

Eimskip

Sustainability Statement

(ESG)

2019

Eimskip Ísland ehf.
Korngarðar 2, 104 Reykjavík
Kt. 421104-3520

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Statement by the CEO

The Sustainability Statement reflects the ESG guidelines issued by Nasdaq Iceland and the Nordic countries in March 2017. 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 1 January 2019 to 31 December 2019. 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 aspects, social aspects, and governance. This report creates a basis for guiding the development of these issues in the coming years.

Eimskipafélag Íslands hf. uses the environmental software Klappir EnviroMaster to make the Sustainability Statement that covers the operation of Eimskipafélag Íslands hf., Eimskip Ísland ehf., Faroe Ship, and the company's shipping department in Norway.

The software ensures the 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. The origin of data can then be traced back to the supplier.

The Board of Directors and the CEO hereby confirm the Company's Sustainability Statement for the period from 1 January to 31 December 2019.

February 27th, 2020,

Vilhelm Már Þorsteinsson

CEO, Eimskipafélag Íslands hf.

Environmental Assessment Report

Lead verifier: Dr. Jón Ágúst Þorsteinsson

Verifier: Aron Friðrik Georgsson

Technical data expert: Höskuldur Þór Arason

The Board of Directors and the Managing Director of Eimskipafélag Íslands hf. are responsible for the preparation and presentation of the statement in accordance with international standards. We have reviewed the Sustainability Statement (ESG) for Eimskipafélag Íslands hf. for the period January 1 to December 31, 2019.

The environmental solution of Eimskipafélag Íslands hf. is a digital data collection and environmental compliance solution, covering energy, waste and water management of vessel fleet, truck fleet, terminal assets, warehouses and office space. On the bases of the assessment, the environmental management solution is found to be in compliance with the Nasdaq guidelines, Icelandic law and regulations, the IMO MARPOL Annex I to Annex VI for the vessel fleet and EU MRV for the vessel fleet as follows:

Energy management compliant to MARPOL Annex I, Annex VI, EU MRV and local law including:

- Data transparency, accuracy and accountability on fuel receiving of vessel fleet, truck fleet and terminal assets
 - Data transparency, accuracy and accountability on electricity use and use of district heating for terminal assets, warehouses and offices

Waste management compliant to MARPOL Annex V and local law including:

- Data transparency, accuracy and accountability on waste sorting and disposal of vessel fleet
 - Data transparency, accuracy and accountability on waste sorting, recycling and disposal of terminals, warehouses and offices

The statement is comprised of Environment, Social and Governance accounting and notes for the company. The review of the company's sustainability includes queries, especially for managers, along with analyzes and other exploratory actions. In my opinion, the ESG statement gives a true and fair picture of the company's ESG metrics.

I hereby confirm, with my signature, that the data provided by Eimskip and its suppliers for the company's Environmental Statement has been reviewed for the period 1st of January to 31st of December 2019.

Reykjavík, 27th of February, 2020.

Dr. Jon Agust Thorsteinsson

CEO, Klappir Green Solutions hf.

Company Description

Eimskip is a leading transportation company in the North Atlantic with connections to international markets and is specialized in worldwide freight forwarding services, with the vision of providing excellence in transportation solutions and services.

Organizational Boundaries

The “Operational Control” methodology has been chosen to report on this company’s emissions. 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.

Operational Boundaries

Included in Eimskip’s operational boundaries for Scope 1 and Scope 2 emissions are the following business units:

- Eimskipafélag Íslands hf.
- Eimskip Ísland ehf.
- Faroe Ship, and the company's shipping department in Norway.

The operations included in Scope 3 emissions are:

- Waste from work stations in Iceland and Faroe Ships.
- Business trips for Eimskip Ísland ehf. and Eimskipafélag Íslands hf.:
 - Icelandair flights from January 2015 - March 2019
 - Domestic flights with Air Iceland Connect from January 2018.
 - All international flights from March 2019 (from Eimskip’s registration system).

There were changes in Scope 3 compared with the 2018 report, resulting from the fact that information about flights were retrieved back to 2015. This information was not available when the 2018 report was made.

Base Year

Eimskip's base year is 2015.

