

Eimskipafélag Íslands hf.
Sustainability Statement (ESG)
for the year ended 31 December 2022
EUR

Eimskipafélag Íslands hf.
Sundabakka 2
104 Reykjavík
Iceland

Reg. no. 690409-0460



STATEMENT BY THE CEO

The Sustainability Statement reflects the ESG guidelines issued by Nasdaq Iceland and the Nordic countries in 2019. These guidelines are based on recommendations made in 2015 by the United Nations, the Sustainable Stock Exchange Initiative, and the World Federation of Exchange. Reference is also made to the GRI Standard (Global Reporting Initiative, GRI100-400) and its Reporting Principles (P1-10) of the United Nations Global Compact (UNGC).

The information presented in this statement covers the period January 1 to December 31, 2022. The report gives statistical information from the year 2015, which allows us to assess the scope, position, and potential impact of core activities concerning environmental, social, and governance matters. This report creates a basis for guiding the development of these matters in the coming years.

Eimskipafélag Íslands hf. uses the environmental software Klappir to make the Sustainability Statement. The environmental statement covers the operation of Eimskipafélag Íslands hf., Eimskip Ísland ehf., Faroe Ship, and the Company's shipping department in Norway. The scope 1 and 2 is also covered in the Faroe Islands, Greenland, Norway, Denmark, Sweden, UK, Germany, The Netherlands, Spain, Poland, Italy, Belgium, Brazil, Turkey, Vietnam, Thailand. The Social and Governance statement includes all employees.

The software ensures traceability, transparency, and efficiency in the collection and dissemination of environmental information. Data on fuel consumption, electricity consumption, and the use of hot and cold water are automatically collected where possible. The origin of data can then be traced back to the supplier. Estimation was used for small operation.

I hereby confirm The Company's Sustainability Statement for the period from January 1 to December 31, 2022.



Reykjavík, February 2023

Vilhelm Már Þorsteinsson

CEO, Eimskipafélag Íslands hf.

SUSTAINABILITY STATEMENT

Klappir Green Solutions hf. (Klappir) has assisted Eimskipafélag Íslands hf. with its sustainability statement. The sustainability statement contains information on environment, social and governance.

Confirmation by Klappir

We have planned and conducted our work in accordance with the principles of the Greenhouse Gas Protocol standards: Relevance, Accuracy, Completeness, Consistency and Transparency.

By signing below, I hereby confirm that the environmental data provided by Eimskipafélag Íslands hf. and its suppliers for the company's sustainability statement has been reviewed and assessed by Klappir sustainability specialists. Information relating to social and governance matters was not reviewed by Klappir. Klappir is not responsible and bears no liability for any investment decisions made by any party based on the information presented in this statement.

Reykjavík, February 2023



Jón Ágúst Þorsteinsson Ph.D.
CEO, Klappir Green Solutions hf.

HIGHLIGHTS

Greenhouse Gas Emissions

Eimskip's total emissions were 303,197 tCO₂e in 2022. Scope 2 emissions amounted to 1,567.2 tCO₂e.

Energy Usage

Eimskip's total energy usage was 1,202,444,088 kwh in 2022. Energy usage includes electricity, hot water and fuel usage. Indirect energy usage from hot water and electricity consumption amounted to 45,393,054 kWh.

Key performance indicators

Eimskip's emissions per unit of transported ton cargo - has decreased by 23.5% since the year 2015.

Additions since last statement

Eimskip accounted for emissions for the following entities for scope 1 and scope 2 for the first time this year: Eimskip Turkey, Eimskip Brazil, Eimskip Vietnam, Eimskip Denmark, Eimskip Belgium, Eimskip Thailand, Eimskip Greenland, Eimskip Netherlands, Eimskip Italy and Eimskip Sweden.

This change has effect on several indicators since number of employees and revenue increases e.g. Energy per unit of Employee and per unit of revenue

Carbon offset

Eimskip has offset part of the operations with compensatory measures from Kolviður and Skógræktin. Eimskip's total carbon offset measures amounted to 400 tCO₂e.

