



Greenhouse gas accounting report ISEC Group AB

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Details

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Acronyms and abbreviations

- BEIS UK Department of Business, Energy and Industrial Strategy
- CH₄ methane
- CO₂ carbon dioxide
- CO_{2e} carbon dioxide equivalent
- GHG greenhouse gas
- GJ gigajoule
- GRI Global Reporting Initiative
- GWP Global Warming Potential
- IPCC Intergovernmental Panel on Climate Change
- MWh megawatt-hour
- N₂O nitrous oxide
- pkm passenger-kilometre
- t tonne

Summary

The total greenhouse gas (GHG) emissions from ISEC Group AB's operations in 2021 were calculated to be 25.0 tonnes of carbon dioxide equivalent (tCO₂e). Emissions from investments were excluded as those are not under the operational control of ISEC.

The distribution of the 2021 total GHG emissions by emission source and scope is presented below in Figure 1 and Figure 2.

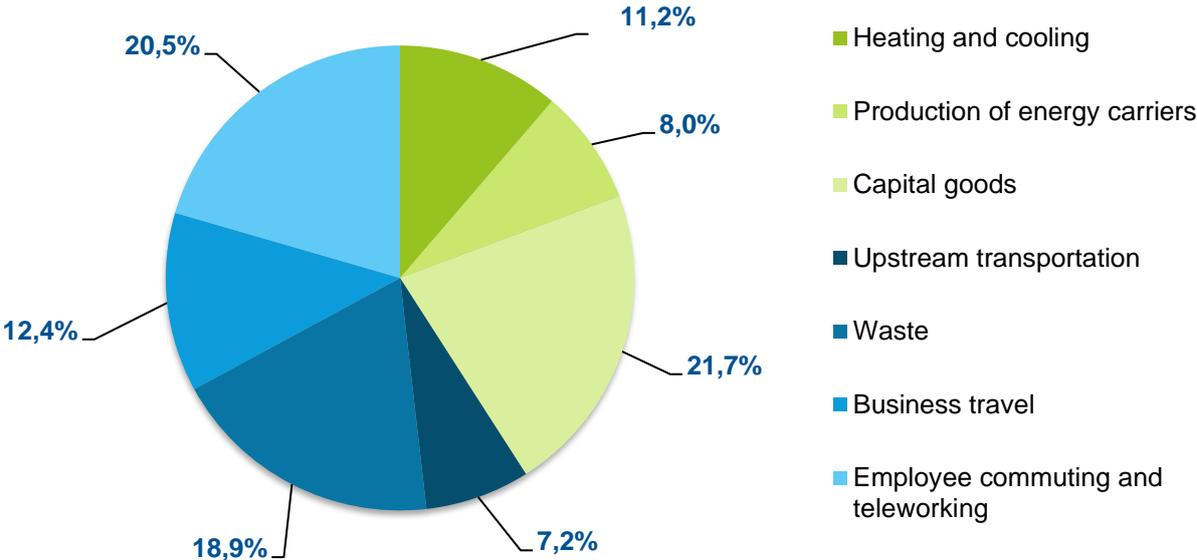


Figure 1: Sources of GHG emissions in 2021 shown in percentages.

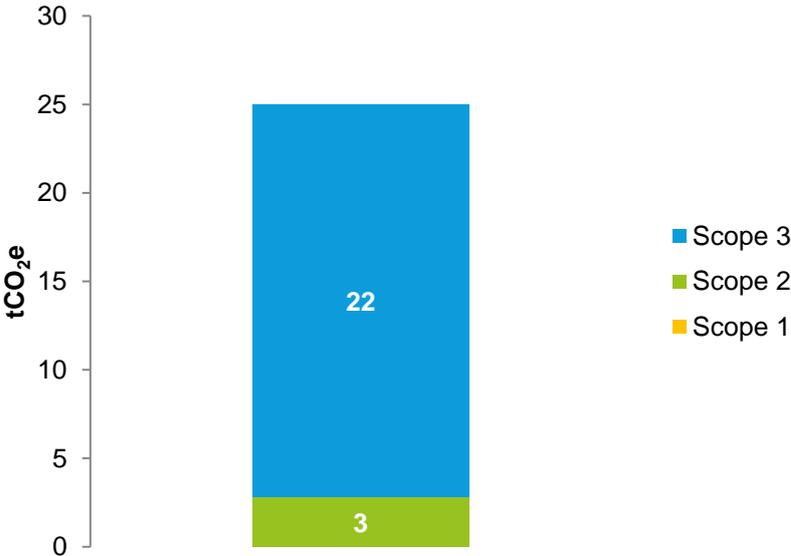


Figure 2: GHG emissions by scope in 2021 shown in tCO₂e.