Environmental Highlights

Eimskip has been one of the key corporate players in modern Icelandic history from its founding in 1914, connecting the country to the rest of the world with its expansive transportation systems. As the economic activities of the world quickly shift toward sustainability, more responsible use of resources, and transparent ESG reporting, Eimskip therefore naturally claims a significant role as the Icelandic economy moves toward these values and aims. This is strongly reflected in the company's ambition to adopt cutting-edge modern technology to monitor, and report on, its emissions and sustainability goals. In 2014, Eimskip was one of the first companies in Iceland to initiate the use of smart environmental management, which entailed collecting various environmental information digitally and constructing a more comprehensive and reliable picture of the company's carbon footprint than had hitherto been possible. This work has been done in collaboration with Klappir Green Solutions.

Sustainability is made up of three pillars—economic, social, and environment. Eimskip strives to take all three into account at each given time, and make well-informed decisions concerning profit, people, and the planet. To attain this, Eimskip strives to provide its customers with the most efficient and sustainable transportation solutions, as well as outstanding services, while securing a good return for its shareholders and being responsible towards its employees and society at large, which includes treating the environment with respect. Eimskip now uses Klappir SeaMaster to monitor all its vessels and have on-shore access to their energy use and locations, as well as using Klappir digital logbooks to report on its vessel operations. Eimskip also uses Klappir EnviroMaster to preserve a comprehensive picture of the carbon footprint of both individual vessels and work stations, as well as the totality of the operation.

The focus in 2019 was on continued monitoring of emissions and waste from the supply chain, by collecting electronic data from all emitting sources and streaming it automatically to a common data warehouse, and strategic planning on how to reduce emissions and decrease the environmental footprint. The digitalization of emission and waste registration data from the supply chain enables continuous monitoring of measures and provides reliable and transparent information on the status. In January 2017, Eimskip signed a contract with a shipyard in China to build two 2,150 TEU ice-class Polar Code compliant container vessels, with expected delivery

in 2020; Brúarfoss and Dettifoss. These vessels are made in line with environmental standards and designed to be very fuel-efficient.

In 2019 a team of employees was appointed to review, select, and connect the operation and policies to the United Nations sustainable development goals. The emphasis will be on four goals that are related to the operation and policies of the company. In regards to that, measurable projects will be worked on and implemented within Eimskip in 2020.

A policy of equality has been active within Eimskip for many years. In January 2020, the company received a formal certification of operating the Equal Pay system, based on the Icelandic law, Act No. 10/2008, on the Equal Position and Equal Rights of Women and Men for Eimskip in Iceland. This certification confirms that processes and standards that have been implemented ensure that employees get equally paid for equally valuable jobs according to rules, regardless of gender or other objective points of view. Although the certification only applies to Eimskip in Iceland, it gives the company an opportunity to further develop its Equal Pay system.

One of the goals for 2020 will be to establish a cutting-edge recycling facility on Eimskip's premises and thus to take further steps of improving the re-use and recycling of operational waste, preparing for the coming circular economy. In 2020, the focus will also be on further implementing the Company's CSR policy within the Eimskip Group, with increased measures and a strong ambition to achieve set goals, in regards to reduction and publishing of the Eimskip's ecological footprint.

To support global and local environmental initiatives, Eimskip signed the Reykjavík Declaration on Climate Issues in November 2015, and has, in 2019, been working systematically on reducing its ecological footprint.

Eimskip is a registered participant in the UN Global Compact, the United Nation's initiative for social responsibility concerning human rights, labor, environment, and anti-corruption. The company has committed to managing its business operations so that the UN Global Compact and its Ten Principles become an integral part of the Eimskip's strategy, culture, and day-to-day operations.

