#### Being the Norm

As the climate crisis deepens, companies are facing increasing pressure to take action. We must all do our part to uphold the Paris Agreement and reach net zero emissions by 2050. To get there, the world needs a foundational infrastructure for carbon accounting and net-zero success – a new norm.

At Normative, we work to facilitate this every day. Our carbon accounting engine helps companies around the world measure their emissions, identify hotspots and take the most impactful reduction actions.

But being the norm is also about walking the talk. **That's why we've set our own climate target: to reach net zero emissions by 2030.** This report presents Normative's emissions data story, covering all of our emissions for 2021 and breaking them down by origin.

For most companies – Normative included – the majority of emissions are in the value chain, which includes both upstream emissions from the supply chain as well as downstream emissions from product use and disposal. As the latest IPCC report emphasizes, reaching global net zero will require companies to take coordinated action throughout their value chains.

This action begins with comprehensive and trustworthy emissions measurements. Because in the end, what gets measured gets managed.

April 26, 2022

Visition Rim

Kristian Rönn

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# Reaching Global Net Zero

The Paris Agreement commits the world to a global temperature trajectory of 1.5°C above pre-industrial levels. To meet these targets, global greenhouse gas emissions must be cut in half by 2030 and reach net zero by 2050. Importantly, net zero must cover all of a company's emissions, including the value chain (scope 3 emissions).

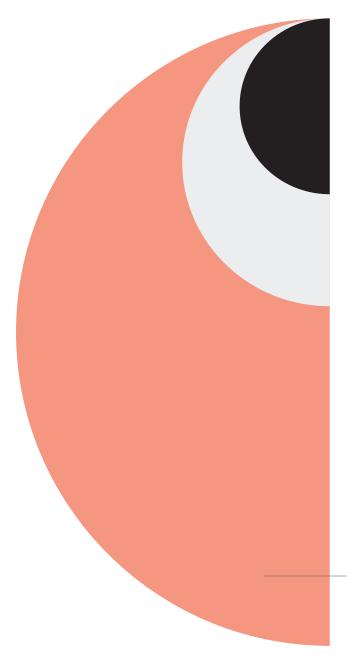
#### Net Zero.

When a company has reached net zero, its activities do not contribute any additional GHG emissions on balance. In practice, this means that the company must first reduce its emissions as much as possible and then purchase high-quality carbon removal to compensate for any residual emissions that it can't eliminate.

For most companies, over 90% of emissions are in scope 3. This makes the reduction of value chain emissions an essential component of reaching net zero. However, many companies lack the data necessary to calculate scope 3 emissions. Normative developed its carbon accounting engine to dramatically simplify the process. This report showcases the engine by applying it to Normative itself.



# Emissions are divided into three scopes



### Scope 1

Direct emissions resulting from vehicles, fuel use, and/or chemical leakage.

### Scope 2

Indirect emissions resulting from bought electricity, cooling, heat and/or steam

#### Scope 3

Other indirect emissions that occur in the value chain of a company and are not already included within scope 2 (such as emissions resulting from purchased goods and services, transport, or business travel)

90% of emissions are typically within scope 3

### Where did Scope 1, 2, and 3 come from?

The emissions scopes were created by The Greenhouse Gas Protocol (GHGP), which provides standards, guidance, tools, and training to measure and manage climate-warming emissions.

## Methodology

Normative's carbon accounting engine follows the Greenhouse Gas Protocol, the widely-used international protocol for carbon accounting. To calculate emissions in accordance with the GHG Protocol, it is first necessary to set organizational boundaries so as to determine which emission sources are to be included. These boundaries have been set using operational control as the criterion, meaning that Normative accounts for 100% of emissions from operations over which it has operational control.

Normative's engine uses science-based emissions data and a combination of spend-based, activity-based, and supplier-specific methods to calculate emissions. For this report, we have strived to collect as much activity-based data as possible. All of scope 2 is activity-based. Within scope 3, waste, business travel, and employee commuting are also activity-based.

Each business activity is paired with a corresponding emissions factor, to calculate the total carbon footprint:

#### $\sum$ (Business activity × Emission factor) = Corporate Carbon Footprint.

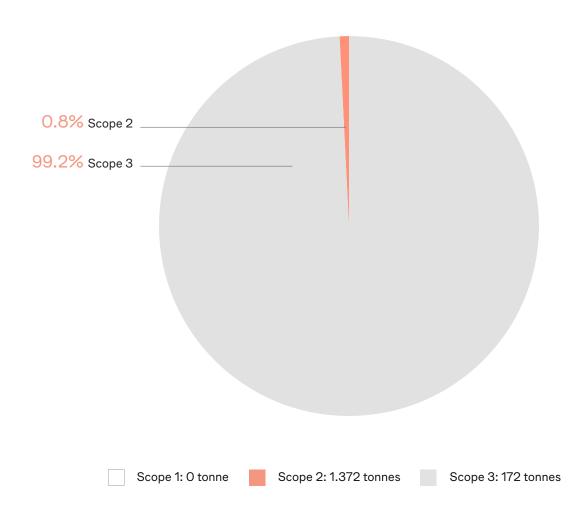
The Business activity is the input into Normative's engine – liters, km, kWh, €. Emission factors indicate the amount of greenhouse gases emitted for each activity. The results from the Normative Carbon Accounting Engine are always validated by Normative Sustainability Experts.