1 Introduction

This report provides a summary of the greenhouse gas (GHG) emissions from ISEC Group AB's (ISEC) operations in 2021. ISEC is delivering solutions to Nordic countries' finance sector, including private asset management, private banking and fund management companies. The company is administrating more than 200 funds and 3,500 private assets.

Sustainability has long been important for ISEC, both for its owners and employees. A part of the profit of ISEC is dedicated to sustainability. ISEC is a member of the UN Global Compact (the world's largest corporate sustainability initiative) and has signed the Principles for Responsible Investment (UNPRI). They are also using Morningstar to assess the climate risk of funds.

Table 1: Company information

Company information	
Website	www.isec.com
Business area	Financial services
Reporting period	2021
Number of employees	65

1.1 Methodology

1.1.1 Accounting principles

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

- **relevance:** an appropriate inventory boundary that reflects the GHG emissions of the company and serves the decision-making needs of users;
- **completeness:** accounting 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.

1.1.2 Global Warming Potential (GWP)

GWP is a measure of the climate impact of a GHG compared to carbon dioxide (CO₂) over a time horizon. GHGs have different GWP values depending on their efficiency in absorbing longwave radiation and the atmospheric lifetime of the gas.

Table 2: Applied GWPs

GHG	GWP (100 years)
CO ₂	1
CH ₄	25
N ₂ O	298

(Source: Intergovernmental Panel on Climate Change (IPCC), Fourth Assessment Report (AR4), 2007)

1.1.3 The Greenhouse Gas Protocol

The GHG accounting and reporting procedure is based on the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised edition' (GHG Protocol), the most widely used international accounting tool for government and business leaders to understand, quantify and manage GHG emissions. It was developed through a partnership between the World Resources Institute and the World Business Council for Sustainable Development in 2004.

According to the GHG Protocol, emissions are divided into direct and indirect emissions. Direct emissions are those originating from sources owned or controlled 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:

- **Scope 1:** all direct GHG emissions, such as those from the combustion of fuels in stationary and mobile sources;
- **Scope 2:** indirect GHG emissions from the generation of purchased electricity, heat or cooling consumed by the company; and
- **Scope 3:** other indirect emissions, such as those from business or commuter travel. Reporting Scope 3 emissions is optional.

1.2 System boundaries

1.2.1 Organisational boundaries

System boundaries were defined by the control approach, i.e., covering all entities where ISEC has operational control. The 2021 accounting included two offices in Sweden: Stockholm and Umeå.

1.2.2 Operational boundaries

The following emissions are included in this GHG accounting report: direct energy use per primary source: indirect emissions from purchased electricity (for the office and leased electric cars) and heat (Scope 2) and other indirect emissions from the production of energy carriers, electricity used in data centres, business travel, commuter travel and teleworking, water usage, IT equipment, upstream transportation and waste (Scope 3). Emissions from investments (Scope 3, category 15) were excluded as those are not under the operational control of ISEC.

1.3 Data inventory and calculation methods

ISEC has provided activity data on purchased heat for the Stockholm office, purchased cooling and used amount of water for the Umeå office, office sizes, number of hotel nights stayed, number of flights taken, number and type of IT equipment and the electricity use in data centres, numbers of users of cloud services, spend on postal services and employee commuting. The electricity for the datacentres and the offices has been confirmed to come from renewable sources through certifications by their electricity providers.

The number of employees is assumed to be the same as in 2020, 65. Electricity activity for both offices and heat for the Umeå office have been assumed same as the previous year. The cooling and water usage for the Stockholm office is based on the activity in Umeå office. Office waste is based on Swedish average waste per employee.

Commuter travel and teleworking data was collected through an employee survey and extrapolated to the total number of employees. The survey had a response rate of 66% (43 out of 65 employees).