Environmental Accounting

Operational Parameters

Operational Parameters	Unit	2015	2016	2017	2018	2019
Total revenue	m€	338.0	347.1	393.1	415.5	416.3
Number of full time equivalent employee	FTEs	842	865	916	896	887

Key performance indicators	Unit	2015	2016	2017	2018	2019
Transported cargo (KPI)	ton	1,866,665	1,981,899	2,127,978	2,262,791	2,356,632
Transported passengers	no.	302,322	338,479	344,351	339,442	24,524

Environmental

Greenhouse Gas Emissions	Unit	2015	2016	2017	2018	2019
Scope 1	tCO ₂ e	235,139	229,695	238,772 ^[1]	253,169	257,428
Scope 2 (location-based)	tCO ₂ e	266.3 ^[1]	258.9 ^[1]	239 ^[1]	255.6 ^[1]	234.8
Scope 2 (market-based)	tCO ₂ e	2,526	8,086	239	255.6	234.8
Scope 3	tCO ₂ e	363 ^{[1][2]}	399.4 ^{[1][2]}	428 ^{[1][2]}	493.8 ^{[1][2]}	401.7
Gross operational carbon emission	tCO ₂ e	238,294	230,353	239,439	253,918	258,065
Total emissions neutralized by carbon offset projects	tCO ₂ e	-	-	-	-	6.9
Net operational carbon emissions	tCO ₂ e	238,294	230,353	239,439	253,918	258,058

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

Emissions Intensity	Unit	2015	2016	2017	2018	2019
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	164.8	259.92	261.46	261.56	261.95
GhG emissions per full-time equivalent (FTEe) employee	tCO ₂ e/FTEs	13.7	244.29	261.4	283.39	290.94
GhG emissions per unit of revenue	tCO ₂ e/m€	705.0	609.0	609.3	610.4	619.9
GhG emissions per unit of transported cargo (KPI)	tCO ₂ e/ton	0.128	0.116	0.113	0.112	0.11
Development of the KPI from base year	%	0	9	11.9	12.1	14.2

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

Energy Usage	Unit	2015	2016	2017	2018	2019
Total energy consumption	kWh	898,391,971	812,986,101	915,765,890	970,779,963	985,153,462
Of which energy from fossil fuel	kWh	870,592,915	784,618,579	888,669,471	941,810,991	958,531,745
Of which energy from electricity	kWh	16,233,948	17,356,584	16,349,975	16,540,359	15,793,120
Of which energy from hot water	kWh	11,565,108	11,010,938	10,746,444	12,428,613	10,828,597
E3 UNGC: P7, P8 GRI 302-1, 302-2 SDG: 12 SASB: General Issue / Energy Management						

Energy Intensity	Unit	2015	2016	2017	2018	2019
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	1,066,974	939,868	999,744	1,083,460	1,110,658
Energy per unit of revenue	kWh/m€	2,657,964	2,342,899	2,330,193	2,333,606	2,366,451
E4 UNGC: P7, P8 GRI 302-3 SDG: 12 SASB: General Issue / Energy Management						

Energy Mix	Unit	2015	2016	2017	2018	2019
Fossil Fuel	%	96.9%	96.5%	97.0%	97.0%	97.3%
Renewable Energy	%	3.1%	3.5%	3.0%	3.0%	2.7%
E5 GRI 302-1 SDG: 7 SASB: General Issue / Energy Management						

Water Usage	Unit	2015	2016	2017	2018	2019
Total water consumption	m ³	244,554	231,443	235,997	261,224	250,101
Cold water	m ³	45,155	41,599	50,713	46,938	63,401
Hot water	m ³	199,398 ^[1]	189,844 ^[1]	185,284 ^[1]	214,286 ^[1]	186,700
E6 GRI: 303-5 SDG: 6 SASB: General Issue / Water & Wastewater Management						

Environmental Operations	Unit	2015	2016	2017	2018	2019
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	-	-	-	-	-
Does your company use a recognized energy management system?	yes/no	Yes	Yes	Yes	Yes	Yes
E7 GRI: 103-2 SASB: General Issue / Waste & Hazardous Materials Management						

Climate Oversight / Board	Unit	2015	2016	2017	2018	2019
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	-	-	-	-	-
E8 GRI: 102-19, 102-20, 102-29, 102-30, 102-31 SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure A)						

Climate Oversight / Management	Unit	2015	2016	2017	2018	2019
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	-	-	-	-	-
E9 GRI: 102-19, 102-20, 102-29, 102-30, 102-31 SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure B)						

