Normative

Normative's 2023 Sustainability Report

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Section 1: Introduction from Kristian Rönn, CEO & Co-founder of Normative

We are now well into the decade of action. With the Paris Agreement check-point of 2030 nearing, and this past November's Global Stocktake at COP28, the leaders of businesses and governments are asking themselves: "Are we on track to reach net zero?"

At Normative, we are working to ensure that that question can be answered in the affirmative.

We provide the data foundation that empowers businesses to reduce emissions. In the past year, we enhanced our software platform to give businesses even more powerful tools for carbon reduction and supplier engagement. Our team grew throughout the year to meet the technical, advisory, and commercial demands of bringing businesses to net zero.

Our "theory of change" is built on the ambition that, for every ton of carbon dioxide equivalent (CO_2e) we "invest" in our platform and business operations, there will be a greater amount of CO_2e reduced or avoided altogether. **In short: we believe that our net impact significantly contributes to reducing global carbon emissions.** This is underscored by the work we do with our customers – who report a median reduction in their overall greenhouse gas emissions of 4.31% from 2022 to 2023.

However, this does not excuse us from having the same climate responsibilities as any other business. We are not only helping businesses reach their net-zero goals – we are focused on reaching ours, too. We are taking a proactive stance toward addressing our increasing footprint as we grow our business while at the same time keeping our eyes on our 2030 commitment.

To this end, we are continuing to take deliberate strategic actions, including using our own platform to engage our suppliers and reduce the scope 3 emissions which constitute the majority of our carbon footprint.

We see this work not as compliance tick-boxes, but as an opportunity to innovate and lead in making tangible carbon emissions reductions. By sharing our journey transparently, we hope to inspire other companies to amplify their climate action efforts.

Thank you for your continued support as we strive toward our mission: **to make known and reduce the sustainability impact of all economic activities on the planet.**

Kristian Rönn
CEO, and Co-Founder at Normative

Section 2: Executive summary

604.57tCO$_2$e	**50.53%**	**3.54**tCO$_2$e	**590.47**tCO$_2$e	**2030**
Total emissions in 2023	Increase from 2022	Emissions per FTE	Emissions in scope 3 (97.67% of total emissions)	Net-zero target

This report shares our most granular GHG emissions data to date. Our data has been – and will continue to be – used to inform decision-making processes across the organization, with the ultimate aim of reducing our emissions in line with our goal of achieving net zero by 2030.

Normative's 2023 emissions

In 2023, Normative's total emissions reached 604.57 tCO$_2$e, distributed across scope 1 (0 tCO$_2$e), scope 2 market-based (14.10 tCO$_2$e), and scope 3 (590.47 tCO$_2$e), with emissions per full-time employee (FTE) at 3.54 tCO$_2$e. A detailed breakdown is available in Section 3, Table 3.1.

A note on our 2023 emissions calculation methodology

For 2023 emissions calculations, we have updated our calculation methodology to use more accurate, country-specific emission factors where available. We have also recalculated our 2022 emissions using the same methodology to enable a direct comparison. Section 4, Table 4.1 contains both the 2022 and 2023 emissions data.

Normative's progress since last year

We had a 50.53% increase in total emissions from 2022 (401.64 tCO$_2$e) to 2023 (604.57 tCO$_2$e). This is largely due to our operational growth.

We did achieve year-on-year emissions reductions in some areas, reflecting optimizations in our operations. These areas include scope 2 – which saw a reduction of 7.90% – and certain scope 3 categories.

Normative's plan to reach net zero

Normative's approach to reaching net zero by 2030 involves a strategic focus on emission hotspots, as detailed in our action plan outlined in Section 4. This plan includes engaging with suppliers to drive down emissions in scope 3's "Purchased goods and services'' category, enhancing energy efficiency across our operations, and engaging our suppliers using our own tools and expertise.

Section 3: Normative's GHG emissions in 2023

Normative's 2023 emissions

All emissions figures are rounded to two decimal places.

* Not included in emissions totals calculation.

Scope 1	tCO₂e	%
Scope 1 total	0	0%

Scope 2 (market-based)	tCO₂e	%
Scope 2 (market-based) total	14.10	2.33%
↳ Electricity (market-based)	6.46	1.07%
Electricity (location-based)	11.75*	N/A
Heating	7.64	1.26%

Scope 3	tCO₂e	%
Scope 3 total	590.47	97.67%
↳ Purchased goods and services	455.66	75.37%
Fuel- and energy-related activites	6.81	1.13%
Upstream transportation and distribution	0.52	0.09%
Waste generated in operations	0.10	0.02%
Business travel	110.43	18.27%
Employee commuting	16.94	2.80%
Total market-based emissions	**604.57**	**100%**

Table 3.1: Normative's 2023 GHG emissions in tCO2e, broken down by emissions scope and category.

Normative is a SaaS company that provides carbon accounting to businesses. Our organizational structure consists of three entities: Normative AB (Sweden), Normative ApS (Denmark), and Normative Ltd (UK). For this report, we have analyzed the emissions of each of our entities, encompassing our entire organization.

