



Greenhouse gas (GHG) accounting report

Croisette

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Acronyms and abbreviations

CH ₄	methane
CN	carbon neutral
CO ₂	carbon dioxide
CO ₂ e	carbon dioxide equivalent
GHG	greenhouse gases
GJ	gigajoule
GRI	Global Reporting Initiative
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
kg	kilogram
MWh	megawatt hour
N ₂ O	nitrous oxide
pkm	Passenger-kilometre
RF	Radiative forcing
t	tonne
WRI	World Resources Institute
UNFCCC	United Nations Framework Convention on Climate Change

Executive summary

This report shows the carbon footprint of Croisette during the year 2021. The calculation of the carbon footprint was performed by Normative, except the emissions from working from home which was conducted by South Pole. The objective is to become a Climate Neutral Company through offsetting the emissions and fulfilling South Pole's other criteria (see chapter 3 and 4 on South Pole's Climate Neutrality Labels). In Table 1, a summary of the key performance indicators is shown. These are helpful to be able to compare emissions over the years, as the company grows.

Table 1: Summary of Key Performance Indicators (KPI's).

KPI	2020	2021
Number of employees	44	80
Premises area (m ²)	1,489	1,711
tCO ₂ e/employee	10.64	5.17
tCO ₂ e/m ²	0.31	0.24
MWh/employee	7.68	4.91
MWh/m ²	0.23	0.23

(Source: South Pole, based on Croisette, 2022)

The total emissions of Croisette during 2021 were 413.5 tCO₂e. The split into different scopes is seen in Table 2 below. Please note that due to rounding of numbers, the figures may not add up exactly to the total provided.

Table 2: GHG emissions by emission source

Scope	Emissions (tCO ₂ e)	% of total
Scope 1: direct GHG emissions	0	0%
Scope 2: indirect GHG emissions from purchased electricity, heating and cooling (market-based ²)	15.7	3.8%
Scope 3: other indirect GHG emissions	397.5	96.2%
Total GHG emissions	413.5	100%

(Source: South Pole, based on Croisette, 2022)

It can be seen that most of the emissions come from scope 3 activities. Figure 1 shows the emissions breakdown per activity. Figure 2 shows the emissions breakdown per scope.

² The market-based method reflects emissions associated with the choices a consumer makes regarding its electricity supplier or product.

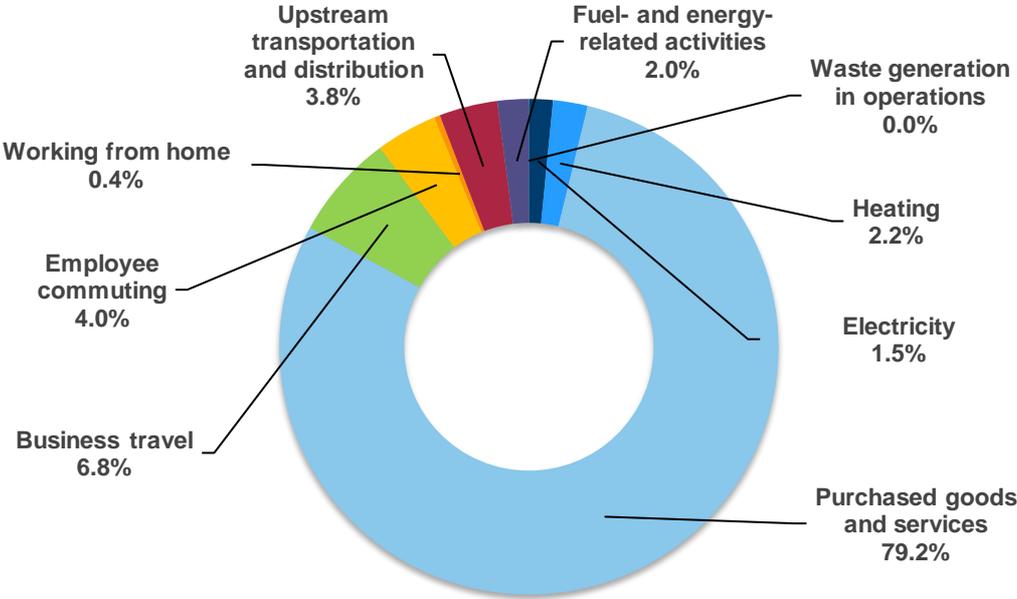


Figure 1: Sources of GHG emissions in 2021

(Source: South Pole, 2022)

