



# Norse Group Net Zero 2050 Strategy

United in Purpose

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## 1. Aim

The aim of this document is to outline, a high-level strategic overview of how the Norse Group will achieve net zero by 2050. This document should be considered as a non-technical summary of the Group's approach to net zero.

### The drivers for net zero

There are many drivers for the move to a net zero operation covering the full Environmental, Social and Governance aspects of Norse Group's operations. Below is a summary of the key drivers.

### Governance

- Through the 2019 amendment to the 2008 Climate Change Act<sup>1</sup> the UK has committed to be net zero by 2050.
- In 2023 Norfolk County Council committed to achieving net zero by 2030 in its own estate and to work with partners to achieve net zero within their supply chain.
- Public sector procurement policy<sup>2</sup> requires bidders to have Net Zero plans.
- The Energy Saving Opportunity Scheme – Phase 3, requires progress against the recommendations to be reported with the Annual Streamlined Energy and Carbon Reporting statement.
- The Net Zero Strategy 2021<sup>3</sup>, will ban the sale of internal combustion engines and the installation of gas/oil boilers from 2035.
- Through the 2018 road to zero strategy<sup>4</sup> the government has introduced a 20% reduction in the HGV Levy to encourage the transition to Euro VI vehicles.
- The Clean Growth Strategy<sup>5</sup> commits to increasing the use of low carbon transport through a ban in the sale of new conventional petrol and diesel vehicles by 2035.

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<sup>1</sup> The Climate Change Act 2008 (2050 Target Amendment) Order 2019

<sup>2</sup> PPN 06/20

<sup>3</sup> net-zero-strategy-beis.pdf (publishing.service.gov.uk)

<sup>4</sup> The Road to Zero (publishing.service.gov.uk) The Road to Zero (publishing.service.gov.uk)

<sup>5</sup> Clean Growth Strategy: executive summary

## Environmental

- Climate change is likely to impact on all parts of the business making it harder to deliver services reliably, with a resultant increase in operating cost and supply chain issues.
- It will be harder to operate during increasingly variable weather as a result of the expected increase in frequency of:
  - Floods
  - Heat waves
  - Storms
- There will likely be an increase in the costs of food and a decrease in availability of certain foods due the weather.

## Social

- Clients are increasingly looking to work with companies that help to achieve their own net zero targets. Not progressing in this area is likely to damage the Norse brand.
- The impact of more frequent and more intense heat waves will impact on the health of our Norse Care residents and on the health of employees, particularly those undertaking physical roles outside.

## 2. Strategic principles

To design an effective, realistic, route to net zero by 2050 the Norse Group has devised several supporting strategic principles. These can be summarised as follows:

- a. Our journey to net zero will be accomplished by 2050. Whilst we want to reduce our emissions as quickly as possible, we acknowledge that achieving true net zero will require investment and adoption of new working practices and technology. We will constantly seek to outperform our high-level plan towards 2050, but this may not always be financially or technically viable.
- b. The high-level strategy will be broken down into 5-year phases, made up of annual delivery plans. This will allow us to ensure that progress is made throughout the process and is align with the Group 5-Year Strategies, whilst allowing us to react to operational and technological developments.
- c. We will focus on areas of our business where we can have the biggest impact on emissions reductions, targeting easy wins first to build momentum and demonstrate results.
- d. Openness will be a key principle of our journey to net zero. We will openly identify and acknowledge those activities within the Group which cause emissions, but that we do not know how to reduce, or their reduction is excessively cost prohibitive. These areas will be kept under constant review, but we acknowledge these may be dealt with towards the end of our net zero 2050 journey.
- e. All our emissions data will be publicly available. This will ensure transparency and honesty in our reporting.
- f. We will use offset technologies, and “transitional technologies” (e.g. alternative fuels for vehicles) in the early part of our journey to 2050. We acknowledge these are useful tools as we change behaviours and technologies within our business but are not part of a truly net zero business.
- g. We will express our performance towards net zero in ways relevant to our business. Having worked to with Carbon Footprint to establish a 2022-23 baseline for each business unit, we will include analysis for various parts of the Group, as well as overall Group performance. Our business will change size and shape between now and 2050. This will make measuring our performance difficult. However, through the right use of measures we will be able to express our performance in a way which reflects growth or contraction. Ultimately, our aim is to achieve net zero by 2050. However, being clear on relative performance against our baseline will be crucial to develop and maintain staff motivation.
- h. The definition of net zero that the Norse Group will work towards is a 90% reduction in carbon dioxide emissions by no later than 2050, from a 2022/23 baseline, with the remaining emissions offset. This aligns with Norfolk County Councils definition of net zero<sup>6</sup>.