Normative's Carbon Accounting Engine uses emission data from government databases, academic studies, company reports, and regulatory disclosures.

### Emissions data for 2021

In total, Normative's GHG emissions during 2021 amounted to **173.4** tonnes  $\rm CO_2e$  across all three scopes.

### Total emissions by scope (%)



### CO<sub>2</sub>e.

For any greenhouse gas, the carbon dioxide equivalent ( $CO_2$ e) is the mass of  $CO_2$  which would warm the earth as much as the mass of that gas.  $CO_2$ e provides a common scale for measuring the climate effects of all greenhouse gases.

### Scope 1

Normative does not have any scope 1 emissions. This is because Normative does not have any vehicles or fuel

#### Scope 2

Total energy consumption: 33,326 kWh. 1.372 tonnes CO<sub>2</sub>e for heating. All of our electricity is 100% renewable. Heating is 93% renewable. The scope 2 figure is market-based.

#### Scope 3

#### Breakdown by category

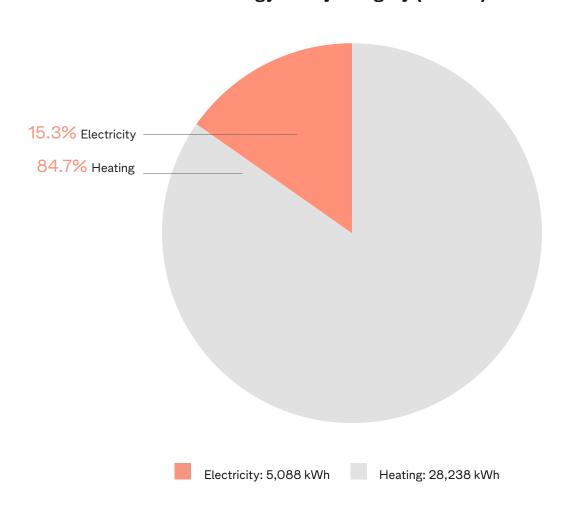
Purchased goods and services: 142.7 tonnes

Capital goods: 14.7 tonnes Business travel: 13.22 tonnes

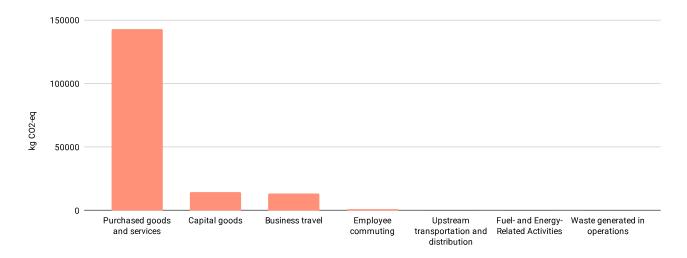
Employee commuting: 0.968 tonnes

Upstream transportation and distribution: 0.145 tonnes Fuel- and Energy-related activities: 0.137 tonnes Waste generated in operations: 0.116 tonnes

### Energy use by category (% kWh)



#### Emissions per scope 3 category (%)



For scope 3, we have followed the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard 2 recommendation to conduct a screening to identify which scope 3 activities are expected to have the most significant GHG emissions, offer the most significant GHG reduction opportunities, and are most relevant to the company's business goals. On the basis of this screening, we identified the seven scope 3 categories included above.

# Normative's Net Zero Journey

Normative has committed to the UN's Race to Zero campaign with a target to reach net zero by 2030. With this commitment in mind, Normative is developing a detailed reduction plan to ensure progress, which will be reported upon annually.

Most of Normative's emissions are in scope 3. Within scope 3, purchased goods and services make up the largest share. In particular, office rental space, professional services, and IT equipment are some of the largest categories.

Normative has a sustainability policy in place to kick-start our net-zero journey. It focuses on always choosing the lowest-emission option available, including for electricity, travel, and catering.

# Start your journey to net zero

Normative helps your company define a Paris Agreement-aligned path to net zero emissions, and guides you the whole way there: from measurement, to reduction, to carbon removal.

Book a demo!

The path to net zero starts with accurate carbon accounting. Normative measures your company emissions and identifies hotspots. Our carbon specialists use this intelligence to create a tailored reduction plan – and a climate investment strategy for what you can't reduce.

Together, we ensure your business stays compliant, competitive, and equipped to reach net zero.

Learn more at normative.io