OPERATIONAL PARAMETERS

Total revenue ¹	Unit	2015	2018	2019	2020	2021	2022
	EUR m	338	415	416	383	556	1.040
Number of FTE employees ²	FTEs	842	896	887	800	1.062	1.550
Transported cargo	tons	1.866.665	2.262.791	2.356.632	2.479.001	2.602.455	2.767.362
Key performance indicators	Unit	2015	2018	2019	2020	2021	2022
GHG emissions per unit of transported ton cargo adjusted to the scope of the official KPI set in 2015 ³	kgCO ₂ e/ton	126	111,9	111,6	105,9	104,1	96,4
development of GHG per transported unit	%	100%	88,8%	88,6%	84,1%	82,7%	77%

¹ 17 offices are part of the environmental ESG statement, revenue reflects offices with environmental data

² 17 offices are part of the environmental ESG statement, employees reflect offices with environmental data

³ Official KPI set in 2015 is used to measure the development of reducing GHG emissions per transported tons by 40% before 2030. It represents all Scope 1 emissions of all vessels in Iceland, Norway and Faroe Islands and trucks/equipment in Iceland per ton of transported unit in liner. The KPI is adjusted to vessel sharing agreement with Royal Arctic Line (RAL) due to rules regarding transportation to and from Greenland

ENVIRONMENTAL

Greenhouse Gas Emissions

	Unit	2015	2018	2019	2020	2021	2022
Scope 1	tCO ₂ e	235.139	253.179,1	262.984	278.095	296.685	301.251
Scope 2 (location-based) ⁴	tCO ₂ e	266,8	263,5	260	351	702	1.567
Scope 1 and 2	tCO ₂ e	235.405,8	253.442,7	263.244	278.446	297.386	302.818
Scope 3 ⁵	tCO ₂ e	375,8	503,3	414	316	160	379
Total operational GhG emissions	tCO ₂ e	235.781,5	253.946	263.659	278.762	297.547	303.197

E1|UNGC: P7|GRI 305-1,305-2,305-3|SASB: General Issue / GHG Emissions|TCFD: Metrics & Targets

Emissions Intensity

	Unit	2015	2018	2019	2020	2021	2022
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	273	262	262	256	251	252
GhG emissions per full-time equivalent (FTEe) employee	kgCO ₂ e/FTEs	280.026	283.422	297.248	348.453	280.176	195.611
GhG emissions per unit of revenue	kgCO ₂ e/EURm	697.579	611.918	633.338	727.838	534.864	291.498

E2|UNGC: P7, P8|GRI 305-4 |SDG: 13|SASB: General Issue / GHG Emissions, Energy Management

Energy Usage

	Unit	2015	2018	2019	2020	2021	2022
Total energy consumption	kWh	863.092.260	970.969.707	1.006.774.429	1.090.792.242	1.185.369.073	1.202.444.088
Fossil fuels	kWh	835.243.214	941.852.808	979.195.318	1.061.977.271	1.151.828.919	1.156.953.590
Biofuels	kWh	-	-	-	15.572	119.732	97.443
Electricity	kWh	16.231.362	16.725.800	16.678.204	16.986.259	18.654.610	24.451.329
Heating	kWh	11.617.684	12.391.100	10.900.907	11.813.140	14.765.812	20.941.725
Direct energy consumption	kWh	835.243.214	941.852.808	979.195.318	1.061.992.843	1.151.948.651	1.157.051.033
Indirect energy consumption	kWh	27.849.046	29.116.900	27.579.111	28.799.399	33.420.422	45.393.054

E3|UNGC: P7, P8|GRI 302-1, 302-2|SDG: 12|SASB: General Issue / Energy Management

⁴ Environmental data from 11 countries were added in 2022 compared to 2021. This influences scope 2

⁵ Scope 3 data reflects waste in Iceland and business flight in Iceland, Norway, and Germany

Energy Intensity

	Unit	2015	2018	2019	2020	2021	2022
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	1.025.050	1.083.672	1.135.033	1.363.490	1.116.167	775.770
Energy per unit of revenue	kWh/EUR m	2.553.527	2.339.686	2.418.387	2.848.022	2.130.798	1.156.047

E4|UNGC: P7, P8|GRI 302-3|SDG: 12|SASB: General Issue / Energy Management

Energy Mix

	Unit	2015	2018	2019	2020	2021	2022
Fossil fuel	%	97,1%	97%	97,3%	97,4%	97,2%	96,4%
Renewables	%	2,7%	3%	2,7%	2,6%	2,6%	3,6%
Nuclear	%	0,2%	0%	0%	0%	0%	0%

E5|GRI 302-1|SDG: 7|SASB: General Issue / Energy Management

Water Usage

	Unit	2015	2018	2019	2020	2021	2022
Total water consumption	m ³	245.462	260.536	252.292	234.662	301.701	397.788
Cold water	m ³	45.157	46.907	64.360	31.002	47.245	39.344
Hot water	m ³	200.305	213.629	187.932	203.660	254.455	358.444