As a company committed to transparency and data-driven action, Normative meticulously accounts for its emissions across all three scopes, using its own carbon accounting software.

Normative's 2023 emissions across scopes 1, 2, and 3 amounted to 604.57 tCO_2e. This marks a 50.56% increase from our 2022 emissions total of 401.54 tCO_2e. This increase was due largely to our growth – in 2023 we saw increases in our headcount, the amount of customers we supported, and the geographic regions our customers operated in. Section 4 addresses our climate progress over time in more detail.

Like many software companies, Normative's emissions are concentrated in scope 3, accounting for 97.67% of Normative's 2023 carbon footprint. Scope 2 emissions, which total 14.10 tCO_2e in our market-based calculation, account for 2.33% of the organization's total 2023 footprint. As in 2022, Normative has no scope 1 emissions in 2023.

In the following subsections, you will see our emissions broken down across scopes 1, 2, and 3.

Scope 1

Normative continues to have no direct emissions (scope 1).

As a software company, we do not generate electricity, manufacture physical goods, operate owned or leased vehicles, or perform other activities covered by scope 1.

Scope 2 (market-based)

14.10 tCO$_2$e

Normative's total scope 2 (market-based) emissions in 2023

2.33%

Of Normative's total emissions

70.29%

Renewable energy used (including heating and electricity)

Heating 54.18%
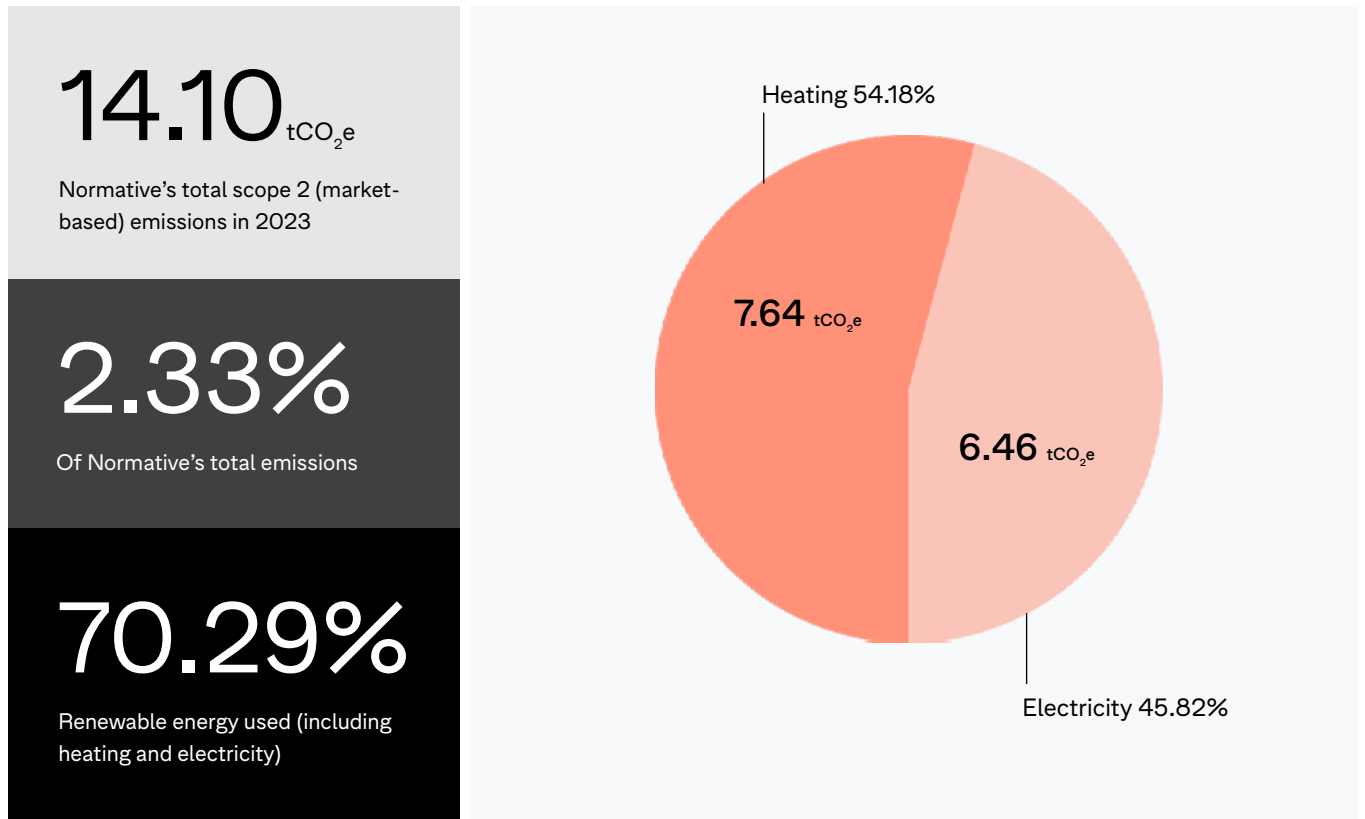
7.64 tCO$_2$e

6.46 tCO$_2$e

Electricity 45.82%

Figure 3.1: Normative's scope 2 (market-based) emissions broken down by source and percentage of total scope 2 (market-based).

