



Climate Report

/ 2023



KROMANN
REUMERT

Introduction

We are proud to present our 2023 climate report (2022 being the base year). This is our first climate report and highlights our commitment to the environmental aspect of ESG. Already in 2008, we joined the UN Global Compact to support, promote and encourage sustainable business practices.

We consider climate change to be a global challenge and a shared responsibility, and we have a duty to play an active part in addressing it. Over the years, we have had a continuous process of initiating and implementing more sustainable practices into our business. The initiatives include solar panels on our building in Copenhagen, company bikes, and new policies for purchase and reuse of IT equipment. As part of our ESG strategy, we have committed to setting an emission reduction target with the Science Based Targets initiative (SBTi), and in 2025 our colleagues in Aarhus will move into new office facilities in a DGNB Gold-certified building.

We are proud of the progress we have made, but we also recognise that there is still much work to do. We look forward to continuing our efforts and collaborating with our employees, clients and business partners to advance sustainable development.

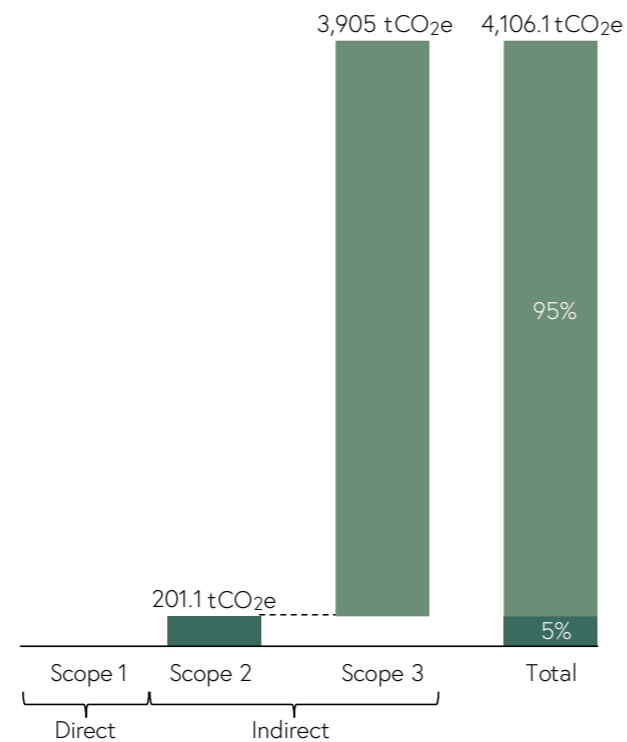
Our climate report will therefore, now and in the future, give us a more detailed overview of our CO₂e emissions, our progress towards achieving our reduction target, and the initiatives we have taken to reduce our climate impact.

CO₂e-emissions

In 2023, we took a decisive step in our sustainability work by preparing our first climate accounts for 2022. In collaboration with an external sustainability consultancy firm, we mapped our total CO₂e emissions to determine our climate impact. This work formed the basis of our reduction strategy, in which our base year is 2022. We strive to make a difference wherever we can. We are therefore constantly working to reduce our environmental impact.