E6|GRI: 303-5|SDG: 6|SASB: General Issue / Water & Wastewater Management

Waste Management

	Unit	2015	2018	2019	2020	2021	2022
Total waste generated	kg	666.083	1.109.356	1.217.918	1.198.288	1.418.753	1.274.440
Of which sorted waste	kg	14.922	673.377	886.821	876.658	1.156.552	990.061
Of which unsorted waste	kg	335.790	400.789	331.097	321.630	262.201	284.379
Recycled/recovery	kg	327.589	590.312	706.869	713.062	1.052.826	924.432
Landfill/disposal	kg	338.392	519.044	511.049	485.226	365.927	350.008
Percentage of sorted waste	%	2,3%	61,6%	73%	73%	75%	78%
Percentage of recycled waste ⁶	%	-	-	30%	23%	30%	73%

Waste Intensity

	Unit	2015	2018	2019	2020	2021	2022
Total waste per full-time equivalent (FTEe) employee	kg/FTEs	791	1.238	1.373	1.498	1.336	822
Total waste per unit of revenue	kg/EUR m	1.971	2.673	2.926	3.129	2.550	1.225

⁶ Category "Oil sludge" was wrongly categorized as disposal from 2015 – 2021 but is recycled

	Unit	2015	2018	2019	2020	2021	2022
Business Trips							
Total emissions	tCO ₂ e	113	105	154	85	64	299
Air travel	tCO ₂ e	113	105	154	85	64	299
Primary energy source of cars and trucks							
	Unit	2015	2018	2019	2020	2021	2022
Total fuel consumption	kg	72.585.053	78.810.569	81.987.130	86.501.474	91.637.339	93.042.985
Petrol	kg	45.627	32.503	32.481	23.354	31.841	51.770
Natural gas	kg	-	-	-	-	-	2.168
Diesel	kg	3.502.824	3.701.350	3.587.557	3.206.992	3.913.493	3.951.123
Paper Management							
	Unit	2015	2018	2019	2020	2021	2022
Total weight of printed papers	kg	0	14.077	11.567	7.347	5.672	5.447
Total amount of printed paper	pages	-	2.479.098	1.915.851	1.248.404	1.003.384	868.115
of which color print	pages	-	342.113	402.327	223.986	133.397	223.611
of which black/white print	pages	-	2.136.985	1.513.524	1.024.418	869.987	644.504
Emissions neutralized by carbon offset projects							
	Unit	2015	2018	2019	2020	2021	2022
Total emissions offset	tCO ₂ e	0	0	6,9	4,5	843	400
Emissions offset by afforestation	tCO ₂ e	0	0	6,9	4,5	843	400

Environmental Operations	Unit	2015	2018	2019	2020	2021	2022
Does your company follow a formal Environmental Policy?	yes/no	-	Yes	Yes	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	-	-	-	-	Yes	Yes
Does your company use a recognized energy management system?	yes/no	Yes	Yes	Yes	Yes	Yes	Yes

E7|GRI: 103-2|SASB: General Issue / Waste & Hazardous Materials Management

Climate oversight	Unit	2015	2018	2019	2020	2021	2022
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	-	-	-	-	Yes	Yes
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	-	-	-	-	-	Yes

Nasdaq: E8, E9|GRI: 102-19, 102-20, 102-29, 102-30, 102-31|SASB: General Issue / Business Model Resilience, Systematic Risk Management|TCFD: Governance (Disclosure A/B)

Climate risk mitigation	Unit	2015	2018	2019	2020	2021	2022
Total annual investment in climate-related infrastructure, resilience, and product development	EUR m	-	-	-	-	-	2.5

Nasdaq: E10|UNGC: P9|SASB: General Issue / Physical Impacts of Climate Change, Business Model Resilience|TCFD: Strategy (Disclosure A)