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<sup>6</sup> Climate change strategy sets out path to net zero - Norfolk County Council

### 3. Methodology

To devise a credible plan to net zero 2050, an independent specialist, Carbon Footprint, has been commissioned, to validate the Norse Group carbon baseline, setting Financial Year 2022-23 as our baseline year. This is the first full year of operation after Covid and will reflect a realistic operational environment and will allow the progress to be measured through the delivery of the initiatives.

Using these results, we have established a high-level strategic plan to achieve net zero by 2050, balancing the three pillars of sustainability, People, Profit and Planet. This approach has helped us understand both key emissions-based activities within our business and make realistic assumptions about when changes can be made to cut emissions, whilst maintaining service levels and profitability.

The journey to 2050 will be broken down into five-year phases. This fits with the business planning cycle and helps frame the actions needed to achieve net zero 2050 in manageable time periods.

Due to the varied nature of the Norse business, each business unit will follow its own pathway to net zero and have tailored five-year phases to reflect the opportunities and challenges within those businesses.

Each five-year phase will be delivered through a series of annual delivery plans that will be approved as part the annual budget setting process for each business unit. This will assure that the journey to net zero will remain affordable to the Group as a whole and will be revised as required.

Due to the rapid developments of the technology available to deliver net zero and the fluid nature of the contracts that Norse deliver, we believe that this delivery model will allow the group to take advantage of new innovations and cost reductions in solutions, whilst making progress from day one.

We will commission specialist audits during each five-year phase to ensure independent verification of our journey to net zero, and to ensure planning for the following five-year phase takes account of any lessons learned.

## 4. Baseline

### a. Scope

The baseline for Norse Group’s journey to net zero has been set at 2022-23. This is the first full year of operation since the Covid pandemic and so is representative of normal operations.

We have worked with Carbon Footprint to establish a verified carbon footprint with pathway to net zero that is achievable by 2050.

The scope of the carbon footprint was based around areas that had robust data available. The scope will be expanded as we work with Norse Group businesses and supply chains to improve data quality and availability. Any new scope 1 fuels used will be included as operational use commences.