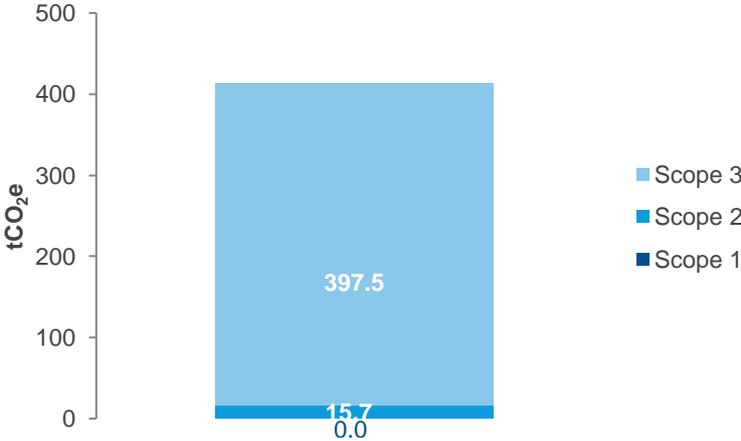


Figure 2: GHG emissions (tCO₂e) by scope in 2021

(Source: South Pole, 2022)

1 Introduction

This report provides a summary of the GHG emissions from Croisette's operations from 1 January 2021 to 21 December 2021.

Croisette Real Estate partner is an advisory firm in the Swedish real estate industry. They offer high-grade and sustainable advisory in the areas of transactions, valuation and analysis, leasing, human capital, digital asset management, and insurance advisory. Headquartered in Malmö, Croisette covers the entire Swedish and Icelandic markets.

Company information and the reporting period are presented in Table 3.

Table 3: Company information

Company information	
Website	www.croisette.com
Business area	Real estate advisory
Reporting period	2021-01-01 – 2021-12-31

(Source: South Pole, based on Croisette, 2022)

1.1 Methodology

The GHG accounting and reporting procedure is based on the 'The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition' (GHG Protocol) and the complementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' – the most widely used international accounting tools for government and business leaders to understand, quantify, and manage GHG emissions. The standards were developed in partnership between the World Resources Institute and the World Business Council for Sustainable Development.

The accounting was based on the principles of the 'GHG Protocol':

- **Relevance:** an appropriate inventory boundary that reflects the GHG emissions of the company and serves the decision-making needs of users;
- **Completeness:** accounting includes all emission sources within the chosen inventory boundary. Any specific exclusion is disclosed and specified;
- **Consistency:** meaningful comparison of information over time and transparently documented changes to the data;
- **Transparency:** data inventory sufficiency and clarity, where relevant issues are addressed in a coherent manner; and
- **Accuracy:** minimised uncertainty and avoided systematic over- or under-quantification of GHG emissions.

1.2 System boundaries

1.2.1 Organisational boundaries

The approach chosen was the operational control, i.e., including the offices and emissions sources over which Croisette has operational control. In Table 4 the offices included in the calculation are listed.

Table 4: Offices included in the 2021 GHG accounting

Country	Location	Area (m ²)
Sweden	Gothenburg	215
Sweden	Helsingborg	203
Sweden	Halmstad	240
Sweden	Stockholm	331
Sweden	Malmö	378
Sweden	Uppsala	100
Iceland	Reykjavik	22
Denmark	Copenhagen	170
Sweden	Jönköping	20
Sweden	Kalmar	22
Sweden	Västerås	10

(Source: South Pole, based on Croisette, 2022)

1.2.2 Operational boundaries

Under the 'GHG Protocol', emissions are divided into direct and indirect emissions. Direct emissions are those originating from owned or controlled sources by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity's activities, yet they occur at sources owned or controlled by another entity.

The direct and indirect emissions are divided into three scopes as found below.