Our scope 2 (market-based) emissions, which include indirect emissions from purchased electricity (market-based) and heating, totaled 14.10 tCO$_2$e.

One of our three offices - Stockholm - operated on 100% renewable energy. In our third location, London, we used a total of 77% renewable electricity across two offices due to a change in office location during the year.

We calculated our emissions from electricity using both the market-based and location-based method, as prescribed by the GHG Protocol. We have used the market-based method in our emissions totals, as it reflects the reduced emissions due to Normative's choice of using renewable energy where possible, but we have included the location-based number for transparency.

Scope 2 (market-based)	tCO$_2$e	%
Scope 2 (market-based) total	14.10	2.33%
↳ Electricity (market-based)	6.46	1.07%
Electricity (location-based)	11.75*	N/A
Heating	7.64	1.26%

Table 3.2: A breakdown of Normative's 2023 scope 2 (market-based) emissions per category.
All emissions figures are rounded to two decimal places.
* Not included in emissions totals calculation.

Scope 3

Figure 3.2: Normative's scope 3 emissions per category, by percentage.

Scope 3	tCO$_2$e	%
Scope 3 total	590.47	97.67%
↳ Purchased goods and services	455.66	75.37%
Fuel- and energy-related activites	6.81	1.13%
Upstream transportation and distribution	0.52	0.09%
Waste generated in operations	0.10	0.02%
Business travel	110.43	18.27%
Employee commuting	16.94	2.80%

Table 3.3: A breakdown of Normative's 2023 scope 3 emissions by category.

In 2023, Normative's scope 3 emissions were 590.47 tCO$_2$e and accounted for 97.67% of the organization's total emissions.

Scope 3 is Normative's largest source of emissions and a key priority for our reduction work. (For more on the reductions we have made so far, and our future plans, please consult Section 4.)

Normative's scope 3 emissions came from six Greenhouse Gas Protocol-defined categories: "Purchased goods and services"; "Business travel"; "Employee commuting"; "Fuel- and energy-related activities"; "Upstream transportation and distribution"; "Waste generated in operations."

The emissions in other scope 3 categories than these were either nonexistent or not material.

Because the "Purchased goods and services" category accounted for such a large percentage of our scope 3 emissions (77.17%) we will further break down the emissions of the top three sub-categories within this category:

1. **"Computer programming"** accounted for 117.09 tCO_2e, which was largely driven by the software services we use as well as our own servers.

2. **"Professional activities"** accounted for 94.43 tCO_2e, which was largely driven by professional services related to Normative functions including software development, HR, and marketing.

3. **"Ads & Market research"** accounted for 85.38 tCO_2e, which was largely driven by online advertisements related to marketing and recruitment.

Of note: the reported emissions in our "Purchased goods and services" category can be expected to experience some significant adjustment in the future as we obtain more accurate activity data from our suppliers. Find more about our supplier engagement work in Section 4, sub-section "Action 1: Engage with suppliers."

Removed categories

We have excluded "Leased assets" and "Pensions" this year, which we included in 2022.

Our primary emission-driving activities in "Leased assets" are already accounted for in other categories (for example, electricity and heating), and the embodied carbon of the asset itself may be optionally accounted for by the lessee. This brings us into alignment with the most common approach taken in the field.

With regards to "Pensions," Normative's approach is to exclude emissions related to employee pensions when conducting a company's carbon inventory assessment. This decision is based on the understanding that pension payments fundamentally serve as an employee benefit rather than a business activity.

Furthermore, while Normative has authority in selecting the pension provider, employees possess influence over the specific pension plan selected, drawing a parallel with the autonomy employees have in managing how they spend their salaries. As Normative employees largely have influence over the investment decisions related to their pension, pension payments are thus excluded from Normative's calculation of its 2023 emissions.

Emissions intensity

Normative had 171 full-time employees (FTEs) in 2023.

In 2023 our emissions per FTE were 3.54 tCO_2e. This marks an increase of 32% from Normative's 2022 emissions per FTE of 2.68 tCO_2e.

Section 4: Normative's net-zero journey

Why work toward net zero?

Normative's commitment to achieving net zero by 2030 reflects our mission to make known and reduce the sustainability impact of all economic activities on the planet – including our own.

Adopting a net-zero plan provides a framework for Normative to make real reductions in our carbon footprint through direct actions like enhancing energy efficiency, using renewable energy, and optimizing supply chain operations. In addition to reducing our climate impact, these steps lead to tangible cost savings and operational efficiencies.

This proactive stance also positions Normative well ahead of evolving regulatory demands, ensuring compliance and leadership in sustainability practices. As regulations around carbon emissions tighten globally, Normative's early adoption of a net-zero strategy not only mitigates risks but also capitalizes on opportunities for growth and innovation in the green economy.

