

Carbon footprint reduction

Romande Energie's greenhouse gas footprint is calculated based on the Greenhouse Gas Protocol, the most widely used global standard.

In keeping with the approach we adopted for the first time in 2021, we provide below a breakdown of our Scope 1, 2 and 3 emissions at consolidated level and per business unit, plus a performance assessment based on our strategic "carbon intensity" objective.

We published our first CDP (Carbon Disclosure Project) climate change report in 2022. We achieved a C rating, which put our organisation at the Awareness level in the CDP classification. This rating was in line with our expectations and, in our view, accurately reflects the level of our organisation's climate-change consciousness. In a spirit of transparency, we have decided to make public our rating and the full contents of our report (based on the full, not the simplified questionnaire as permitted for the initial submission) and are mindful of the efforts we still need to make.

Corrections to the 2020 GHG footprint

A GHG footprint is an iterative process deepening our knowledge with each passing year of our various sources of emissions and gathering data so these emissions can be calculated.

Two types of emission were given special scrutiny in 2022. That prompted us to make retrospective changes to our greenhouse gas footprint in 2020, which serves as the baseline year for our "Carbon intensity per CHF of revenue" environmental indicator:

- **Scope 2 – Transmission and distribution losses:** the emission factor is now based on the residual Swiss electricity mix to correct an inaccuracy
- **Scope 3 – Electricity sold to customers and for internal use:** we removed the indirect emissions related to the portion of electricity originating from our own generation so we can correctly identify our internal efforts to generate renewable electricity

	Revised 2020 GHG inventory	Revised 2020 GHG inventory (2021 Annual Report)	Change (tCO ₂ -e)	Change (%)
Scope 1				
direct GHG emissions	5 614	5 614	0	0%
Building heating and worksite equipment (fossil fuels)	234	234	0	0%
District heating (fossil fuels, wood pellets)	3 593	3 593	0	0%
Travel with RE vehicles	1 553	1 553	0	0%
Fugitive emissions (air con./cooling/circuit breakers)	234	234	0	0%
Scope 2				
GHG emissions from distribution grid losses	3 056	802	2 254	281%
Transmission and distribution losses	3 056	802	2 254	281%
Scope 3				
emissions upstream and downstream of Romande Energie	77 193	79 183	-1 990	-3%
Indirect Scope 1 emissions	1 042	1 042	0	0%
Electricity sold to customers and internal use	18 681	20 671	-1 990	-10%
Employee business travel	157	157	0	0%
Employee commuting	1 411	1 411	0	0%
Purchases of goods and services	54 713	54 713	0	0%
Upstream transport of products and materials purchased	766	766	0	0%
Waste generated by operations	360	360	0	0%
Downstream transport of products and waste	63	63	0	0%
Total	85 863	85 599	264	0%

Corrections to the 2021 GHG footprint

In addition to the changes made to the 2020 GHG analysis, which were also factored into our 2021 footprint, the following three additional updates were made retrospectively to Scope 3 emissions:

- **Electricity sold to customers and used for internal purposes:** the final labelling of origin certificates is considered, since the final version in year n is not known until June in year n+1
- **Employee commuting journeys:** the number of FTEs (full-time equivalent) has been adjusted, since it wrongly included the workforce of Romande Energie Services' subsidiaries, which are not consolidated
- **Goods and services purchases:** the process of refining the calculation methodology has been continued

	Revised 2021 GHG inventory	Published 2021 GHG inventory	Change (tCO ₂ -e)	Change (%)
Scope 1				
direct GHG emissions	6 404	6 404	0	0%
Building heating and worksite equipment (fossil fuels)	146	146	0	0%
District heating (fossil fuels, wood pellets)	4 576	4 576	0	0%
Travel with RE vehicles	1 582	1 582	0	0%
Fugitive emissions (air con./cooling/circuit breakers)	100	100	0	0%
Scope 2				
GHG emissions from distribution grid losses	2 055	843	1 212	144%
Transmission and distribution losses	2 055	843	1 212	144%
Scope 3				
emissions upstream and downstream of Romande Energie	77 673	81 559	-3 886	-5%
Indirect Scope 1 emissions	1 198	1 198	0	0%
Electricity sold to customers and internal use	18 803	21 740	-2 937	-14%
Employee business travel	178	178	0	0%
Employee commuting	1 429	1 754	-325	-19%
Purchases of goods and services	54 845	55 469	-624	-1%
Upstream transport of products and materials purchased	777	777	0	0%
Waste generated by operations	380	380	0	0%
Downstream transport of products and waste	63	63	0	0%
Total	86 132	88 806	-2 674	-3%

2022 GHG footprint: changes, observations and improvements expected

The 2022 GHG footprint stood at 112,217 tCO₂-e, representing an increase of 26,085 tCO₂-e on the adjusted 2021 GHG footprint.