Unlike the previous year, only new capital goods have been included in the calculations per new standards. The choice of assumptions and emission factors has followed a conservative approach. Unless otherwise specified, all emissions in this report are given in tonnes of CO₂ equivalent (tCO_{2e}).

2 Results

The total greenhouse gas (GHG) emissions from ISEC Group AB's operations in 2021 were calculated to be 25.0 tonnes of carbon dioxide equivalent (tCO₂e). Table 3 and 4 present key figures of ISEC's total emissions and energy consumption per scope. For details on emissions per category, Table 5 is presented below.

Table 3: Key figures according to the Global Reporting Initiative (GRI)

GRI G4	GRI standards	Topic	Quantity	Unit
G4-EN3	302-1	Direct energy consumption by primary source	0.0	GJ
G4-EN3	302-1	Indirect energy consumption by primary source	702.2	GJ
		Electricity	463.8	GJ
		District heating	230.0	GJ
		District cooling	8.4	GJ
G4-EN15	305-1	Direct GHG emissions (Scope 1)	0.0	tCO₂e
G4-EN16	305-2	Energy indirect GHG emissions (Scope 2)	2.8	tCO₂e
G4-EN17	305-3	Other indirect GHG emissions (Scope 3)	22.2	tCO₂e
G4-EN18	305-4	GHG emissions per employee	0.38	tCO₂e per employee

Table 4: GHG emissions by scope 2021

Scope	Emissions (tCO ₂ e)	Percentage of total
Scope 1: direct GHG emissions	0.0	0.0%
Scope 2: indirect GHG emissions from purchased electricity, heat and leasing of vehicles	2.8	11.2%
Scope 3: other indirect GHG emissions	22.2	88.8%
Total GHG emissions	25.0	100%

Table 5: GHG emissions by scope and activity 2021¹

Activity	Consumption	Unit	(tCO ₂ e)	(%)
Scope 1: Direct energy use per primary source			0.0	
Stationary combustion	0.0		0.0	0.0%
Mobile combustion	0.0		0.0	0.0%
Refrigerants	0.0		0.0	0.0%
Scope 2: Indirect energy use per primary source	195 046.0	kWh	2.8	11.2%
Electricity	128 821.8	kWh	0.0	0.0%
Renewable (market-based)	128 821.8	kWh	0.0	0.0%
Stockholm office	69 615.0	kWh	0.0	0.0%
Umeå office	4 936.8	kWh	0.0	0.0%
Datacenter Sätra	25 560.0	kWh	0.0	0.0%
Datacenter Hammarby	22 375.0	kWh	0.0	0.0%
Electric cars	6 335.0	kWh	0.0	0.0%
Heating and cooling	66 224.2	kWh	2.8	11.3%
District heating	63 883.2	kWh	2.8	11.3%
Stockholm office	57 600.0	kWh	2.4	9.7%
Umeå office	6 283.2	kWh	0.4	1.6%
District cooling	2 341.0	kWh	<0.1	<0.1%
Stockholm office	2 136.9	kWh	<0.1	<0.1%
Umeå office	204.1	kWh	<0.1	<0.1%
Scope 3: Other indirect emissions			22.2	88.8%
Purchased goods and services			<0.1	0.1%
Water supply	150.2	m ³	<0.1	0.1%
Stockholm office water usage	137.1	m ³	<0.1	0.1%
Umeå office water usage	13.1	m ³	<0.1	<0.1%
Cloud services	65.0	Users	<0.1	<0.1%
MS365 etc.	65.0	Users	<0.1	<0.1%
Capital goods	21	Units	5.4	21.7%
Router	2	Units	0.2	0.8%
Server	2	Units	2.7	10.8%
Laptop	5	Units	1.8	7.4%
Phone	12	Units	0.7	2.7%
Fuel and energy-related activities (WTT & T&D)	188 711.0	kWh	2.0	8.1%
Fuels	0.0	kWh	0.0	0.0%
Renewable (market-based)	122 486.8	kWh	1.8	7.2%
Stockholm office	69 615.0	kWh	0.9	3.7%
Umeå office	4 936.8	kWh	0.1	0.3%
Datacenter Sätra	25 560.0	kWh	0.3	1.4%
Datacenter Hammarby	22 375.0	kWh	0.3	1.2%

¹ Some sums might not be exact sums of the numbers in the table due to rounding. All sums are directly taken from the calculations and rounded to closest full number/decimal.