SOCIAL⁷

	Unit	2015	2018	2019	2020	2021	2022
CEO Pay Ratio⁸							
CEO Salary & Bonus (X) to median FTE Salary	X:1	6,3	6,2	4,6	4,3	4,63	-
Does your company report this metric in regulatory filings?	yes/no	-	-	-	-	-	-
<i>S1 UNGC: P6 GRI 102-38</i>							
Gender Pay Ratio⁹							
Median total compensation for men (X) to median total compensation for women	X:1	-	-	-	-	-	-
Outcome of equal pay certification – (Iceland)	%	-	-	1,7%	0,7%	1,7%	-
<i>S2 UNGC: P6 GRI: 405-2 SASB: General Issue / Employee Engagement, Diversity & Inclusion</i>							
Employee Turnover¹⁰							
Full-time Employees							
Year-over-year change for full-time employees	%	18,8%	24,3%	24,7%	21,4%	20,0%	20%
Dismissal	%	-	-	-	7,2%	2,8%	0,6%
Retirement	%	-	-	-	1,1%	1,5%	2,3%
Gender							
Men	%	-	-	-	21%	20%	21%
Women	%	-	-	-	24%	20%	18%
Age							
<20	%	-	-	-	29%	18%	96%
20-29	%	-	-	-	32%	30%	38%
30-39	%	-	-	-	19%	22%	20%
40-49	%	-	-	-	18%	15%	14%
50-59	%	-	-	-	14%	10%	8%
60-69	%	-	-	-	30%	28%	16%
70+	%	-	-	-	100%	100%	69%
<i>S3 UNGC: P6 GRI: 401-1b SDG: 12 SASB: General Issue / Labor Practices</i>							

⁷ Social includes all Eimskip Employees globally which are 1722.

⁸ Comparison to FTE Salary in Iceland will be available in the sustainability report in March.

⁹ This number represents the outcome of the equal pay re-certification for Eimskip Iceland. Will be available in the sustainability report in March.

¹⁰ Changes in the calculation – From 2015-2019 only employees in Eimskip Iceland and the shipping department in Norway & Faroe Islands were included. The calculation from 2020 is for all employees.

Gender Diversity¹¹	Unit	2015	2018	2019	2020	2021	2022
Enterprise Headcount							
Percentage of women in enterprise	%	19%	20%	19%	30%	30%	30%
Women	no.	160	180	170	472	464	518
Men	no.	682	715	716	1092	1098	1205
Senior- and Executive-level Positions¹²							
Percentage of women in senior- and executive-level positions	%	20%	25%	20%	29%	29%	30%
Women	no.	9	15	13	55	51	55
Men	no.	38	44	52	189	176	126
<i>S4 UNGC: P6 GRI: 102-8, 405-1 SASB: General Issue / Employee Engagement, Diversity & Inclusion</i>							
<i>S5 GRI: 102-8 UNGC: P6</i>							
Non-Discrimination							
Does your company follow a sexual harassment and/or non-discriminatory policy?	Unit yes/no	2015 Yes	2018 Yes	2019 Yes	2020 Yes	2021 Yes	2022 Yes
<i>S6 UNGC: P6 GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016) SASB: General Issue / Employee Engagement, Diversity & Inclusion</i>							
Injury Rate¹³							
Total number of injuries and fatalities, relative to the total workforce	Unit %	2015 1%	2018 5%	2019 5%	2020 6,3%	2021 5,6%	2022 6,6%
<i>S7 GRI: 403-9 SDG: 3 SASB: General Issue / Employee Health & Safety</i>							
Global Health & Safety							
Does your Company publish and follow an occupational health and/or global health & safety policy?	Unit yes/no	2015 Yes	2018 Yes	2019 Yes	2020 Yes	2021 Yes	2022 Yes
Total absence from work (X) to total working hours of all employees	X:1	-	-	-	-	-	-
Absence from work due to long-term illness (X) to total working hours of all employees	X:1	-	-	-	-	-	-
Absence from work due to short-term illness (X) to total working hours of all employees	X:1	-	-	-	-	-	-
<i>S8 GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018) SDG: 3 SASB: General Issue / Employee Health & Safety</i>							

¹¹ Changes in the calculation – From 2015-2019 only employees in Eimskip Iceland and the shipping department in Norway & Faroe Islands were included. The calculation from 2020 is for all employees.

¹² Changes in calculation – Redefined group in senior and Executive level positions

¹³ Injury Rate is based on employees in Iceland and employees in vessels. All injuries are registered even if job loss does not occur. The injury rate 2021 was recalculated based on this precondition.

Child & Forced Labor

Does your company follow a child labor policy?

Unit	2015	2018	2019	2020	2021	2022
yes/no	-	Yes	Yes	Yes	Yes	Yes

Does your company follow a forced labor policy?

yes/no	-	Yes	Yes	Yes	Yes	Yes
--------	---	-----	-----	-----	-----	-----

If yes, do your child and/or forced labor policy cover suppliers and vendors?

yes/no	-	-	-	-	Yes	Yes
--------	---	---	---	---	-----	-----

S9|GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414:

Supplier Social Assessment 2016)|UNGC: P4, P5|SDG: 8|SASB: General Issue / Labor Practices

Human Rights

Does your company publish and follow a human rights policy?