2023

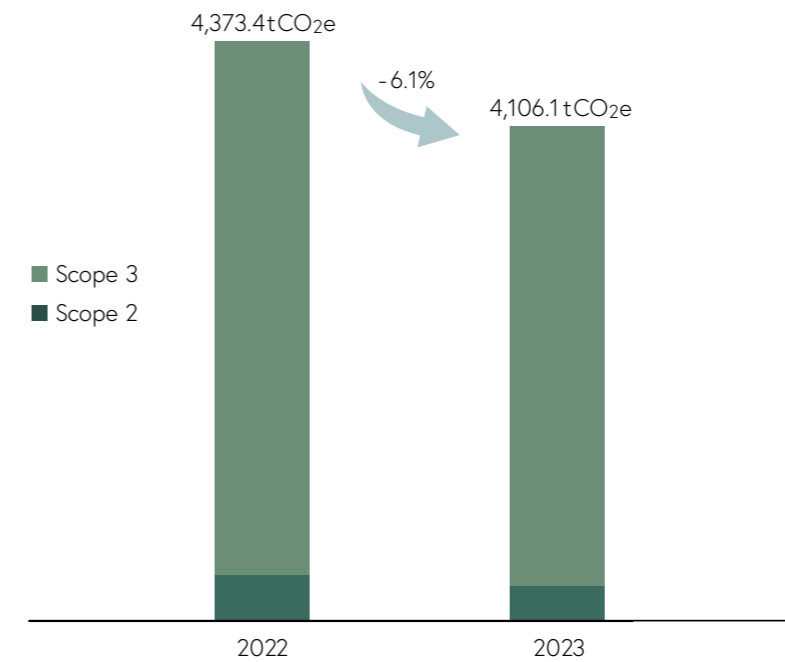
Our total emissions in 2023 were 4,106.1 tonnes of CO₂e. We have no scope 1 emissions. Our total emissions are therefore made up of our scope 2 and scope 3 emissions. Our scope 2 emissions are 201.1 tonnes of CO₂e, and our scope 3 emissions are 3,905.0 tonnes of CO₂e.



tCO ₂ e	2023
Scope 1*	-
Scope 2	201.1
Scope 2 (Location-based)	201.1
Scope 2 (Market-based)	146.3
Scope 3	3,905.0
Total	4,106.1

*Kromann Reumert has no scope 1 emissions

2022 vs. 2023



tCO ₂ e	2022	2023	Change	% Change
Scope 1	-	-	-	-
Scope 2	195.4	201.1	5.7	2.9%
Scope 2 (Location-based)	195.4	201.1	5.7	2.9%
Scope 2 (Market-based)	129.2	146.3	17.2	13.3%
Scope 3	4,177.9	3,905.0	-272.9	-6.5%
Scope 3.1: Purchased goods and services	3,274.0	3,186.9	-87.0	-2.7%
Scope 3.2: Capital goods	52.4	43.4	-9.0	-17.2%
Scope 3.3: Fuel and energy-related activities	53.0	54.3	1.3	2.5%
Scope 3.4: Upstream transportation and distribution	13.2	12.0	-1.2	-9.2%
Scope 3.5: Waste generated in operations	20.9	19.5	-1.4	-6.6%
Scope 3.6: Business travel	589.1	413.8	-175.3	-29.8%
Scope 3.7: Employee commuting	175.3	175.0	-0.3	-0.2%
Total	4,373.4	4,106.1	-267.2	-6.1%

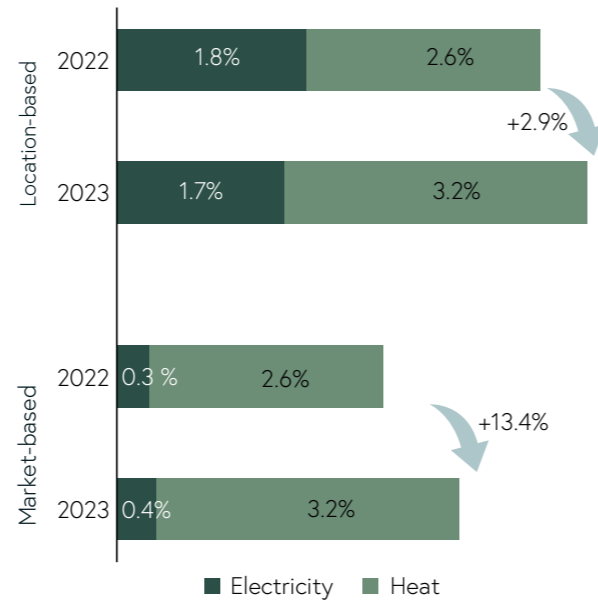
*Kromann Reumert has no scope 1 emissions

Scope 2

Our scope 2 emissions represent the indirect impact on the climate from our energy consumption. Our scope 2 emissions originate from the consumption of electricity and heat in our three offices in Copenhagen, Aarhus and London.