Normative's net-zero target

> Normative's goal is to **reach net zero by 2030.**

While we set this target in our 2021 sustainability report, we have yet to further explain what in particular this goal entails. As we are committed to scientific integrity and transparency, we want to take a moment in this year's report to clarify our target.

In setting our net-zero target, we seek alignment with the SBTi's Corporate Net-Zero Standard, the ISO IWA 42 Net Zero Guidelines, and the Race to Zero 3.0 criteria. With our target year of 2030, this means that we are committed to reducing our emissions by at least 90% compared with our baseline year emissions. We will strive to further reduce the remaining 10% of our baseline emissions in the years beyond 2030 by working closely with our value chain. Having eliminated all technically feasible emissions, we will balance our residual emissions with high-quality, permanent carbon removals.

Later this year, we will ask the Science-Based Targets initiative (SBTi) to officially validate our targets.

When we first announced our net-zero target in our 2021 report, Normative was a very different company compared to where we are today. Since then, we have experienced a period of rapid business growth, nearly tripling our number of employees. In order for our baseline year to be as accurate and representative as possible, we will use our most recent 2023 GHG emissions as the baseline against which we will assess the 90% reduction target by 2030 for our SBTi submission.

Comparing Normative's 2022 and 2023 emissions

In our 2022 sustainability report, we used the spend-based method with worldwide emission factors for our scope 3 calculations in the categories "Purchased goods and services" and "Capital goods." For 2023, we have improved our data granularity and are using country-specific emission factors for all spend-based data, which has increased the accuracy of our calculations.

To enable a like-for-like comparison of emissions between the two years, we have decided to recalculate our 2022 emissions using the same level of data granularity as for our 2023 data. We present this updated data below, alongside our 2023 inventory.

Normative's 2022 and 2023 emissions compared

Scope 1	2022 tCO$_2$e	2023 tCO$_2$e	% change from 2022 to 2023
Scope 1 total	0	0	N/A

Scope 2 (market-based)	2022 tCO$_2$e	2023 tCO$_2$e	% change from 2022 to 2023
Scope 2 (market-based) total	15.31	14.10	-7.90%
↳ Electricity (market-based)	6.01	6.46	+7.47%
Electricity (location-based)	N/A	11.75*	N/A
Heating	9.30	7.64	-17.87%

Scope 3	2022 tCO$_2$e	2023 tCO$_2$e	% change from 2022 to 2023
Scope 3 total	386.32	590.47	+52.84%
↳ Purchased goods and services	334.90	455.66	+36.06%
Fuel- and energy-related activites	2.77	6.81	+145.76%
Upstream transportation and distribution	2.08	0.52	-75.03%
Waste generated in operations	0.10	0.10	+2.25%
Business travel	35.08	110.43	+214.81%
Employee commuting	11.30	16.94	+49.94%
Total	**401.64**	**604.57**	**+50.53%**

Table 4.1: A comparison of Normative's 2022 and 2023 emissions, broken down by scope, and including the percentage change.

All emissions figures are rounded to two decimal places.
* Not included in emissions totals calculation.

Our path to net zero

Our goal of achieving net zero by 2030 is not just an aspiration but a structured plan that encompasses both the emissions sources under our direct control and those beyond our immediate influence. This approach ensures we address all potential impact areas comprehensively.

Emissions under our control

Directly influencing our emissions involves an all-encompassing sustainability strategy that integrates choices about energy sources, food, and travel. This strategy is put into practice in our company sustainability policy.

Read the Normative Sustainability Policy

The guidelines in our sustainability policy are aimed at outlining actions that, in expectation, lower Normative's own GHG emissions as much as feasible.

Read the full policy

For example: we prioritize purchasing renewable energy and designing energy-efficient office spaces that meet BREEAM and LEED certification standards, measures which directly mitigate our scope 1 and scope 2 emissions and allow us to exert substantial control over our carbon footprint.

Emissions outside our control

However, a significant portion of our emissions – 97.67% – falls within scope 3, highlighting the crucial role of supplier engagement in our sustainability strategy. Particularly, 77.17% of these emissions come from "Purchased goods and services", underscoring the need for a strategic approach to manage these indirect emissions effectively.

Like most companies, we first mapped our scope 3 emissions using mostly financial transaction data – the so-called spend-based approach. In the absence of more granular data in 2022, we applied worldwide average emission factors (EFs) to our scope 3 categories of "Purchased goods and services" and "Capital goods." The other categories that we calculated with spend ("Upstream transport," and "Business travel") used country-specific EFs.

Given the limitations of this broad approach, we have moved towards incorporating more granular data into our emissions calculations for our 2023 report as it became available. We now include supplier geographic locations in our data sets, allowing us to apply country-specific emission factors, which significantly refine our emissions estimates. This data enhancement enables more targeted actions and more accurate reporting of our carbon footprint.