Climate Oversight / Management	Unit	2015	2016	2017	2018	2019
Total annual investment in climate-related infrastructure, resilience, and product development	€	-	-	-	-	-
E10 UNGC: P9 SASB: General Issue / Physical Impacts of Climate Change, Business Model Resilience TCFD: Strategy (Disclosure A)						

Waste Management	Unit	2015	2016	2017	2018	2019
Total waste generated	kg	666,083	777,119	881,345	1,109,362	1,217,918
Of which sorted waste	kg	330,293	392,071	450,931	706,773	527,824
Of which unsorted waste	kg	335,790	380,278	429,614	400,789	331,097
Recycled/recovery	kg	-	-	8,610	566,222	424,232
Landfill/disposal	kg	110640	112569	190090	495644	786786
Percentage of sorted waste	%	49.60%	50.50%	51.20%	63.70%	43.30%
Percentage of recycled waste	%	-	-	1%	51%	34.80%

Waste Intensity	Unit	2015	2016	2017	2018	2019
Total waste per full-time equivalent (FTEe) employee	ton/FTEs	0.8	0.9	1	1.2	1.4
Total waste per unit of revenue	ton/m€	2	2.2	2.2	2.7	2.9

Business Trips	Unit	2015	2016	2017	2018	2019
Emissions from business trips	tCO2e	112.5	103.3	105.7	105.4	154.3
Flights	tCO2e	112.5	103.3	105.7	105.4	154.3

Cars/trucks primary energy source	Unit	2015	2016	2017	2018	2019
Total fuel consumption in litres	litres	4,181,805	4,359,483	4,445,011	4,393,537	4,124,396
Petrol	litres	60,836	52,841	51,576	41,325	38,413
Diesel oil	litres	4,120,969	4,306,642	4,393,435	4,352,212	4,085,983
Total fuel consumption in kg	kg	3,548,451	3,700,276	3,773,101	3,730,374	3,501,895
Petrol	kg	45,627	39,630	38,682	30,994	28,810
Diesel oil	kg	3,502,824	3,660,646	3,734,419	3,699,380	3,473,085

Paper Management	Unit	2015	2016	2017	2018	2019
Total amount of printed paper	pages		2,859,527	2,268,509	2,479,106	1,915,853
Share of color print	pages		12.60%	10.90%	13.80%	21%
Share of black/white print	pages		87.40%	89.10%	86.20%	79%

Emissions neutralized by carbon offset projects	Unit	2015	2016	2017	2018	2019
Emissions offset by forestry	tCO ₂ e	0	0	0	0	6.9
Total emissions offset	tCO ₂ e	-	-	-	-	6.9

Carbon Taxes	Unit	2015	2016	2017	2018	2019
Carbon tax, gas- and diesel oil	ISK/litre	5.84	6	6.3	9.45	10.4
Carbon tax, gasoline	ISK/litre	5.1	5.25	5.5	8.25	9.1
Carbon tax, fuel oil	ISK/kg	7.23	7.4	7.75	11.65	12.8
Carbon tax, crude oil, etc	ISK/kg	6.44	6.6	6.9	10.35	11.4
Total Carbon Tax (ESR)	ISK	24,376,723	26,117,267	27,962,309	41,469,335	42,843,782

Social

CEO Pay Ratio	Unit	2015	2016	2017	2018	2019
CEO Salary & Bonus (X) to median FTE Salary	X:1	6.3	6	6.1	6.2	4.6
Does your company report this metric in regulatory filings?	yes/no	-	-	-	-	-
S1 UNGC: P6 GRI 102-38						

Gender Pay Ratio	Unit	2015	2016	2017	2018	2019
Median total compensation for men (X) to median total compensation for women	X:1	-	-	-	-	-
Outcome of equal pay certification	%	-	-	-	-	1.7
S2 UNGC: P6 GRI: 405-2 SASB: General Issue / Employee Engagement, Diversity & Inclusion						