Scope 2 emissions can be calculated using two methods: location-based and market-based. The location-based method applies the average emission factor for the energy composition of the electricity grid (geographic grid). The market-based method takes into account any purchase of electricity certificates.

In 2018, we installed solar panels on our Copenhagen building, which cover a minor part of our power consumption. We have also been buying electricity certificates since 2016 to cover our annual power consumption in Copenhagen and Aarhus. In 2023, the renewable power came from wind energy (Vindpark Overgaard I) and has an emission factor for the market-based method of 0gCO₂e. We have chosen to measure our emissions using both the location-based and market-based methods.



Scope 2 tCO ₂ e	2022	2023	%-Change
Location-based	195.4	201.1	2.9%
Electricity	80.6	71.5	-11.3%
Heat	114.8	129.6	12.9%
Market-based	129.1	146.3	13.4%
Electricity	14.3	16.7	16.9%
Heat	114.8	129.6	12.9%

For both the location-based and market-based methods, total CO₂e emissions increased from 2022 to 2023. Scope 2 (location-based) corresponds to just below 5% of our total CO₂e emissions.

Location-based

Total emissions in 2023 were 201.1 tCO₂e, an increase of almost 3% from 2022. There is a relative reduction in emissions from electricity, mainly due to lower consumption at our offices in Copenhagen and Aarhus. However, heat emissions have increased, which is due to increased heat consumption.

Market-based

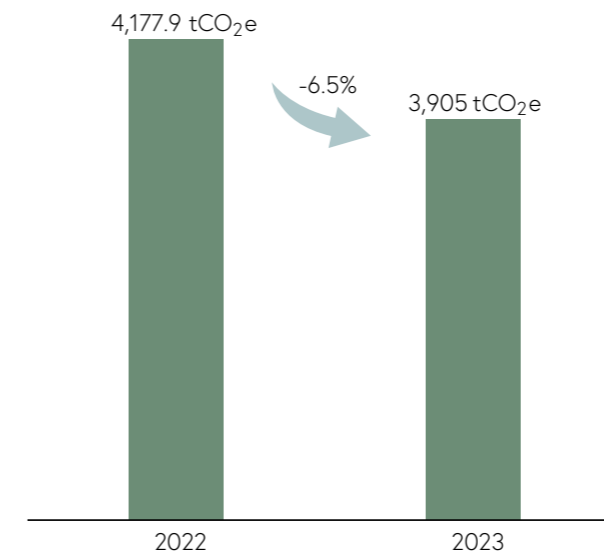
Total emissions in 2023 were 146.3 tCO₂e, an increase of more than 13% from 2022. There is a slight increase in emissions from electricity, mainly due to increased consumption at our London office. Copenhagen and Aarhus are 100% covered by renewable energy from wind turbines. Heat increase, see location-based.

Scope 3

Our scope 3 emissions represent the indirect emissions occurring across our value chain but which we cannot directly control, including emissions originating from purchases from our suppliers, our employee commuting, business travel, waste handling, etc. In our climate report we have included all scope 3 categories in which we have emissions (Scope 3.1 - 3.7). Our scope 3 emissions represent 95.1% of our total emissions and, accordingly, the majority of our CO₂e emissions.