Unit	2015	2018	2019	2020	2021	2022
yes/no	No	Yes	Yes	Yes	Yes	Yes

If yes, does your human rights policy cover suppliers and vendors?

yes/no	-	-	-	-	Yes	Yes
--------	---	---	---	---	-----	-----

S10|GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment

2016)|UNGC: P1, P2|SDG: 4, 10, 16|SASB: General Issue / Human Rights & Community Relations

Governance

	Unit	2015	2018	2019	2020	2021	2022
Board Diversity							
Total board seats occupied by women (as compared to men)	%	40%	60%	40%	40%	60%	60%
Committee chairs occupied by women (as compared to men)	%	-	-	33%	33%	0%	33%
<i>G1 GRI 405-1 SDG: 10 SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)</i>							
Board Independence							
Does the company prohibit the CEO from serving as board chair?	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
Total board seats occupied by independents	%	80%	80%	60%	80%	80%	80%
<i>G2 GRI: 102-23, 102-22</i>							
Incentivized Pay							
Are executives formally incentivized to perform on sustainability	yes/no	-	No	No	No	No	No
<i>G3 GRI: 102-35</i>							
Collective Bargaining¹⁴							
Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population	%	100	100	100	100	100	100
<i>G4 UNGC: P3 SDG: 8 GRI: 102-41 SASB: General Issue / Labor Practices (See also: SASB Industry Standards)</i>							
Supplier Code of Conduct¹⁵							
Are your vendors or suppliers required to follow a Code of Conduct	yes/no	No	No	No	No	Yes	Yes
If yes, what percentage of your suppliers have formally certified their compliance with the code	%	-	-	-	-	-	-
<i>G5 UNGC: P2, P3, P4, P8 GRI: 102-16, 103-2 (See also: GRI 308: Supplier Environmental Assessment 2016 & GRI 414: Supplier Social Assessment 2016 SDG: 12 SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)</i>							
	Unit	2015	2018	2019	2020	2021	2022

¹⁴ Applies only to Iceland

¹⁵ Policy published at Company's website www.eimskip.com, implementation in process.

Ethics & Anti-Corruption

Does your company follow an Ethics and/or Anti-Corruption policy?	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	-	-	-	-	-	50%

G6|UNGC: P10|SDG: 16|GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)

Data Privacy

	Unit	2015	2018	2019	2020	2021	2022
Does your company follow a Data Privacy policy?	yes/no	No	Yes	Yes	Yes	Yes	Yes
Has your company taken steps to comply with GDPR rules?	yes/no	-	Yes	Yes	Yes	Yes	Yes

G7|GRI: 418 Customer Privacy 2016|SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)

ESG Reporting

	Unit	2015	2018	2019	2020	2021	2022
Does your company publish a sustainability report?	yes/no	No	Yes	Yes	Yes	Yes	Yes
Is sustainability data included in your regulatory filings?	yes/no	No	Yes	Yes	Yes	Yes	Yes

G8|UNGC: P8

Disclosure Practices

	Unit	2015	2018	2019	2020	2021	2022
Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	-	Yes	Yes	Yes	Yes	Yes
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	-	Yes	Yes	Yes	Yes	Yes
Does your company set targets and report progress on the UN SDGs?	yes/no	-	-	-	-	-	Yes

G9|UNGC: P8

External Assurance

	Unit	2015	2018	2019	2020	2021	2022
Are your sustainability disclosures assured or validated by a third party? ¹⁶	yes/no	Yes	Yes	Yes	Yes	Yes	Yes

C: P8|GRI: 102-56

¹⁶Verifavia validates the energy use of the vessels. Vessels are responsible for majority of the Eimskip energy use. Validation process will finish in April.

ORGANIZATIONAL BOUNDARIES

The "Operational Control" methodology has been chosen to define the organizational scope of Eimskip's emission accounting. According to the "Operational Control" methodology, companies should account for 100 percent of greenhouse gas emissions from operations under their control. They should not account for greenhouse gas emissions from operations that it has no control over, even though it has a vested interest in their operations. The following companies are covered in the statement:

Eimskipafélag Íslands hf.

Eimskip Ísland ehf.