Scope 1

Scope 1 includes all carbon emissions that can be directly managed by the organisation (direct GHG emissions). This includes the emissions from the combustion of fossil fuels in mobile and stationary sources (e.g. owned or controlled boilers, power generators and vehicles) and carbon emissions generated by chemical and physical processes as well as fugitive emissions from the use of cooling and air conditioning (AC) equipment. Table 5 (below) gives an overview of the emission sources considered in scope 1, based on the information provided by Croisette.

Table 5: Overview of scope 1 emission sources for 2021

Category	Emission sources	Boundary
Stationary combustion	Generation of electricity and heat	Not applicable
Mobile combustion	Company-owned or leased vehicles	Not applicable
Physical or chemical processing	Manufacture or processing of chemicals and materials	Not applicable
Fugitive emissions	Emissions from the use of cooling systems and AC equipment, leakage from CO ₂ tanks or methane tubes	Not applicable

Scope 2

Scope 2 includes indirect GHG emissions from the generation of purchased electricity, steam, heat or cooling purchased by the organisation from external energy providers. Table 6 below gives an overview of the emission sources considered in scope 2.

Table 6: Overview of scope 2 emission sources for 2021

Category	Emission sources	Boundary
Electricity	Purchased electricity	Included
Steam	Purchased steam	Not applicable
District heating	Purchased district heating	Included
District cooling	Purchased district cooling	Not applicable

Scope 3

Scope 3 includes other indirect emissions, such as emissions from the extraction and production of purchased materials and services, vehicles not owned or controlled by the reporting entity, outsourced activities, waste disposal, etc.

According to the 'GHG Protocol', companies shall separately account for and report on emissions from scope 1 and 2. Scope 3 is an optional reporting category but its reporting is often required for Climate Neutrality Labels.

Table 7 below gives an overview of the emission sources considered in scope 3.

Table 7: Overview of scope 3 emission sources for 2021

Category	Emission sources	Boundary	Calculated by
Purchased goods and services	Purchased goods (raw materials) and services	Included	Normative
Capital goods	Production of capital goods (e.g., machinery, IT equipment, etc.)	Included	Normative
Fuel- and energy-related activities	Upstream life cycle emissions from fuel and electricity generation, incl. transmission and distribution losses	Included	Normative
Upstream transportation and distribution	Transportation and distribution of goods and services to the company	Included	Normative
Waste generated in operations	Waste management of operational waste (landfilling, recycling, etc.)	Included	Normative
Business travel	Travel and accommodation of employees/contractors	Included	Normative
Employee commuting and teleworking	Employee travel between home and work and incremental emission from energy use during working from home	Included	Normative and South Pole
Upstream leased assets	Operation of assets leased by the organisation (lessee) in the reporting year and not included in Scope 1 or 2	Included	Normative
Downstream transportation and distribution	Transportation and distribution of products sold by the organisation	Negligible	N/A
Processing of sold products	Processing of intermediate products sold by the organisation	Not applicable	N/A
Use of sold products	Use of sold goods that require energy to operate	Not applicable	N/A
End-of-life treatment of sold products	Waste disposal and treatment of sold products	Not applicable	N/A
Downstream leased assets	Operation of assets owned by the company (lessor) and leased to other entities, not included in Scope 1 or 2	Not applicable	N/A
Franchises	Operation of franchises not included in Scope 1 or 2	Not applicable	N/A
Investments	Operation of investments not included in Scope 1 or 2	Not significant	N/A

1.3 Data inventory and assumptions

Regarding electricity, several offices reported having renewable electricity, namely: Malmö, Stockholm, Gothenburg, Halmstad, Helsingborg, Kalmar and Copenhagen. For these offices, the emissions in scope 2 from electricity are zero based on the market-based method, since the electricity is covered by renewable electricity certificates, also known as Guarantees of Origin in

the EU. Ideally, the documents certifying this should cover the full reporting year. The office in Copenhagen could only provide an electricity bill for September 2021, and three offices (Halmstad, Helsingborg and Kalmar) could only provide an electricity bill or certificate for 2022. For next year's reporting it's recommended to improve the documentation of the renewable electricity.

To calculate the emissions from commuter travel, a survey was sent out to and filled out by the employees. Replies from employees who stated that they started working for Croisette only this year were excluded. The assumptions were made that the employees have four weeks holiday and are working five days per week.