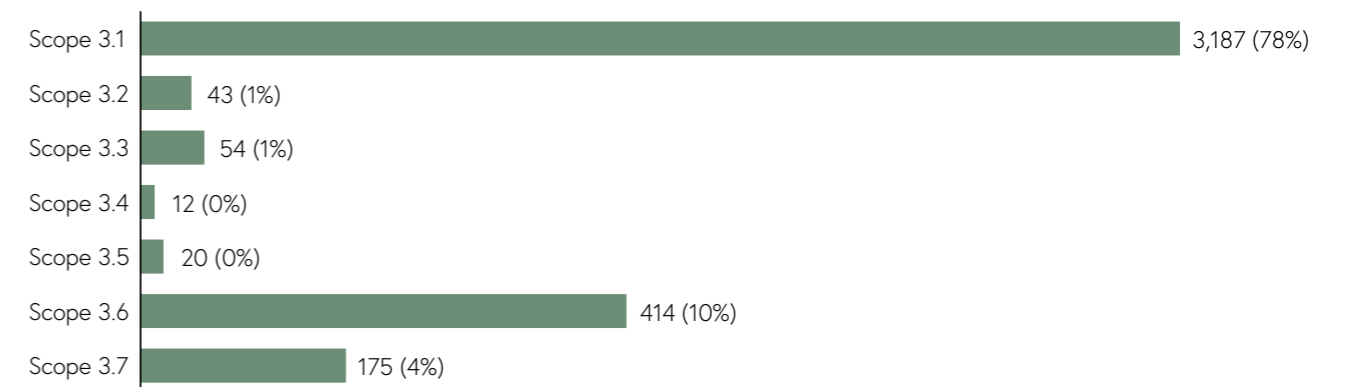
Our total scope 3 emissions in 2023 were 3,905.0 tCO₂e, which represents a 6.5% reduction since 2022.

Scope 3 tCO ₂ e	2022	2023	%-Change
Scope 3.1: Purchased goods and services	3,274.0	3,186.9	-2.7%
Scope 3.2: Capital goods	52.4	43.4	-17.2%
Scope 3.3: Fuel and energy-related activities	53.0	54.3	2.5%
Scope 3.4: Upstream transportation and distribution	13.2	12.0	-9.2%
Scope 3.5: Waste generated in operations	20.9	19.5	-6.6%
Scope 3.6: Business travel	589.1	413.8	-29.8%
Scope 3.7: Employee commuting	175.3	175.0	-0.2%
Total Scope 3	4,177.9	3,905.0	-6.5%



As part of our scope 3 efforts, we are continuously working on creating a more detailed and accurate database to guide our actions, ensuring they are the best and most effective in terms of reducing our emissions.

In the following, we will dive into scopes 3.1 and 3.6, as this is where we have the highest emissions.

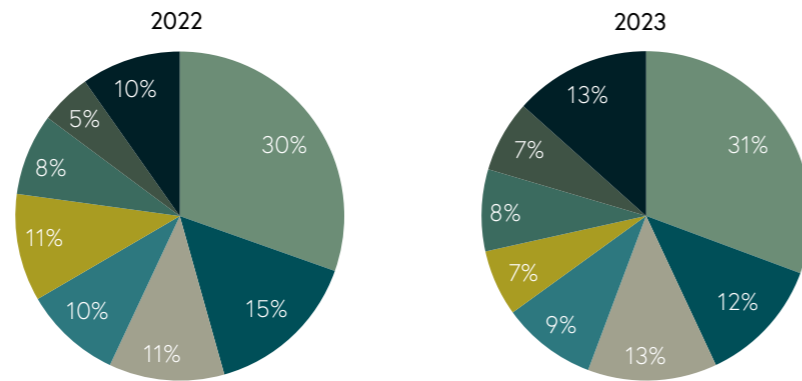


Scope 3.1

The largest part of our emissions come from scope 3.1 - Purchased goods and services, accounting for 78% of the total emissions. In 2023, our scope 3.1 emissions were 3,186.9 tCO₂e, which represented a reduction of almost 3% since 2022 (-87.0 tCO₂e).

Share in % of scope 3.1

- Canteen
- Buildings and maintenance
- Education
- Personnel expenses
- IT hardware
- IT services & software
- Professional services
- Other*



tCO ₂ e	2022	2023	Change in %
Canteen	995.7	977.2	-1.9
Buildings and maintenance	498.2	394.1	-20.9
Education	371.7	404.9	8.9
Personnel expenses	314.7	296.3	-5.8
IT hardware	345.8	207.2	-40.1
IT services & software	262.6	256.1	-2.5
Professional services	165.2	224.6	35.9
Other*	320.0	426.6	33.3
Total Scope 3.1	3,274.0	3,186.9	-2.7

*Client expenses, logo products, insurance, etc.