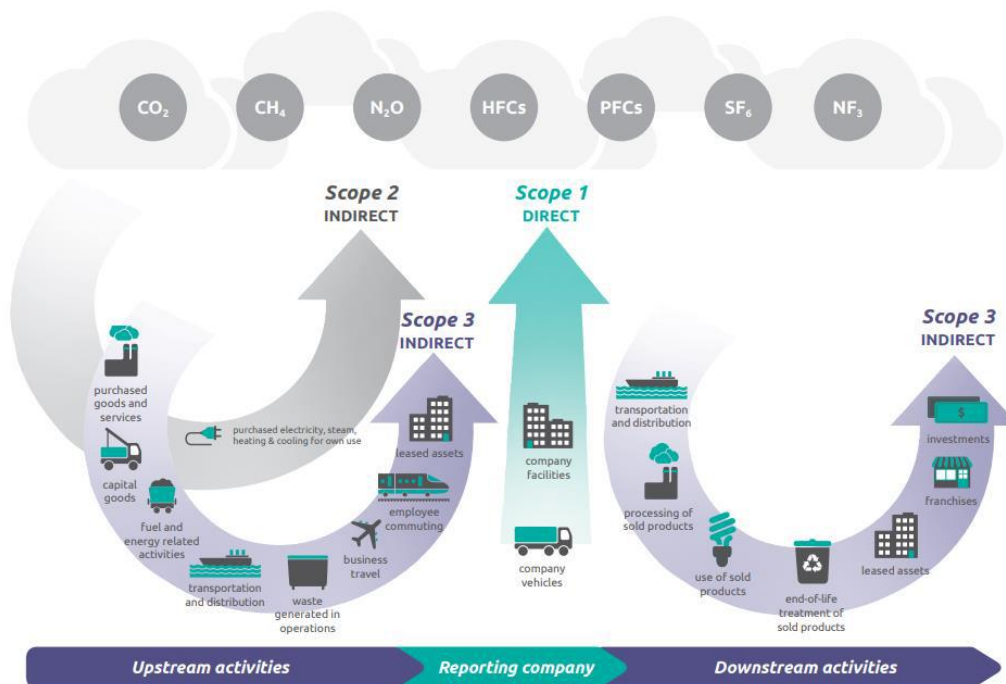


Fig1: Greenhouse Gas Protocol summary of emission sources.

Each Scope represents a different area of activity that results in the release of greenhouse gases. The activities within each scope are set out in table 1.

- Scope 1: Emissions released as a direct result of our activities.
- Scope 2: Emissions released as a result of consuming purchased energy.
- Scope 3: Emissions released as a result of goods or services purchased.

Carbon Footprint have assessed all 15 Scope 3 categories to understand their impacts on the Norse Groups carbon footprint. We will strive to include all scope 3 emissions categories that have significant impact on our carbon footprint and then work with clients and suppliers to reduce them.



Table 1, below, sets out the completion status of all GHG Protocol categories and their inclusion in the 2022-23 baseline.

An assessment of fugitive refrigerant gases was undertaken as part of the baseline assessment. Although, the assessment showed no fugitive emissions, our confidence in the data collection is not sufficient to include it in the baseline at this stage. In the interest of transparency, we have not stated it as zero.

Scope	Activity	Completion Status	Justification
1	Electricity, heat or steam generated on-site	Complete	
1	On-site fuel use	Complete	
1	Company owned vehicles	Complete	
1	Fugitive emissions (incl. Refrigerant gases and AC)	Complete	Data capture needs to be more robust.
2	On-site Consumption of purchased electricity, heat steam and cooling	Complete	
3.1	Purchased goods and services	Complete	
3.2	Capital goods	Excluded	
3.3	Fuel- and energy related activities (not included in scope 1 or scope 2)	Complete	
3.4	Upstream transportation and distribution	Working towards inclusion	This scope applies to a limited number of business units. We will work with suppliers to capture this data during 2024/25
3.5	Waste generated in operation	Working towards inclusion	This data will be available from Summer 2024 using 2023/24 data.
3.6	Business travel (not included in scope 1 or scope 2)	Partial	Grey fleet and Hire cars have been accounted for within this report.
3.7	Employee commuting	Complete	
3.8	Upstream leased assets	Not relevant	
3.9	Downstream transportation and distribution	Not relevant	
3.10	Processing of sold products	Not relevant	
3.11	Use of sold products	Not relevant	
3.12	End-of-life treatment of sold products	Not relevant	
3.13	Downstream leased assets	Excluded	Relevant and recommended to include in future assessments
3.14	Franchises	Not relevant	
3.15	Investments	Not relevant	

Table 1: GHG completion assessment.



## b. Baseline

Carbon Footprint have worked with the Norse Group Sustainability Team to review and validate a baseline carbon footprint, using the data submitted as part of the 2022/23 annual SECR<sup>7</sup> statements. In addition, they have identified and quantified emissions outside SECR reporting requirements and proposed a pathway to net zero for Norse Group.