ISEC Group AB greenhouse gas accounting report 2021

Electric cars	6 335.0	kWh	0.2	0.7%
Heating	63 883.2	kWh	0.2	0.9%
Stockholm office	57 600.0	kWh	0.2	0.7%
Umeå office	6 283.2	kWh	<0.1	0.2%
Cooling	2 341.0	kWh	<0.1	0.0%
Stockholm office	2 136.9	kWh	<0.1	0.0%
Umeå office	204.1	kWh	<0.1	0.0%
Upstream transportation and distribution			1.8	7.1%
Freight and postal services	55 400	SEK	1.8	7.1%
Waste generated in operations	42 770	kg	4.7	18.7%
Waste generated in operations	42 770	kg	4.7	18.8%
Business travel			3.1	12.5%
Air transportation	15 377.1	pkm	2.8	11.1%
Flights per distance				
<i>Short haul <463</i>	<i>1 539.8</i>	<i>pkm</i>	<i>0.4</i>	<i>1.7%</i>
<i>Medium haul 463-3700</i>	<i>13 837.3</i>	<i>pkm</i>	<i>2.4</i>	<i>9.4%</i>
<i>Long haul >3700</i>	<i>0.0</i>	<i>pkm</i>	<i>0.0</i>	<i>0.0%</i>
Ground transportation			0.2	0.9%
Ferry	566.0	pkm	0.2	0.8%
Taxi	60.6	pkm	<0.1	0.1%
Taxi	2 119.2	SEK	<0.1	0.1%
Train	78.0	pkm	<0.1	<0.1%
Accommodation	12	Nbr of guest nights	0.1	0.5%
Accommodation	12	Nbr of guest nights	0.1	0.5%
Employee commuting and teleworking			5.1	20.4%
Employee commuting	223 228.9	km	2.5	9.9%
Walk	10 314.6	km	0.0	0.0%
Bicycle	14 259.9	km	0.0	0.0%
Electric bicycle	2 754.6	km	0.0	0.0%
Bus	33 714.4	pkm	0.9	3.7%
Subway/Metro	22 182.9	pkm	0.2	0.9%
Ferry	0.0	pkm	0.0	0.0%
Car (Diesel)	0.0	km	0.0	0.0%
Car (petrol)	4 369.1	km	0.9	3.6%
Car (electric hybrid)	1 139.9	km	0.1	0.5%
Car (electric)	1 749.5	km	0.0	0.1%
Motorcycle	0.0	km	0.0	0.0%
Train	132 743.8	pkm	0.3	1.1%
Teleworking	4 312.0	days WFH	2.6	10.5%
Teleworking	4 312.0	days WFH	2.6	10.5%
TOTAL			25.0	100%