Our canteen operations account for a large part of our emissions and cover all our canteen and kitchenette purchases, for instance purchases of food and beverages, kitchen equipment, temporary staff, etc. In our canteens, we have seen a slight decrease in the consumption of various purchases, resulting in a reduction of 18.6 tCO₂e. Read more about our canteen sustainability work.

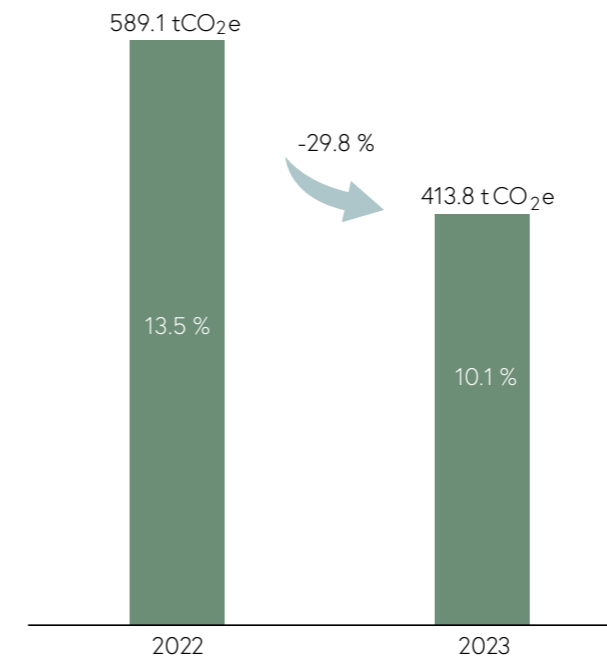
Emissions from buildings and maintenance have been significantly reduced by almost 21% from 2022 to 2023 as a result of various internal relocations at our offices in Copenhagen and Aarhus in the autumn of 2022.

Furthermore, we have seen a major decrease in our emissions from IT hardware purchases. The reason is that we have reduced the purchase of computer monitors and have purchased laptops with a lower climate footprint.

Our expenses for external professional services have also increased significantly. The reason is that in 2023 we carried out a value project and an ESG project with the assistance of external consultants.

Scope 3.6

Scope 3.6 - Business travel accounts for 10% of our total emissions, totalling 413.8 tCO₂e in 2023. This is a reduction of almost 30% compared to 2022 (175.3 tCO₂e).



The significant improvement is primarily due to changes in the mode of transport used for our annual company outing. In 2022, we flew to Italy from Copenhagen, Aarhus and London.

In 2023, we decided to make a more sustainable choice. We chose to travel by bus and ferry to Germany, which significantly reduced our emissions. We are pleased with this positive change and look forward to continuing our efforts to be more sustainable in the future.

ESG is the overarching theme for our 2024 annual company outing where sustainability will be incorporated into every aspect - from transport by bike and train to the selection of food and the professional programme for the event.

Our climate footprint

We are proud to announce that from 2022 to 2023 we managed to reduce our emissions from many items, thereby ending up with a total reduction of more than 6% (-267.2 tCO₂e). Recognising that we still have some way to go, we will continue to explore new initiatives to further reduce our climate footprint.

One of the most important steps we have taken in this direction is to commit to an ambitious global initiative ensuring that our climate targets are based on the best scientific knowledge: Science Based Targets initiative (SBTi).

SBTi

As part of our climate action, we have decided to commit to setting an emission reduction target with the SBTi, a global collaboration between CDP, UN Global Compact, World Resources Institute and WWF. The SBTi helps businesses set and validate science-based reduction targets in line with the Paris Agreement and limit global warming to a maximum of 1.5 degrees. By joining the SBTi, we commit to using the best practices for reducing CO₂e emissions and to reporting our progress annually.

Our SBTi target towards 2030, with 2022 as the base year, is as follows:

- We are committed to reducing our scope 2 emissions by at least 42% by 2030, with 2022 being the base year.
- We are committed to reducing our scope 3 emissions by at least 25% by 2030, with 2022 being the base year.
- We are committed to being 100% powered by renewable electricity in 2030.