	2022 GHG inventory	Revised 2021 GHG inventory	Change (tCO ₂ -e)	Change (%)
Scope 1 direct GHG emissions	8 284	6 404	1 880	29%
Building heating and worksite equipment (fossil fuels)	90	146	-56	-39%
District heating (fossil fuels, wood pellets)	6 847	4 576	2 271	50%
Travel with RE vehicles	1 122	1 582	-460	-29%
Fugitive emissions (air con./cooling/circuit breakers)	225	100	125	125%
Scope 2 GHG emissions from distribution grid losses	1 850	2 055	-205	-10%
Transmission and distribution losses	1 850	2 055	-205	-10%
Scope 3 emissions upstream and downstream of Romande Energie	102 084	77 673	24 411	31%
Indirect Scope 1 emissions	1 579	1 198	381	32%
Electricity sold to customers and internal use	18 757	18 803	-46	0%
Employee business travel	607	178	429	241%
Employee commuting	1 454	1 429	25	2%
Purchases of goods and services	78 246	54 845	23 401	43%
Upstream transport of products and materials purchased	1 109	777	332	43%
Waste generated by operations	285	380	-95	-25%
Downstream transport of products and waste	47	63	-16	-25%
Total	112 217	86 132	26 085	30%

For the second year in a row, we also calculated the GHG footprint per business unit, which for 2022 had the following breakdown:

2022 GHG emission analysis (tCO₂-e) per business unit



	Romande Energie Services		Grids		Energy Solutions	
Scope 1	191	1%	1 056	3%	6 898	16%
Scope 2	0	0%	1 850	5%	0	0%
Scope 3	22 566	99%	31 018	91%	35 952	84%

The main two changes seen between 2021 and 2022 were recorded in the following emissions:

- **Scope 1 – District heating (up 2,271 tCO₂-e):** an incident at the Charmey district heating network obliged us to use our back-up fuel oil reserve, and we also increased the thermal heat we generated with the larger number of district heating networks in service.
- **Scope 3 – Goods and services purchases (up 23,401 tCO₂-e):** our purchases increased by around 30% in currency terms, chiefly consisting of hydro turbines, solar photovoltaic panels, electrical and heating equipment. This increase reflects the substantial expansion in our activities and thus our investments. To address the risk of shortages and make our supply as secure as possible, we massively stocked up on equipment in 2022. Lastly, since our emissions are measured in terms of our purchases in currency terms, they rose with the effect of inflation during 2022.

The reduction in the Scope 1 “Journeys made in RE’s own vehicles” emissions flowed principally from the outsourcing of part of the Romande Energie Services vehicle fleet, and the relevant emissions now appear in Scope 3 “Business travel”.

To sum up, Scopes 1 and 2 in our greenhouse gas footprint are not very carbon-intensive, while our Scope 3 emissions primarily reflect the electricity sold to our customers and our purchases.

Internal initiatives to cut our emissions

As indicated in our 2020 Annual Report, we have committed to reduce the carbon intensity per CHF of revenue we generate by 5% p.a.

Following the adjustments to our 2020 GHG footprint (see page 68), we have had to review the carbon intensity of our 2020 revenue and to recalculate the carbon intensity anticipated between 2021 and 2026. Our carbon intensity at year-end 2020 now stands at 155 gCO₂-e per CHF of revenue. Our target is to reach 114 gCO₂-e per CHF of revenue by year-end 2026.

Consequently, we should have achieved a carbon intensity of 140 gCO₂-e per CHF of revenue in 2022, but our actual figure was 148 gCO₂-e per CHF of revenue. As indicated previously, purchase-related emissions account for the bulk of this increase. The rise reflects the scale of our investments, the measures we have taken to secure our supply chain by build-

ing up larger inventories and the limitations of the currency approach we are currently using to calculate emissions. In early 2023 we started to refine our approach, including a comprehensive review of our goods categories to arrive at a finer-grained analysis and identify our equipment purchases separately from our consulting services as the carbon emissions are very different.

Even though we are well aware we fell short of our carbon intensity target in 2022, we are keen to stress the increase in our investments (capex) in renewable energies with a view to decarbonising Western Switzerland once we commission our various installations. The apparent contradiction between the massive-scale investment needs in Western Switzerland in the short term as we look to increase the generation of electricity and heat from renewable sources and our target of reducing emissions will probably become more glaring in the future. When we invest, our equipment and service purchases have a direct effect on our carbon footprint, while the revenue and associated carbon savings do not show up straight away.

With the electricity we sell to our customers, our scope for action is restricted to some extent by the fact that emissions are calculated based on origin certificates and the consumption of our customers on which we rely. The major pressures in the energy market in 2022 and meteorological phenomena (drought) restricted our choice of energy sources available in the Swiss and European markets. On the other hand, we made significant progress in terms of energy conservation and efficiency during the fourth quarter of 2022. We ran campaigns to inform and raise awareness among our customers. The goal was to encourage them to cut their energy consumption under the Ostral plan and in response to the risk of shortages.

GRI 3-3, GRI 302-1, GRI 302-2, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5