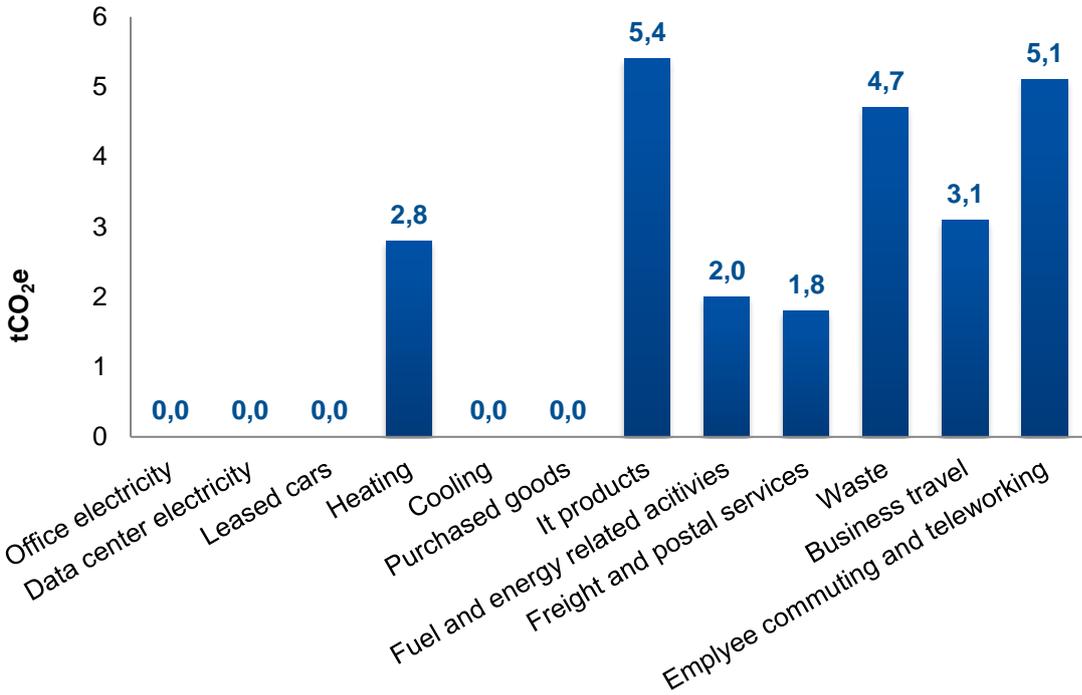


Figure 3: Sources of GHG emissions in 2021

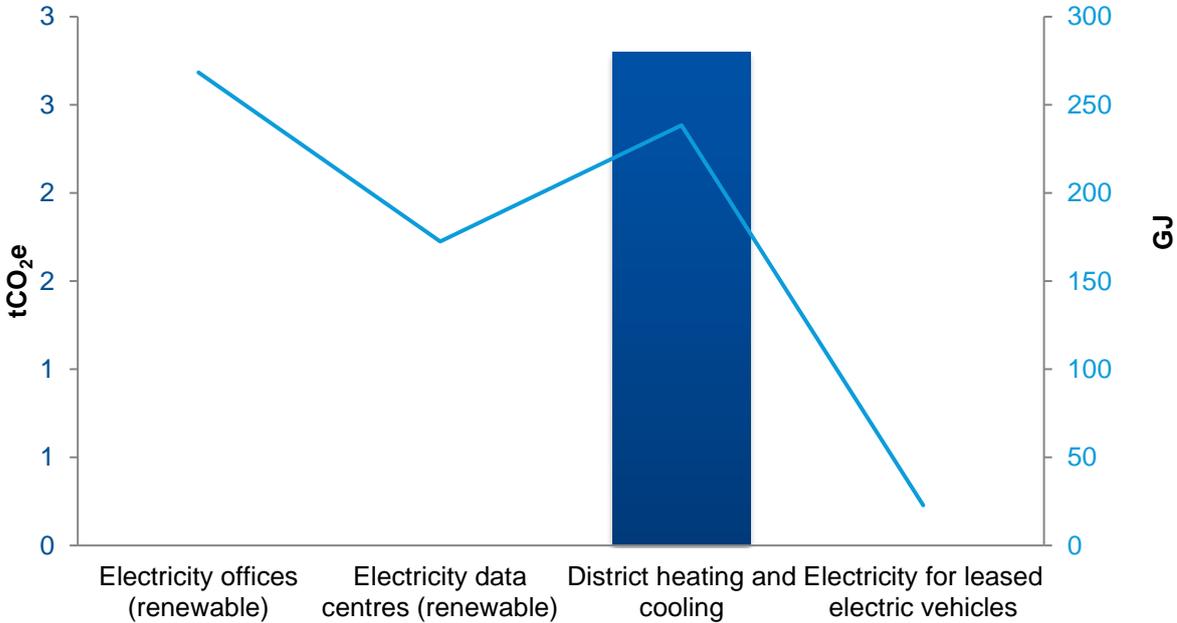


Figure 4: GHG emissions from energy consumption (dark blue bars) and energy consumption (light blue line and points), scope 2.