Overall, the data inventory, emission factors, and assumptions are based on the 'GHG Protocol'. The choice of assumptions and emission factors followed a conservative approach. For example, it was assumed that a hybrid car was a petrol hybrid car, and that public transport used was bus. South Pole has checked the references for emission factors used by Normative to be trustable. However, South Pole has not checked emission factors in detail and relies on Normative's calculations.

Unless otherwise specified, all emission values in this report are given in metric tonnes of carbon dioxide equivalent (tCO₂e). Where activity data of the inventory was lacking, extrapolations and estimations were made.

1.4 Global Warming Potentials (GWP)

Global Warming Potential (GWP) is a measure of the climate impact of a GHG compared to carbon dioxide over a time horizon. GHG emissions have different GWP values depending on their efficiency to absorb longwave radiation and the atmospheric lifetime of the gas. The GWP values used in GHG accounting include the six GHGs covered by the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol and blends from these, presented in Table 8. These are the GWP used by the United Kingdom Department for Business, Energy and Industrial Strategy and are based on the 'Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report (AR4)'. Although the 'AR5' and 'AR6' are more recent, they have not been accepted internationally by all stakeholders.

Table 8: Applied global warming potentials

GHG	GWP (100 years)
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	25
Nitrous oxide (N ₂ O)	298

(Source: IPCC AR4, 2007)

2 Results

In Table 9 the results of the greenhouse gas calculation can be seen. The emission sources calculated by Normative are electricity, district heating, purchased goods and services, capital goods, upstream transportation, employee commuting, operational waste, business travel, and leased assets. More details on the emissions calculated by Normative can be found in their online tool.

Total emissions in this report refers to the emissions sources covered, as described in Section 1.2. Please note that due to rounding of numbers, the figures may not add up exactly to the total provided. The comparison of GHG emission from Croisette for 2020 and 2021 is presented in Figure 3.

Table 9: GHG emissions by scope and activity for 2021

Activity	Consumption	Unit	Emissions (tCO ₂ e)	Percentage of total
Scope 1: direct GHG emissions			0.00	0.00%
Scope 2: indirect GHG emissions from purchased electricity, heating and cooling			15.7	3.80%
Electricity	189	MWh	6.38	1.54%
Heating (district heating)	204	MWh	9.28	2.24%
Scope 3: other indirect GHG emissions			397.5	96.13%
Purchased goods and services	32,160,588	SEK	327.16	79.12%
Business travel	841,374	SEK	28.30	6.84%
Employee commuting	241.85	pkm	16.52	4.00%
Working from home	2,678	days worked from home	1.55	0.37%
Upstream transportation and distribution	749,254	SEK	15.63	3.78%
Fuel and energy-related activities	393	MWh	8.30	2.01%
Waste generation in operations	751	SEK	0.10	0.02%
Total GHG emissions			413.5	100.00%

(Source: South Pole, based on Croisette, 2022)