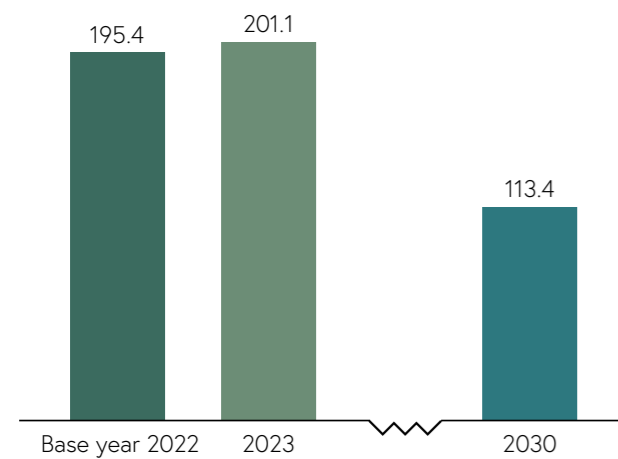
We have in 2024 submitted our target to the SBTi for validation.

Progress towards reduction target

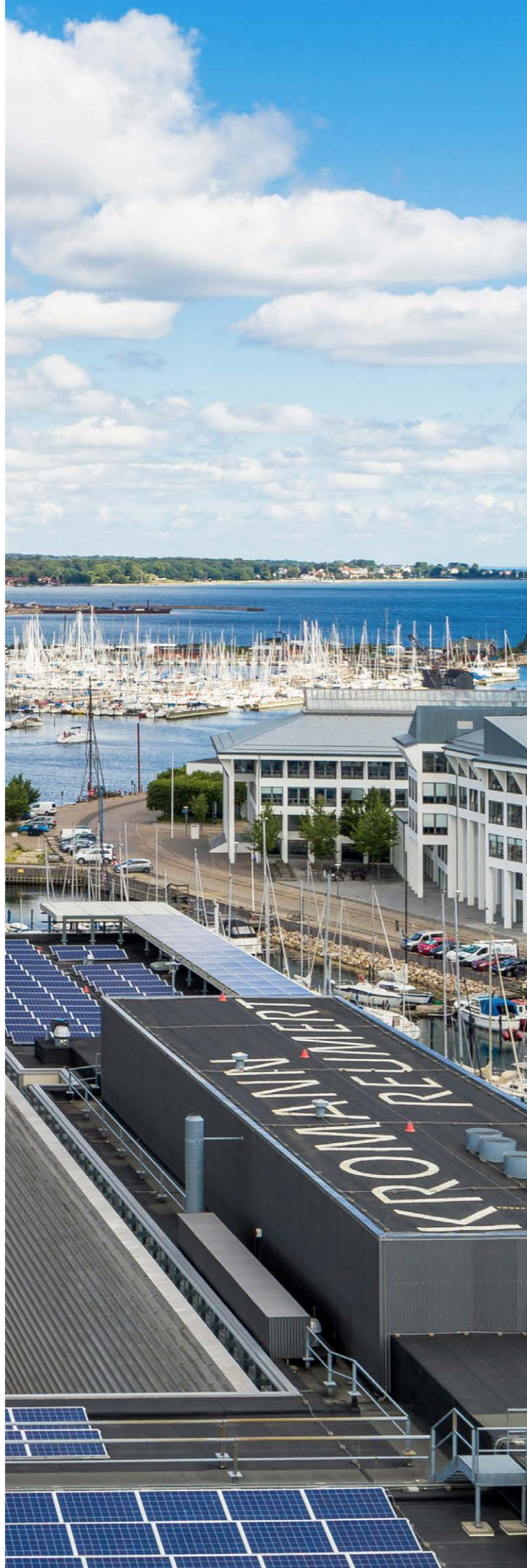
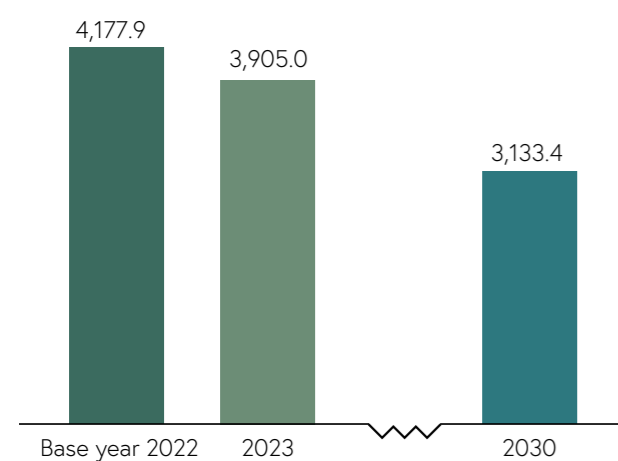
As part of our strategy, including our reduction target, we need to reduce our scope 2 emissions (location-based) by min. 82.1 tCO₂e and scope 3 emissions by min. 1,044 tCO₂e.