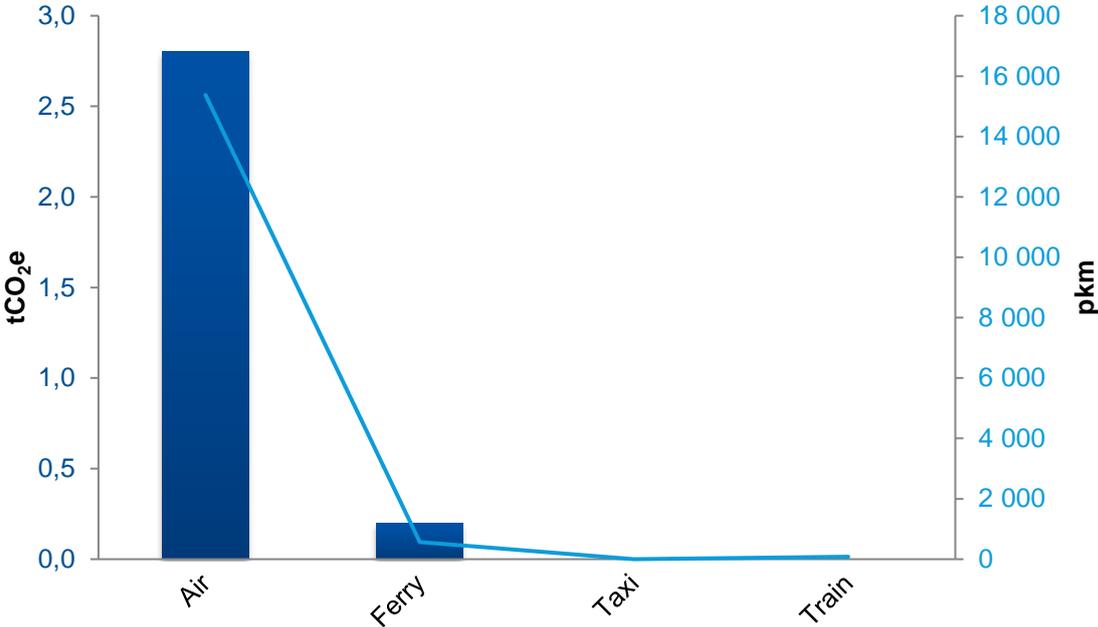


Figure 5: Sources of GHG emissions (dark blue bars, left y-axis) and travelled pkm for business travel in Scope 3 (light blue dots/line, right axis).