Revised calculations and strategic actions

The transition to using granular data not only provides a clearer picture of our emissions landscape but also allows us to engage more effectively with our suppliers by identifying specific areas for emissions reduction. To enable a like-for-like comparison of our progress from 2022 to 2023, we have updated our previous year's data with these new insights and recalculated our 2022 scope 3 emissions using the latest version of the Normative engine[1].

Scope 3 Category	Calculation Type
Purchased goods & services (PG&S)	Spend-based
Fuel- and energy-related activities	Based on scope 2 data (mix of various data inputs)
Upstream transport	Spend-based
Employee commuting	Based on the survey responses
Waste	Activity data (based on sampling)
Business travel	Specific internal reports

Table 4.2: The types of data used for the calculation of Normative's scope 3 emissions, broken down by scope 3 category.

Our progress so far

Progress assessment: scopes 1 and 2

Our progress in scopes 1 and 2 can largely be attributed to "quick wins."

Our relatively low scope 2 emissions demonstrate effective implementation and adherence to our sustainability policy of preferring lower-carbon energy and heating. As such, from 2022 to 2023 our scope 2 emissions decreased from 15.31 tCO_2e to 14.10 tCO_2e, a -7.90% change.

Progress assessment: scope 3

As many of the businesses we work with, we too are facing scope 3 emission reduction challenges due both to our rapid business growth and the value chain engagement work required to obtain more granular data. Nevertheless, scope 3 emissions management is essential to a comprehensive emissions reduction strategy, and we are determined to reduce our scope 3 emissions in line with our net-zero target.

Our sustainability policy covers various scope 3 categories, but as our company grows, so too do the emissions from categories such as "Business travel" and "Employee commuting." Despite this growth, we've managed to keep emissions from waste and upstream transportation and distribution unchanged or decreasing.

However, significant challenges remain in categories such as "Purchased goods and services," which has seen a 20.96% increase in spending and 36.06% increase in emissions from 2022 to 2023. This category requires enhanced supplier engagement to gather more granular data on the basis of which we can then encourage broader adoption of sustainable practices that align with our net-zero objectives. Similarly, our "Fuel- and energy-related activities" category remains a complex issue. Although we lack the direct ability to influence the extraction, production, and transportation of fuels and

energy, we understand that reducing our scope 2 emissions will impact this category; by reducing the energy we use, we will reduce the emissions from the upstream activities it took to produce the fuel.

As we enhance the granularity of our scope 3 supplier data, we significantly improve the accuracy of our emissions calculations. However, we recognize that this enhancement marks only the beginning of more substantive efforts. The transition to actively engaging our suppliers marks the next step in the evolution of our value chain work, as we have moved from spend data to country-specific spend data, and next to activity data and supplier engagement.

Our focus on supplier engagement is strategic. While we may not be the largest customer for many of our suppliers, we are committed to supporting them in their efforts to reduce emissions. We use our software and expertise to aid them in this process, which not only fosters a collaborative approach to sustainability but also amplifies the impact beyond our immediate operations.

To institutionalize this approach, we have initiated our first-ever supplier engagement project, using Normative's own platform to substitute spend data with supplier-specific data, thus improving the accuracy of the calculations. This project is just the beginning of a broader strategy that includes plans to update our procurement policies and code of conduct, which we will work on throughout 2024 and provide an update in our next sustainability report. These updates will enhance our ability to collect better data and, more importantly, encourage and enable our suppliers to take decisive actions towards reducing their emissions. These efforts are integral to our comprehensive strategy to mitigate scope 3 emissions and move closer to our net-zero goal.

The next steps on our journey to net zero

Normative is taking a data-driven approach to reaching net zero by 2030. By sharing our plan, we aim to demonstrate how a company can use high-resolution emissions data to power its journey to net zero.

We have used our emissions calculations – and the hotspots they have enabled us to identify – to inform the seven-action plan described below.

Of note: in last year's report, our plan contained eight actions. This year, we have removed our previous "Pensions" action based on the understanding that pension payments fundamentally serve as an employee benefit rather than a business activity. More context around our decision can be found in the "Removed categories" sub-section of Section 3.

Action 1:	Engage with suppliers

Target scope & category: Scope 3 | "Purchased Goods and Services" | 455.66 tCO_2e in 2023 | 77.17% of total scope 3 emissions | 36.06% increase from 2022

Engaging with suppliers is crucial for addressing emissions from "Purchased goods and services" (PG&S), which is Normative's largest emissions category, accounting for 75.30% of our total emissions.

The complexity of reducing these emissions lies in the fact that they are outside our direct control, necessitating a strategic approach to influence our suppliers. To tackle this, we will first work to obtain more accurate activity data from our value chain, refining our current calculations that are based on spend-based regional and country-specific emission factors. Direct engagement with our suppliers is essential for this data acquisition.

Once we have this granular data, we can identify specific areas where we can effectively intervene. Understanding

the detailed emissions profiles of our suppliers allows us to pinpoint the levers that will significantly reduce emissions. Through targeted support and collaboration, we can guide our suppliers towards implementing sustainable practices, ultimately driving down emissions across our value chain.