Table 2 shows that Norse Group’s total location-based<sup>8</sup> emissions are 38,752.49 tCO<sub>2</sub>e (with a market-based<sup>9</sup> emissions of 40,005.41 tCO<sub>2</sub>e). Total location-based emissions per Norse employee is 4.79 tCO<sub>2</sub>e (table 1), with 2.19 tCO<sub>2</sub>e per employee for scope 1 and scope 2<sup>i</sup> emissions.

2022/23	Location Based	Market Based
<b>All scopes</b>		
Number of employees	8084	8084
Tonnes CO <sub>2</sub> e	66,138	67,391
Tonnes CO <sub>2</sub> e per employee	8.18	8.34
<b>Scopes 1 and 2</b>		
Number of employees	8,084	8,084
Tonnes CO <sub>2</sub> e	17,101	18,354
Tonnes CO <sub>2</sub> e per employee	2.12	2.27

Table 2: Norse Group’s employee-based emissions

The most significant emission source is Procurement, followed by Commuting, accounting for 41 and 25% of Norse Group’s carbon footprint (figure 2) respectively. The accuracy of the data used for calculating this will improve in future iterations but will likely remain a significant Scope 3 emission.

Switching to a green electricity tariff, backed by REGO’s can significantly reduce the Scope 2 emissions within the Market Based assessment from 18,354 to 16,894 tonnes of CO<sub>2</sub>e. (8% reduction) This could be a simple impact in phase 1.

Company vehicles are the third most significant emission source, accounting for 35% of the Group’s carbon footprint. Emissions from company vehicles must be addressed to reduce Norse Groups carbon footprint.

<sup>7</sup> SECR: Streamlined Energy and Carbon Reporting

<sup>8</sup> Location based emissions refer to average emissions of a system such as the UK national Grid.

<sup>9</sup> Market based emissions refer to emissions related to a specific contract such as REGO backed green electricity.

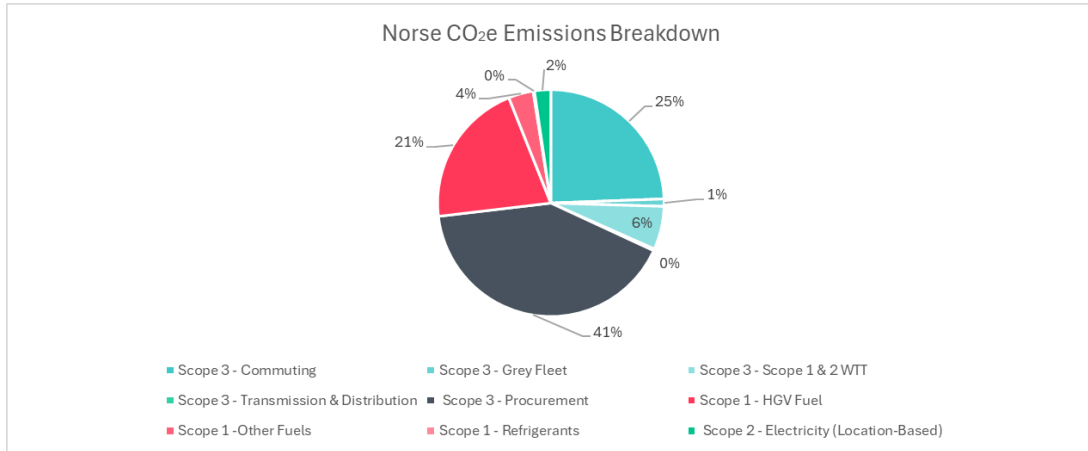


Figure 2: Norse Group’s location-based emissions breakdown

## 5. Norse pathway to net zero

The largest area of CO<sub>2</sub>e emissions for Norse Group, outside of Procurement, is vehicles including fleet vehicles, grey fleet vehicles, and commuting.