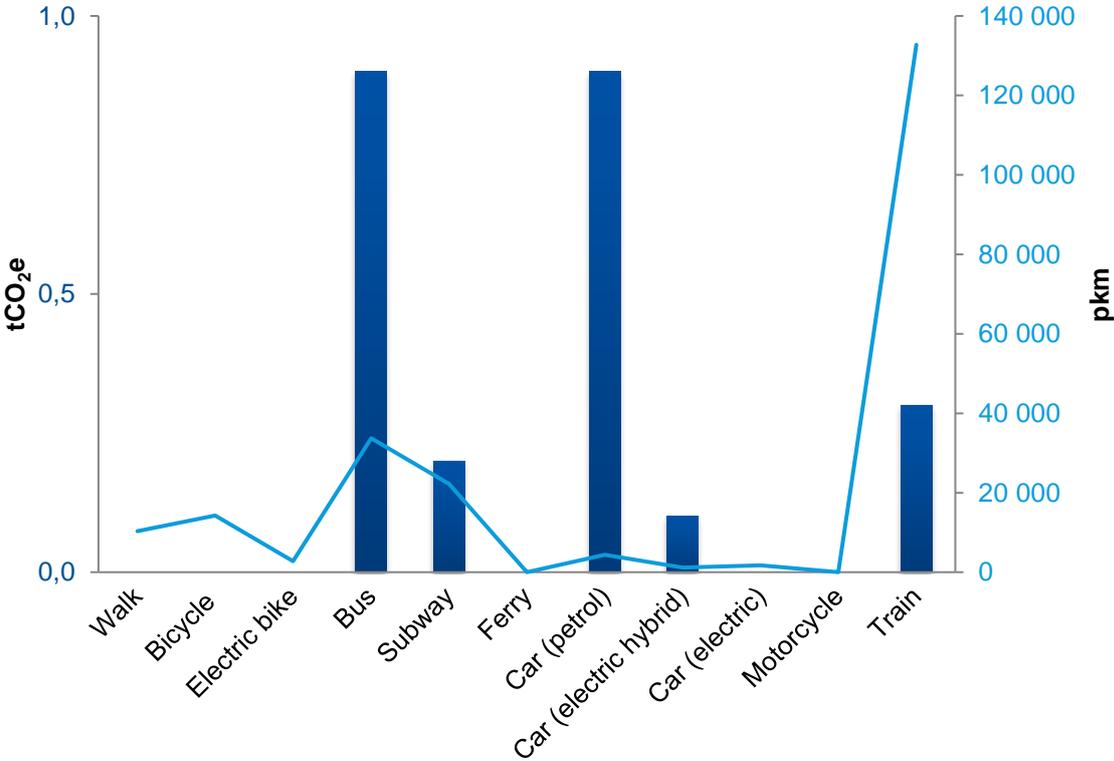


Figure 6: Sources of GHG emissions (dark blue bars, left y-axis) and travelled pkm for employee commuter travel in Scope 3 (light blue dots/line, right axis)

2.1 Change in emissions 2020–2021

Table 6 presents the change in ISEC’s emissions from 2020 to 2021.

Table 6: GHG emissions by scope and activity in 2021 compared to 2020.

Activity	Emissions 2021 (tCO ₂ e)	Emissions 2020 (tCO ₂ e)	Change 2020–2021
Scope 1: direct GHG emissions	0	0	0
Scope 2: indirect GHG emissions from purchased electricity, heat, and cooling	2.8	31.6	-91%
Electricity	0	25.2	-100%
Heating and cooling	2.8	4.3	-34%
Scope 3: other indirect GHG emissions	22.2	29.5	-25%
Purchased goods & services	<0.1	1.2	-98%
Fuel and energy-related activities	2.0	3.2	-36%
Business travel	3.1	1.6	+90%
Commuter travel & teleworking	5.1	1.4	+266%
IT	5.4	17.4	-68%
Transportation and postal services	1.8	-	-
Waste	4.7	5.2	-10%
Total GHG emissions	25.0	61.0	-59%

3 Comments on the results and recommendations to reduce emissions

ISEC’s total emissions for the year 2021 amount to 25.0 tCO₂e. As seen in Table 6, this is a decrease in emissions by 59% since ISEC’s GHG accounting in 2020.

The greatest decrease has occurred in the categories ‘electricity’ and ‘purchased goods and services’. The main reason for a decrease in electricity (-100%) is the move to the usage of only renewable energy as a source. The reduction of 98% in Purchased goods and services is explained by moving the emissions from IT products from this category to capital goods for the 2021 accounting.

The category ‘commuter travel and teleworking’ showed the largest increase in emissions (+266%, to 5.1 tCO₂e) followed by the category ‘business travel’ with 3.1 tCO₂e – an increase of 90% since 2020. One explanation for both increases is the reduced travel during COVID-19 in 2020.

Looking at the results of the GHG accounting, the highest emission source is capital goods (IT products), with 21.7% of total emissions, followed by emissions from commuting and teleworking and waste management, with 20.4% and 18.7% respectively.

To reduce the largest emission sources, ISEC can consider several actions. Emissions from IT can be reduced by reusing and restoring old devices instead of investing in new ones. Emissions from commuting and teleworking could be reduced by encouraging employees to reconsider their mode of transport to work. A lack of information on the amount of office waste led to it being calculated based on the average Swedish office waste. However, to reduce emissions from waste,

it is recommended to aim to recycle as much as can be recycled (having good access to recycling bins) and keep track of how much of the waste is incinerated vs. recycled.

Although emissions from ISEC's investment portfolio are not fully under the operational control of ISEC it is recommended that an analysis of those are included in ISEC's upcoming emission calculations and sustainability efforts.

Annex

Emission factors

Activity	Emission factor reference ²
Accommodation	Cornell Hotel Sustainability Benchmarking Index 2021
Electricity	EI.se 2020; Ecoinvent v. 3.8; IPCC 2014
Heating	Swedenergy, 2020
Business and commuter travel	Energy and Industrial Strategy (BEIS), 2021; Swedish Transport Administration, 2021; IEA, 2021; Naturvårdsverket 2021
Teleworking	IEA 2021; Anthesis, 2020; BEIS 2021; South Pole database 2021
IT equipment	Lenovo, 2021; Apple, 2021; Dell, 2021; South Pole database 2021
IT services	Google, 2012; Microsoft, 2021; IPCC, 2014
Waste	World Bank 2021; BEIS, 2021; Ecoinvent v. 3.8

² 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.