Normative is using its own enterprise carbon accounting platform to accomplish this work, including engaging suppliers in setting net-zero targets, calculating their emissions, and reporting their progress.

To date, we have begun engaging our top 50 suppliers by emissions. These suppliers are from several industries, including computer programming consultancy services, advertising and market research and professional, scientific and technical activities.

While these activities have already begun, their results will be reported on in more detail in next year's report. Though it is reasonable to expect that increased accuracy in reporting in the "Purchased Goods and Services" category will be observed. For example: we are looking at major software vendors in our high-impact categories, which are likely to have explicit sustainability policies in place, but because we currently only apply industry-average EFs to our expenses with them we do not see this reflected in our scope 3 calculations.

Our Supplier Engagement Policy is underpinned by the principles outlined in the Exponential Roadmap Initiative's 1.5°C Supplier Engagement Guide. By joining forces with other buyers through 1.5°C-aligned procurement pledges, we send and strengthen a unified message that creates a stronger incentive for suppliers to act.

Action 2:	Renewable & energy efficient servers

Target scope & category: Scope 3 | "Purchased goods and services" subcategories "Computer programming & related activities" and "Professional, scientific, and technical activities" | 211.52 tCO$_2$e in 2023 | 35.82% of total scope 3 emissions | 69.30% increase from 2022

In 2023, the emissions in "Computer programming & related activities" and "Professional, scientific, and technical activities" subcategories accounted for 46.42% of the total emissions in the "Purchased goods and services" category – highlighting the importance of addressing emissions from these subcategories.

Since these emissions fall in scope 3, outside of our direct emissions, supplier engagement will be crucial to reducing these emissions.

When possible, we choose hosting and cloud computing services that run on renewable energy. For example: our carbon accounting engine is hosted in AWS in Frankfurt, which uses 100% renewable energy. Google Cloud Platform, another significant tech partner, also runs on 100% renewable energy.

We will also continue to prioritize the efficient development of our systems, ensuring they are optimized from a computational complexity perspective. This approach not only promotes energy efficiency but also contributes to the longevity and reliability of our systems. Furthermore, we will work with our digital service providers to make sure that they also run their servers on renewable electricity.

By combining the use of renewable electricity with efficient system development, we minimize emissions from the "Computer Programming & Related Activities" and "Professional, scientific, and technical activities" sub-categories within the "Purchased goods and services" category in scope 3.

Action 3:	Minimize carbon-intensive travel

Target scope & category: Scope 3 | "Business travel" | 110.43 tCO_2e in 2023 | 18.70% of total scope 3 emissions | 214.81% increase from 2022

Normative promotes a digital meeting culture and minimizes unnecessary, carbon-intensive travel, to reduce carbon emissions and save resources.

In cases where travel is assessed to have a net positive impact on our mission to reduce global emissions – or simply deemed necessary – we opt for low-carbon modes of transport, such as traveling by train when the journey would take under six hours. This approach helps to minimize carbon emissions and other pollutants associated with, for example, air travel, which are major contributors to climate change.

Our sustainability policy defines our preferred modes of transport used for events and business travel.

Action 4:	Vegan food

Target scope & category: Scope 3 | "Purchased goods and services" subcategory "Food, beverages, and catering" | 43.89 tCO_2e in 2023 | 7.43% of total scope 3 emissions | No direct comparison to 2022 due to taxonomy changes

Animal agriculture is a significant contributor to greenhouse gas emissions, deforestation, and water pollution. Normative's policy of preferring vegan food aligns with our commitment to leading by example and contributing to a reduction in the demand for animal products, supporting a more sustainable food system.

By choosing vegan options whenever possible, we minimize emissions from the "Food, beverages, and catering" subcategory of scope 3's "Purchased goods and services," which accounted for 43.89 tCO_2e in 2023.

Action 5:	Circular economy & leasing equipment

Target scope & category: Scope 3 | "Purchased goods and services" subcategory "Computer and Communications equipment" | 25.66 tCO_2e in 2023 | 4.35% of total scope 3 emissions | 32.61% decrease from 2022

Normative recognizes the importance of promoting sustainable practices in the procurement and disposal of electronic equipment, office equipment, and office furniture.

Leasing equipment from third-party providers can be a sustainable option, as it reduces the need for the business to purchase new equipment and can potentially prolong the life of existing equipment. However, it is important to select a third-party provider that has ambitious reuse policies that aim to extend the life of each product as much as possible. This includes refurbishing and repairing equipment, as well as safely disposing of it at the end of its useful life. We will operationalize these principles in a circular economy policy, based on the principles outlined by the EU Waste Framework Directive and the Ellen MacArthur Foundation.

By prioritizing the reuse and recycling of equipment instead of its disposal in landfills, we minimize emissions from the "Computer and Communications equipment" subcategory within the scope 3 category "Purchased goods and services." In 2023, the emissions from this subcategory totaled 25.66 tCO_2e.