Figure 3 below shows the proposed pathway to net zero for Norse Group. Our pathway reflects the challenges we will face reaching net zero in certain areas (most notably where operations require the use of HGVs for refuse collection / highways maintenance etc). Currently there is not a viable, cost-effective solution for HGV fleet and as such the pathway is built around incremental improvements in efficiency through driver training, improved maintenance monitoring and vehicle replacement in line with fleet management best practice. After 2035, it has been assumed that alternative fuelled vehicles will be available and will be introduced through fleet replacement cycles.

The emissions for commuting are particularly high and this has been flagged by Carbon Footprint as an area to improve. It is expected that this figure will reduce as actual Norse Group staff commuting patterns are used, rather than regional and national average data currently modelled.

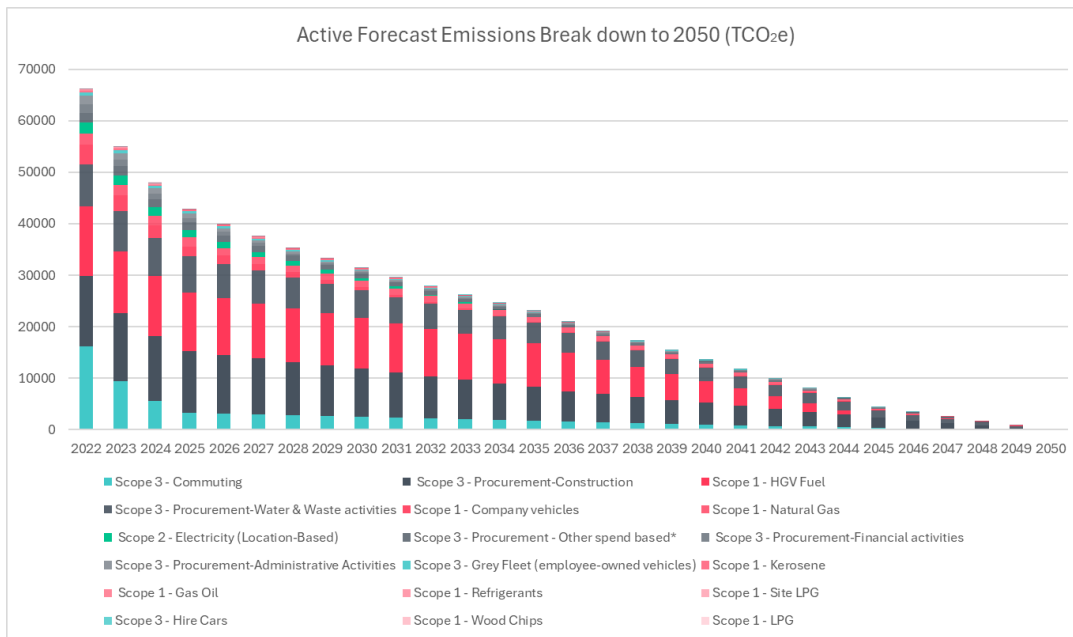


Figure 3: Pathway to net zero<sup>10</sup>.

As can be seen in Figure 4 below, the UK national grid emission factor is expected to reach close to zero by 2035. The pathway assumes that the electricity emission factor follows this trajectory and achieves zero emissions by 2035. This is a key driver in the pathway to net zero, as without the transition from ICE<sup>11</sup> vehicles and gas boilers to electric alternatives will not be as effective. If decarbonisation of the grid looks to be failing to follow this trajectory, then Norse can look to install renewables on sites or enter into PPA's with renewable energy providers to ensure the electricity used follows the planned trajectory.

<sup>10</sup> Including WTT emissions

<sup>11</sup> ICE - Internal Combustion Engine.