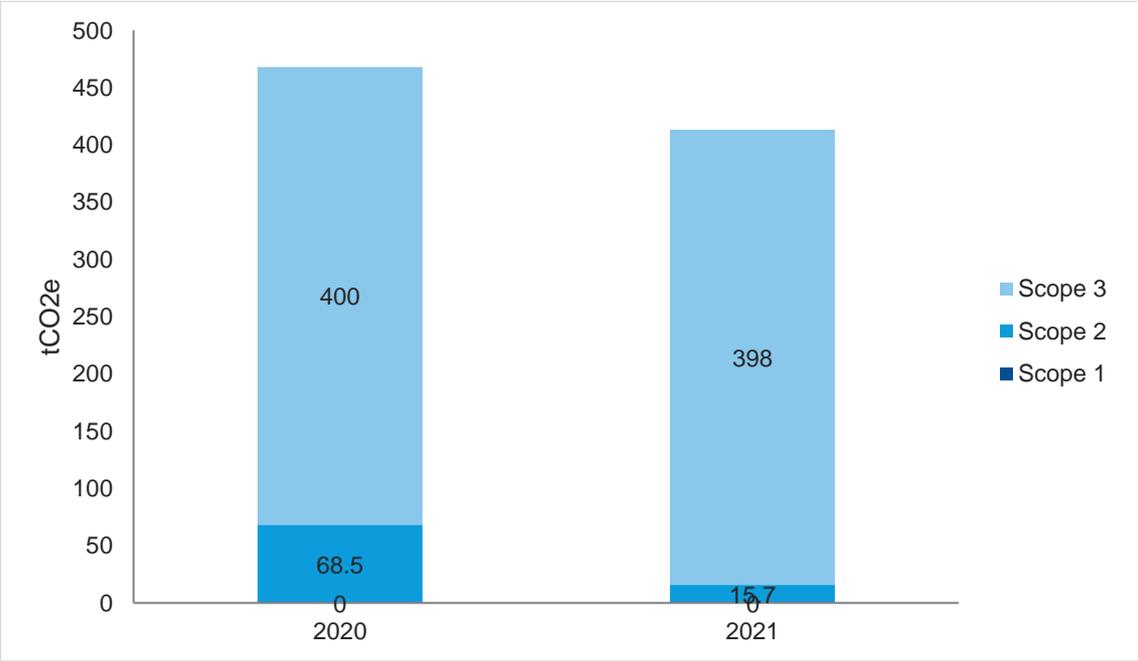


Figure 3: The comparison of GHG emissions for 2020 and 2021

(Source: South Pole, 2022)

3 South Pole’s Climate Neutrality Labels

3.1 Approach and guiding principles

South Pole offers Climate Neutrality Labels for companies, products and events. The South Pole Climate Neutrality Labels are closely aligned with international standards such as PAS 2060³ – the leading international standard for demonstrating carbon neutrality, developed in 2014 by the British Standards Institution. The underlying greenhouse gas (GHG) accounting must follow recognised international standards such as the ‘GHG Protocol’⁴ or ISO 14064-1⁵.

The principles of relevance, completeness, consistency, transparency and accuracy of the ‘GHG Protocol’ provide the basis for achieving the Climate Neutrality Labels. In addition, and in reflection of South Pole’s commitment to long-lasting impact, the South Pole labels include the principles of ‘Conservativeness and Continuity’.

To achieve the Climate Neutrality Labels, South Pole has outlined five steps, which are presented in Figure 4. A detailed description of the steps and the aforementioned principles is provided in South Pole’s guidance on the climate neutrality and renewable energy labels.



Figure 4: Five steps to be awarded South Pole’s Climate Neutrality label

(Source: South Pole, 2022)

³ PAS 2060 Standard for Carbon Neutrality (2014) British Standards Institution, Published by BSI Standards Limited.

⁴ Greenhouse Gas Protocol: a corporate reporting and accounting standard, developed by the World Business Council for Sustainable Development (WBCSD), Geneva, Switzerland and World Resources Institute (WRI), Washington D.C., 2004.

⁵ ISO 14064-1 International Standard for GHG Emissions Inventories and Verification (2006) International Organization for Standardization, Geneva, Switzerland.

3.2 Croisette's emissions reduction plan, targets and offsetting

Croisette is entitled the Climate Neutral Company label since it has let calculate the GHG emissions, set a GHG emissions reduction target, adopted a GHG emissions reduction plan and committed to offset their emissions and communicate about their carbon neutrality publicly. This is the second year which Croisette has applied for a Climate Neutral Label.

The climate target of Croisette is to reduce its greenhouse gas emissions in Scope 1+2 from 2020 to 2030 by 45%.

Table 10 below shows the proposed emissions reduction plan, developed by Croisette and with inputs from South Pole, for reducing emissions from the company.

Croisette will offset their emissions, and additionally 10%, in the project Ulubelu Geothermal Power. In total, Croisette is offsetting for 456 tCO₂e. Find information about Ulubelu Geothermal Power on <https://www.southpole.com/en/projects/ulubelu-geothermal>.