Action 6:	Renewable & energy-efficient offices

Target scope & category: Scope 2 | "Heating" and "Electricity"| 14.10 tCO_2e in 2023 | 2.33% of total emissions | 7.90% decrease from 2022

Scope 3 | "Fuel- and energy-related activities" and "Waste generated in operations" | 6.91 tCO_2e in 2023 | 1.17% of total scope 3 emissions | 140.77% increase from 2022

To minimize our environmental impact, we prioritize the design and operation of energy-efficient office buildings.

Whenever possible we aim to follow BREEAM and LEED certification standards. These standards evaluate a building's sustainability performance, taking into account various factors such as energy efficiency, water consumption, indoor environmental quality, and materials used in construction.

By decarbonizing our offices, we minimize emissions from the "Heating" and "Electricity" categories within scope 2. In 2023, Normative calculated 6.46 tCO_2e electricity emissions (market-based) and 11.75 tCO_2e (location-based), while heating constituted 7.64 tCO_2e. This work will also reduce the emissions from scope 3 categories "Fuel- and energy-related activities" and "Waste generated in operations," which in 2023 totaled 6.81 tCO_2e and 0.10 tCO_2e, respectively.

Action 7:	Minimize waste

Target scope & category: Scope 3 | "Waste generated in operations" | 0.10 tCO_2e in 2023 | 0.02% of total scope 3 emissions | 2.25% increase from 2022

Though waste only accounts for an extremely small percentage of our overall emissions, we have elected to include "Minimizing waste" as an action in our net-zero plan to both show that we are addressing our emissions in this area, and to act as a reminder to other businesses on the same journey. In our waste minimization work, we follow the waste hierarchy as outlined in the EU Waste Framework Directive.

Firstly, we try to prevent waste from occurring in the first place by, for example, abstaining from buying single-use items such as paper cups. We also work to implement various waste reduction strategies, such as promoting a paperless work environment by encouraging digital documentation, advertising, and communication. We provide recycling bins for all relevant categories and teach our employees how to use them properly.

By taking a waste minimization approach, we reduce emissions from the "Waste Generated in Operations" category within scope 3. In 2023, the emissions from these categories totaled 0.10 tCO_2e. However, it is important to highlight that this number is likely to go up significantly once we begin replacing some of our older electronics hardware and as employees begin returning to the office from previous work-from-home arrangements.

Section 5: Emissions calculation methodology

Normative uses a science-backed emissions calculation methodology informed by the Greenhouse Gas Protocol.

Carbon calculations are only as good as the data and methods used to generate them. The Normative methodology is built on a proprietary implementation of the Greenhouse Gas Protocol Corporate Standard and Corporate Value Chain (Scope 3) Standard, and a deep database of emissions factors.

Based on the Greenhouse Gas Protocol-recommended hybrid methodology, Normative's engine can use both transaction data (also called primary data) and activity data (also called secondary data) in its emissions calculations, ensuring comprehensive coverage of all of a business's sources of emissions. To achieve the most accurate calculations possible, Normative's carbon accounting engine selects the best approach depending on the type of data provided by a business.

The engine then uses intelligent automation to process the business data. This includes mapping the data to the Normative taxonomy – an internal classification system – as well as converting units and currencies where needed.

Finally, the engine combines the processed data with Normative's database of emissions factors to produce emissions calculations. Normative automatically sources these emission factors from our deep database of about 40,000 such factors. There are also over 11,300 material and activity categorizations in the database, including regional-specific emission factors for all major countries. The database is populated with peer-reviewed, scientifically vetted sources. The emission factors are updated on an ongoing basis, always reflecting the most recent versions available.

Figure 5.1: A simplified representation of Normative's emissions calculation methodology.
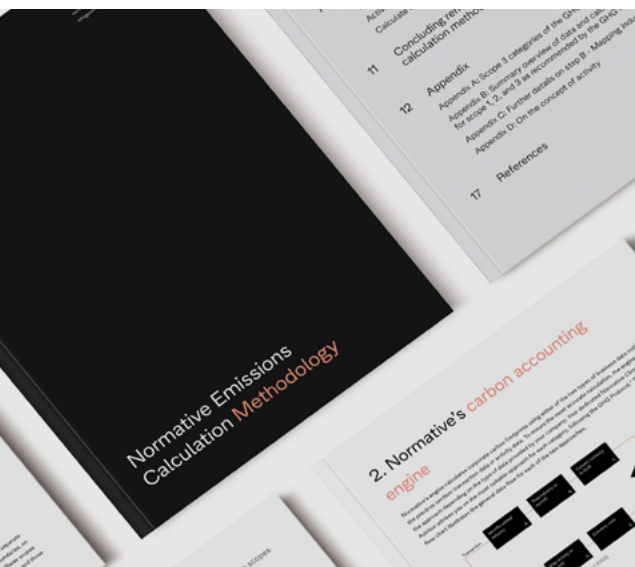
Learn more about Normative's carbon calculation methodology

Our white paper explains in detail the fundamentals of corporate carbon accounting, and outlines Normative's proprietary implementation of the Greenhouse Gas Protocol.