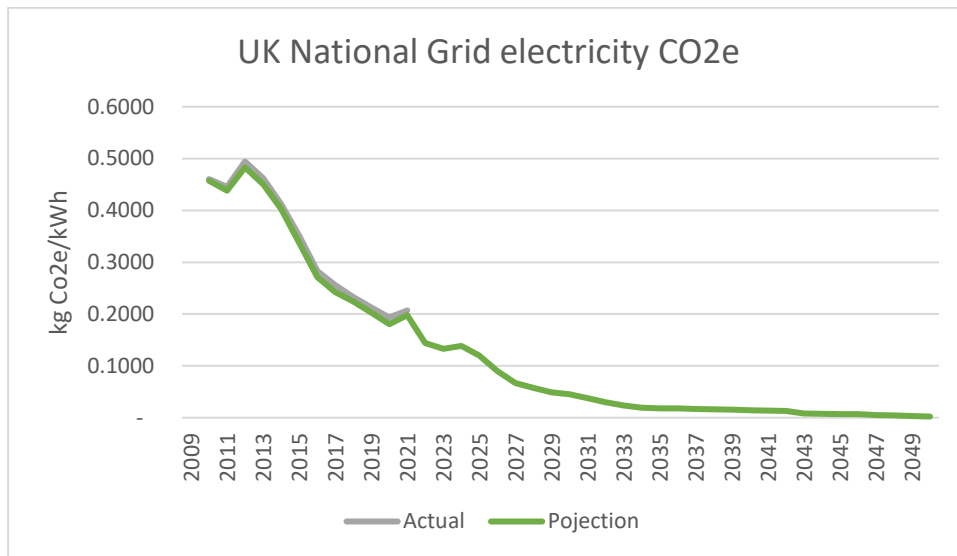


Figure 4: UK Government actual and projected emission factors<sup>12</sup>

Assumptions behind pathway in Figure 3.

- Grid electricity decarbonises by 2035.
- Gas/oil boilers are phased out at end life.
- Fleet cars and vans are replaced at 20% per year with EVs from 2025
- Fleet HGV's are replaced with Euro VI or better until 2035 and then a non-diesel solution after 2035
- Investment in driver training and fuel monitoring from 2024/25
- Commuter reporting methodology is revised for 2023/24
- Commuter vehicles are replaced based on a 12-year life

<sup>12</sup> [Green Book supplementary guidance: valuation of energy use and greenhouse gas emissions for appraisal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/90000/green-book-supplementary-guidance-valuation-of-energy-use-and-greenhouse-gas-emissions-for-appraisal.pdf)  
Data table 1 and Annual GHG emission factors for company reporting.

## 6. Measuring the journey to net zero

Establishing metrics for measuring progress at the Group level that provide clear and useful information is a challenge due to the nature of the business. Adding a waste collection service contract will have a much greater impact on the Group’s carbon footprint than a cleaning contract.

For each business unit the carbon footprint will be measured quarterly based on absolute and intensity measures. The absolute and intensity measures will be:

- Kg CO2e
- Kg CO2e per £ of turnover
- Kg CO2e per employee/mile/tonne of waste/m2 occupied (selected at local level)

At the Group level we will report two absolute metrics, core emissions and absolute emissions.

- The core emissions (kgCO2e) will include all business units that were included in the 2022-23 baseline. If a core business unit leaves the Group, their emissions will be removed from the 2022-23 baseline for the core emissions metric. This will allow like for like comparisons to be made over time.
- The absolute emissions metric will include all emissions for all business units, with no allowance for change in contracts. This metric will be a true reflection of our emissions but will not show trends in emissions due to the nature of the contracts joining and leaving the Group.

## 7. Action plan

At this stage of the development and delivery of Norse’s net zero journey it is not possible to have a detailed list of actions that will be undertaken. These will be developed in line with the action plan set out in the table below.