Eimskip Belgium

Eimskip Brazil

Eimskip Denmark

Eimskip Germany

Eimskip Greenland

Eimskip Italy

Eimskip Netherlands

Eimskip Norway

Eimskip Poland

Eimskip Spain

Eimskip Sweden

Eimskip Thailand

Eimskip Turkey

Eimskip UK

Eimskip Vietnam

Faroe Ship

OPERATIONAL BOUNDARIES

SCOPE 1

Mobile fuel consumption	Fully included
Stationary fuel combustion	Mostly included
Fugitive emissions	Not applicable
Industrial processes	Not applicable

SCOPE 2

Electricity	Fully included
Heating	Fully included
Cooling	Not applicable
Steam	Not applicable

SCOPE 3

Category 1: Purchased goods and services	Not included
Category 2: Capital goods	Not included
Category 3: Fuel and energy related activities	Not included
Category 4: Upstream transportation and distribution	Not included
Category 5: Waste from operations	Partially included
Category 6: Business travel	Partially included
<ul style="list-style-type: none">• Icelandair flights from January 2015 - March 2019.• Domestic flights in Iceland with Air Iceland Connect from January 2018.• All international flights from March 2019 (from Eimskip's registration system).	
Category 7: Employee commute	Not included
Category 8: Upstream leased assets	Not applicable
Category 9: Downstream transportation and distribution	Not applicable
Category 10: Processing of sold products	Not applicable
Category 11: Use of sold products	Not applicable
Category 12: End-of-life treatment of sold products	Not applicable
Category 13: Downstream leased assets	Not applicable
Category 14: Franchises	Not applicable
Category 15: Investments	Not applicable

DEFINITIONS

Carbon credit

A carbon credit is a convertible and transferable instrument representing GHG emissions that have been reduced, avoided, or removed through projects that are verified according to recognized quality standards. Carbon credits can be issued from projects within (sometimes referred to as insets) or outside the undertaking's value chain (sometimes referred to as offsets).

Non-verified offsetting project

Non-verified offsetting projects are defined as offsetting projects that do not generate carbon credits in accordance with the definition above.

Emission intensity

Emission intensity figures are based on combined Scope 1, Scope 2 and Scope 3. Emission intensity is calculated by dividing GHG emissions by a selected operational parameter unit and is reported as tCO₂eq per unit (such as tCO₂eq per revenue unit). Emission intensity indicators are used to measure and compare the company's emissions relative to its operational scale.

Direct and indirect energy consumption

Total energy consumption includes all energy consumed by the company including combustion of fuels by the company (direct energy) and energy consumed through electricity and heating (indirect energy). The energy consumption is reported in kilowatt hours (kWh).

Energy intensity

Energy intensity is calculated by dividing the total energy consumption by a selected operational parameter unit, and is reported as kWh per unit (such as kWh per full-time equivalent employee (FTE)). Energy intensity indicators are used to measure the efficiency of energy usage and compare the company's energy consumption relative to its operational scale.

Waste intensity

Waste intensity is calculated by dividing the total amount of waste generated by a selected operational parameter unit, and is reported as kg per unit (such as kg per full-time equivalent employee (FTE)).

Scope 2 (location-based)

Emissions in scope 2 (location-based) are indirect emissions from generation of consumed energy, where emissions from energy consumption is estimated based on the average emissions from generation onto the energy network.

Scope 2 (market-based)

Market-based scope 2 emissions reflect the emissions from the electricity that a company is purchasing (often spelled out in contracts or instruments) which may be different from the electricity that is generated locally.

Fugitive emissions

Emissions resulting from intentional or unintentional releases, e.g., equipment leaks from joints, seals, packing, and gaskets; methane emissions from coal mines and venting; hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment; and methane leakages from gas transport.

Purchased goods and services

Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8

Capital goods

Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.

Fuel- and energy related activities

Includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.

Upstream transportation and distribution

Transportation and distribution of products purchased in the reporting year, between a company. Third party transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics and third-party transportation and distribution between a company's own facilities.

Waste generated in operations

Emissions from third-party disposal and treatment of waste in the reporting year.

Business travel

Emissions from the transportation of employees for business related activities in the reporting year.

Employee commuting

Emissions from the transportation of employees between their homes and their worksites.

Upstream leased assets

Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee.

Downstream transportation and distribution

Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company).

Processing of sold products

Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)

Use of sold products

End use of goods and services sold by the reporting company in the reporting year.

End-of-life treatment of sold products

Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

Downstream leased assets

Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.

Franchises

Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.

Investments

Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2.

Energy management system

Energy management systems such as ISO 50001.