Download the white paper →

Conclusion

As we reflect on 2023, we clearly see the challenge of balancing a rapidly scaling business and limiting our environmental impact reflected in our emissions figures. While there is much work left for us on this journey, we remain confident in our 2030 target which is supported by a comprehensive reduction strategy.

Below are some selected developments from Normative's 2023 sustainability work:

Enhanced emissions data accuracy: One important step we took this year was improving the accuracy of our emissions data by incorporating country-specific emission factors. This refinement has allowed us to gain a more precise understanding of our carbon footprint, particularly in scope 3, which continues to constitute the majority of our emissions.

Supplier engagement initiatives: We began our first comprehensive supplier engagement project, targeting our top 50 suppliers by emissions. This project uses Normative's own tools to gather more accurate supplier data for our scope 3 emissions and subsequently encourage our suppliers to set net-zero targets and report on their emissions. The success of this initiative is critical, as "Purchased goods and services" category remains the largest source of our scope 3 emissions, at 77.17% of our total scope 3 footprint.

Refining our net-zero target: Though it was in 2021 that we set our net-zero target, we have refined it this year to set clearer goalposts: **by 2030, we are committed to reducing our emissions by at least 90% compared with our 2023 baseline year emissions.** We will strive to further reduce the remaining 10% of our baseline emissions in the years beyond 2030 by working closely with our value chain. Having eliminated all technically feasible emissions, we will balance our residual emissions with high-quality, permanent carbon removals. We will also seek SBTi validation of our net-zero target in 2024.

Lessons learned

The journey to net zero is inherently iterative, filled with both advancements and challenges. This year, our increased emissions, particularly in scope 3, highlighted the complexities of managing growth while striving to reduce our carbon footprint. Our experience has underscored the importance of robust data, continuous supplier engagement, and the need for flexible strategies that can adapt to new insights and challenges – all of which will be present in our work during 2024 and beyond.

The net-zero journey:

Our path to net zero by 2030 is not a straightforward trajectory but a journey characterized by clear targets, ongoing adjustments, and steadfast resolve. We are committed to leading by example, understanding that setting high standards and transparently sharing our progress is vital for driving broader industry change. We remain critically aware of the areas needing improvement – and dedicated to addressing them with innovative solutions and a collaborative approach.

As we look ahead, Normative is more committed than ever to our net-zero mission. We recognize that our greatest contribution to mitigating climate change comes from empowering our customers to reduce their emissions. Our efforts to refine our methods, engage our suppliers, and lead with transparency will continue to drive us forward, setting a precedent for what is possible in corporate sustainability.

Thank you for your continued support and partnership as we navigate this crucial journey towards a net-zero future.

Appendix: Detailed scope 3 emissions categories & emissions (top 30 activities by emissions)

Description	tCO$_2$e	Category
Computer programming consultancy services	117.09	PG&S
Professional, scientific and technical activities	94.43	PG&S
Advertising and market research	85.38	PG&S
Short-haul flight (EU routes)	65.76	BT
Other goods in specialised stores	54.12	PG&S
Food, beverages and tobacco retail stores	43.89	PG&S
Computers, radio, TV & communication equipment	25.66	PG&S
Employee commuting	16.94	EC
International business flight (Non-EU routes)	15.97	BT
Hotel stay	15.14	BT
Office machines and computers	6.62	PG&S
National rail	6.30	BT
Household goods (wholesale trade)	6.06	PG&S
Legal & accounting services	5.29	PG&S
Textiles & wearing apparel	3.84	PG&S
WTT - electricity	3.59	S3C3
Business travel	3.56	BT
Postal and telecommunications services	2.54	PG&S
Insurance, Reinsurance & Pension Funding (except compulsory social security)	2.51	PG&S
Car rental	2.25	PG&S
District heat and steam - WTT	2.21	BT

Description	tCO$_2$e	Category
District heat and steam - WTT	1.73	S3C3
Taxi	1.31	BT
Non-specialised retail stores	1.10	PG&S
Management consulting services	1.09	PG&S
Education	1.08	PG&S
Natural gas	0.99	S3C3
Rental of machinery and equipment	0.87	PG&S
Other service activities	0.74	PG&S
Road transport	0.52	PG&S
Distribution of energy	0.49	S3C3

District heat and steam - WTT	1.73	S3C3

About Normative

Normative is an enterprise carbon platform
providing a foundation of reliable emissions data
for companies like Eurostar, Nordea, and The
Restaurant Group to plan, implement, and verify
the impact of sustainability initiatives. With a
carbon accounting engine built on science, a carbon
network of supplier data sources, and a team of
climate experts, Normative empowers companies
to take control of their emissions. Headquartered
in Stockholm, Normative aims to accelerate the
transition to net zero by partnering with leading
climate change organizations including the UN.

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