### Key Milestones

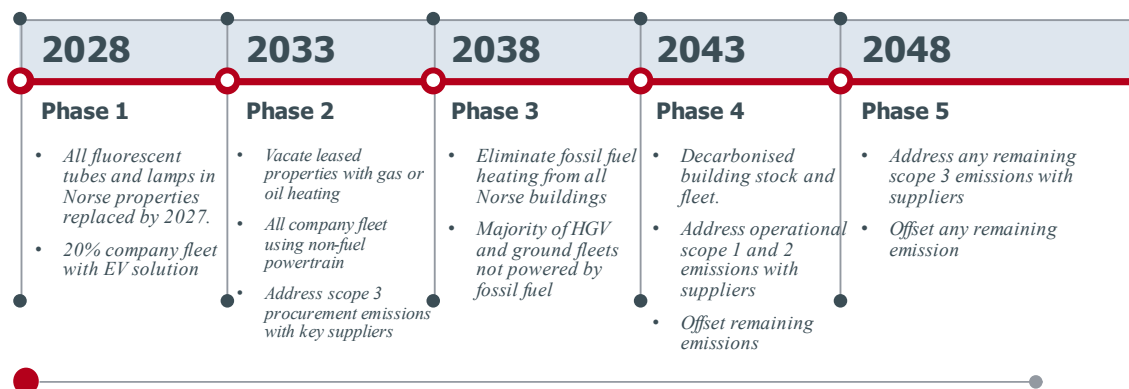


Figure 5: Key milestones

It is possible to set out a list of initiatives and goals that we will seek to take forward as part of our journey at a group level. These include:

**Phase 1 04-2023 to 03-2028:**

- Replace all fluorescent tubes and lamps within Norse Group owned and occupied properties by Mar 2027<sup>13</sup>.
- Establish the cost of switching electricity tariffs to renewable to allow market-based footprint to be reduced.
- Replace 20% of van and car fleet per year with an EV solution, in line with group's fleet replacement programme, starting in 2024/25.
- Introduce a programme of driver Eco training for all fleet and business mileage drivers, to be rolled out by end of phase 1.
- Undertake a detailed net zero survey for each building we own and occupy resulting in a costed action plan for each building.
- Vacate leased properties with gas or oil heating at end of contract term or engage with landlords to have a zero-carbon heating system installed. To be complete by end of Phase 2
- Annually review significant technologies to assess viability in terms of cost and service delivery for deployment. These could include:
  - Battery EV's for Cars/Vans
  - Battery EV's for HGVs
  - Hydrogen for vehicle use
  - Hydrogen for heating
- Install sub metering for all significant energy using equipment and leased building with energy included in rent.
- Encourage take up of agile working and salary sacrifice schemes to reduce carbon footprint of business travel and commuting.
- Begin to work with key suppliers to address our Scope 3 procurement emissions.

**Phase 2: 04-2028 to 03-2033**

- Implement the findings of building related net zero surveys with the ambition to remove all fossil fuel heating from Norse buildings by end of Phase 3
- Vacate leased properties with gas or oil heating at end of contract term or engage with landlords to have a zero-carbon heating system installed. To be complete by end of Phase 2.
- Ensure all fleet cars and vans are using a non-fossil fuel powertrain.
- Begin deployment of net zero compatible HGV vehicles in suitable locations and activities
- Remove fossil fuel use from most Grounds Maintenance activities.
- Encourage take up of agile working and salary sacrifice schemes to reduce carbon footprint of business travel and commuting.
- Work with key suppliers to address our Scope 3 procurement emissions.

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<sup>13</sup> Mercury containing lamps are no longer be imported or manufactured in the UK due the Restriction of Hazardous Substances (RoHS) Directive. By March 2027 the majority of lamps will have been replaced after 8000 hours, which is a typical life span of a lamp.