To date, we have increased our scope 2 emissions by 5.7 tCO₂e and reduced our scope 3 emissions by 272.9 tCO₂e. We still have a long way to go towards achieving our 2030 targets, and in late 2024 we will initiate more actions to reduce our emissions.

Scope 2



Scope 3



Production of the climate report

The climate report is an important tool for accounting for and reducing our emissions. We follow the guidelines of the GHG Protocol, which is an internationally accepted method of calculating emissions. Emissions are divided into three categories: direct CO₂e emissions (scope 1), indirect CO₂e emissions from purchase of energy (scope 2), and other indirect CO₂e emissions from the value chain (scope 3). Our emissions are scope 2 and 3 emissions only.

We have converted our consumption into CO₂ equivalents (CO₂e) to further detail the climate accounting. This makes it possible to identify our largest emission sources, measure our climate impact and track our reduction over time.

Scope 2

Scope 2 covers emissions resulting from indirect consumption of electricity and heat. To calculate our scope 2 emissions, we have followed the international standards of the GHG Protocol, which prescribes two methods: location-based and market-based. For the location-based method, we have used the average emission factors from the electricity grids in Copenhagen, Aarhus and London. For the market-based method, we have for Copenhagen and Aarhus used an emission factor of 0gCO₂e per kWh, as we have been purchasing renewable power from wind energy (Vindpark Overgaard I). Electricity has been calculated based on our consumption in kWh. Heat has been calculated by determining our consumption in Copenhagen, Aarhus and London and using the local emission factors from Hofoer (Copenhagen), Kredsløb (Aarhus) and DEFRA (London).

Scope 3

Scope 3 covers emissions originating from our value chain, over which we have no direct control. We have identified and accounted for all of our scope 3 emissions in this report. We have emissions in scopes 3.1-3.7, and we have calculated the emissions in compliance with the international standards of the GHG Protocol.

We have collected data on these activities and applied relevant emission factors to calculate our total scope 3 emissions in CO₂ equivalents (CO₂e). We continuously ensure that our data are correct and sufficiently detailed, for example by means of various tools and communication with our suppliers.

Recalculation policy

In order to be able to correctly measure our efforts towards reducing our scope 2 and 3 emissions by 2030, we will regularly recalculate our base year emissions in the event of:

- significant changes resulting in an increase or decrease in emissions of 5% or more;
- structural changes that significantly impact our base year;
- methodological changes that significantly impact our base year.

We will continuously monitor and evaluate our emissions to identify any significant changes.

All recalculations will be made in compliance with relevant standards and guidelines. We will also regularly review and update this policy to ensure that it remains relevant and effective towards achieving our aim of reducing our emissions.

KROMANN REUMERT

We are here to serve our clients. We are proactive, ambitious in the pursuit of our clients' interests and proud to offer advice that makes a genuine difference. We can do that because we invest in understanding our clients' businesses and needs. Our advice is customer-oriented and innovative – always building on attentiveness and credibility.

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