Table 10: Emissions reduction plan of Croisette

Category and measure	When it will be implemented	Comment	Status and reflection 2022-10-06
Business Travel			
Incentivise economy-class travel instead of business class for air travel	Q4 2021	Will use SAS as the preferred partner and are using CO2 compensated flights via Eurobonus.	Implemented since Q4 2021. Still an ongoing effort where we constantly encourage employees to use rail transport or other climate-friendly means of transport as their primary transport option. We compensate for any travel required via air.
Incentivise meeting coordination, video conferencing to avoid unnecessary travels	Q4 2021	Invest in systems for video calls to create good conditions for virtual meetings.	Since Q4 2021, 80% of our offices have been equipped with high quality video systems to facilitate and promote digital meetings over physical meetings that require travel. Since Q1 2022, a video system is a standard feature when opening a new office in the Group.
Encourage the use of fossil free transportation modes	ongoing	Continue to use only electric cars.	Croisette has a fleet of electric vehicles only.
Develop a bank of 'approved' hotels that operate in an environmentally responsible manner.	Q4 2021	Examples of environmentally conscious hotels are those which for example have an energy label and/or are providing low carbon transportation alternatives	We have so far included one chain in our bank of approved hotels, Nordic Choice hotel. We will continue to evaluate cooperation with hotels that meet the sustainability requirements.
Develop a bank of approved taxi services and green fleets	Q4 2021		Employees are encouraged to choose electric cars when they need a taxi through our partnerships with Bolt and TheCar, initiated in Q1 2022.

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Category and measure	When it will be implemented	Comment	Status and reflection 2022-10-06
Electricity			
Review the energy use in offices and whether they use renewable electricity or not.	Q4 2021	Set a requirement on that all future offices should have renewable electricity and preferable also be certified against environmental building standards.	Not all Croisette offices have 100% renewable energy yet, and we've mapped them out so that we can move forward and take action.
Employee commuting			
Encourage the use of public transport, biking and walking to work; use tax efficient schemes to support cycle purchases and EVs, car free days and carpooling where relevant.	ongoing		We have an annual walking competition that motivates employees to walk or bike to work. Through our car policy, we support the purchase of electric cars.
Goods and materials			
Change from virgin paper to recycled paper	Q4 2021	The environmental policy will be updated to saying that only recycled paper can be purchased to the offices.	We started using one single supplier for office supplies to ensure that all paper purchased is recycled.
Minimise printing	Q4 2021	Use digital tools to reduce the number of printed papers, e.g., signing contracts via GetAccept.	Due to legal requirements affecting our real estate brokers, we still need to use paper signatures as an exception. We have stopped using traditional paper business cards and are now using digital business cards only.
Re-use and recycling of electronic equipment	Q2 2022	Already today, employees are inheriting IT products from other colleagues, but there will be a discussion with the IT consultant on how to improve work on this measure.	As much as possible, electronic equipment is reused between staff and offices. IT vendor is evaluated and in the coming year dialogue on recycling of electronic equipment is resumed for a clearer plan for future years.
Re-use and recycling of furniture	Q4 2021	When opening new offices, Croisette will use reused office furniture, only use environmentally branded paint, and when needing newly produced furniture, choose high quality.	We work with Cirkulär interiör, who buy and sell second-hand office furniture. When they have second-hand furniture that fits our concept, we always choose this rather than buying new.

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Category and measure	When it will be implemented	Comment	Status and reflection 2022-10-06
Install recycling bins at all offices	Q1 2022	This will be in the budget for 2022.	At our main offices which are +10 persons, we have installed recycling bins.
Screen local suppliers (i.e., coffee/tea and food suppliers), ensure all procurement contracts have relevant carbon policy reduction commitments	Q4 2021	Among others, the suppliers of coffee will be reviewed, and change to other coffee suppliers if the current ones don't have an environmental standard.	We have reviewed our coffee and food suppliers and are buying the most sustainable alternatives according to our needs.
Employee engagement			
Offer e-learning course for employees on environmental responsibility	Q1 2022	An e-learning course will be developed in the system Learnifier, through which employees will learn how the company is working with sustainability issues and how to have a more sustainable lifestyle.	An e-learning course for employees has been created and will be rolled out to the Group in the current calendar year.

Annex I

Emission factors

Table 11: Sources of emissions factors used in South Pole's calculation

Activity	Emission factor reference ⁶
Teleworking	Anthesis, 2020

⁶ South Pole derives its emission factors from reliable and credible sources. South Pole is not responsible for inaccuracies in emission factors provided by third parties.