**Phase 3: 04-2033 to 03-2038**

- Implement findings of building related net zero plans with the ambition to remove all fossil fuel heating from Norse Buildings by end of Phase 3.
- Subject to technological, operational, and cost developments, ensure that the majority of HGV and grounds fleet vehicles are not powered by fossil fuels by end of the Phase 3
- Work with key suppliers to address our Scope 3 procurement emissions.
- Look to offset remaining emissions by end of Phase 3

**Phase 4: 04-2038 to 03-2043**

- Aim to have decarbonised building stock and fleet by end of Phase 4
- Look to find solutions for remaining hard to treat emission sources, such as highways maintenance.
- Aim to only work with suppliers that have addressed their operational Scope 1 and 2 emissions.
- Offset remaining emissions.

**Phase 5: 04-2043 to 03-2048**

- Work with suppliers to address any remaining scope 3 emissions.
- Offset remaining emissions.



The table below sets out the list of actions that are anticipated to be undertaken during Phase 1. This will be reviewed annually, and a new Action Plan will be developed at the start of each phase.

Phase 1 – 2023/24 to 2028/29	Action	Delivery date (Milestone)
Plan 1.1 - 2023/24	Establish Baseline	Nov - 2023
	Develop group pathway	Dec 2024
	Establish Phase 1 action plan	Dec 2024
Plan 1.2 - 2024/25	Obtain SMT approval	Apr 2024 (M)
	Publish net zero plan	Apr 2024
	Establish quarterly KPI reporting	Apr 2024
	Develop annual action Plan template for Business units	May 2024
	Develop model net zero plan for Business Units	May 2024
	Review leases to identify buildings that can be vacated/refurbished due to Scope 1 fuel use.	May 2024
	Undertake annual commuting survey	Apr 2024
	Annual Group progress report	Jun 2024
	Establish net zero plan for each business unit	Jun 2024
	Establish suite of typical Phase 1 actions for group	July 2024
	Annual Technology review	July 2024
	Ensure annual action plans for B.U's are produced for following year	Sep 2024 (M)
	Compile approved and funded actions for following year	Dec 2024
	Undertake net zero Surveys across estate.	Mar 2025
	Implement eco driving course	Mar 2025
Roll out submetering across estate	Mar 2025	
Plan 1.3 – 2025/26	Annual Group progress report	Jun 2025
	Annual Technology review	Jul 2025
	Ensure annual action plans for B.U's are produced for following year	Sep 2025 (M)
	Compile approved and funded actions for following year	Dec 2025
Plan 1.4 – 2026/27	Annual Group progress report	Jun 2026
	Annual Technology review	Jul 2026
	Ensure annual action plans for B.U's are produced for following year	Sep 2026 (M)
	Compile approved and funded actions for following year	Dec 2026
Plan 1.5 – 2027/28	Annual Group progress report	Jun 2027
	Annual Technology review	Jul 2027
	Ensure annual action plans for B.U's are produced for following year	Sep 2027 (M)
	Compile approved and funded actions for following year	Dec 2027

Table 3: Phase 1 annual action plan

## **8. Cost of plan**

There is not dedicated funding to deliver the actions within the net zero strategy. As each annual plan is established the funding route for the actions will be identified and submitted as part of the annual budget setting process.

If a project is identified that will impact on more than one business unit, cannot be afforded by a single business unit, or needs engagement with a Joint Venture partner then a dedicated business case will be developed by the business unit, with the support of the Sustainability Team, and presented to the Senior Management Team and relevant parties.

Examples of this could be where a Norse owned building needs a building fabric improvement, or Joint Venture vehicles need to be replaced.

## **9. Governance**

Day to day management of the net zero strategy will be through the ESG function of the Senior Management Team.

Annual progress will be monitored through the ESG Committee and will be reported in the Streamlined Energy and Carbon Report included in the annual Financial Statement.

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<sup>1</sup> Scope 2 refers to energy supplied to an organisation, e.g., electricity. Scope 1 refers to the release of global warming gases by an organisation, e.g., CO<sub>2</sub> from the combustion of methane.