Employee Turnover	Unit	2015	2016	2017	2018	2019
Total Turnover	%	18.80%	22.30%	24.30%	24.70%	24.70%
Left voluntarily	no.	88	114	137	143	124
Left due to dismissal	-	27	35	39	34	59
Retired	-	16	8	10	17	13
Employee Turnover by gender	-	151	182	209	215	210
Women	%	9%	15%	20%	17%	23%
Men	-	91%	85%	80%	83%	77%
Age						
20-29	%	39.3%	35.4%	46.6%	44.2%	47.4%
30-39	%	17.2%	23.4%	22.3%	19.2%	18.7%
40-49	%	14.5%	16.6%	13.0%	12.0%	11.7%
50-59	%	12.4%	14.9%	9.8%	10.6%	13.5%
60-69	%	16.6%	9.7%	8.3%	13.9%	8.8%
S3 UNGC: P6 GRI: 401-1b SDG: 12 SASB: General Issue / Labor Practices						

Gender Diversity	Unit	2015	2016	2017	2018	2019
Number of employees	no	842	865	916	896	887
Women	%	18%	20%	21%	21%	19%
Men	-	81%	80%	79%	79%	81%
Number of part- time employees	no.	23	20	32	23	21
Women	%	65%	55%	53%	48%	43%
Men	%	35%	45%	47%	52%	57%
Number of managers	no.	59	59	64	59	65
Women	%	20%	24%	27%	25%	20%
Men	-	80%	76%	73%	75%	80%

S4|UNGC: P6|GRI: 102-8, 405-1|SASB: General Issue / Employee Engagement, Diversity & Inclusion

Temporary Worker Ratio	Unit	2015	2016	2017	2018	2019
Total number of employees	no	842	865	916	896	887
Full-time positions	%	94%	93%	95%	92%	94%
Full time positions held by Part- time Workers	%	2%	2%	2%	2%	2%
Full time positions held by temp worker	%	4%	5%	3%	6%	4%

S5|GRI: 102-8|UNGC: P6

Non-Discrimination	Unit	2015	2016	2017	2018	2019
Does your company follow a sexual harassment and/or non-discriminatory policy?	yes/no	Yes	Yes	Yes	Yes	Yes

S6|UNGC: P6|GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016)|SASB: General Issue / Employee Engagement, Diversity & Inclusion

Injury Rate	Unit	2015	2016	2017	2018	2019
Total number of injuries and fatalities, relative to the total workforce	%	1	7	5	5	5

S7|GRI: 403-9|SDG: 3|SASB: General Issue / Employee Health & Safety

Global Health & Safety	Unit	2015	2016	2017	2018	2019
Does your Company publish and follow an occupational health and/or global health & safety policy	yes/no	Yes	Yes	Yes	Yes	Yes
S8 GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018) SDG: 3 SASB: General Issue / Employee Health & Safety						

Child & Forced Labor	Unit	2015	2016	2017	2018	2019
Does your company follow a child labor policy?	yes/no	-	-	-	Yes	Yes
Does your company follow a forced labor policy?	yes/no	-	-	-	Yes	Yes
If yes, do your child and/or forced labor policy cover suppliers and vendors?	yes/no	-	-	-	-	-
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	Unit	2015	2016	2017	2018	2019
Does your company publish and follow a human rights policy?	yes/no	No	No	No	Yes	Yes
If yes, does your human rights policy cover suppliers and vendors?	yes/no	-	-	-	-	-
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

Board Diversity	Unit	2015	2016	2017	2018	2019
Total board seats occupied by women (as compared to men)	%	40	40	40	60	40
Committee chairs occupied by women (as compared to men)	%	-	-	-	-	50
G1 GRI 405-1 SDG: 10 SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)						

Board Independence	Unit	2015	2016	2017	2018	2019
Does the company prohibit the CEO from serving as board chair?	yes/no	Yes	Yes	Yes	Yes	Yes
Total board seats occupied by independents	%	80	80	80	80	60
G2 GRI: 102-23, 102-22						

Incentivized Pay	Unit	2015	2016	2017	2018	2019
Are executives formally incentivized to perform on sustainability	yes/no	-	No	No	No	No
G3 GRI: 102-35						

Collective Bargaining	Unit	2015	2016	2017	2018	2019
Total enterprise headcount covered by collective bargaining agreements to the total employee population	%	100%	100%	100%	100%	100%
G4 UNGC: P3 SDG: 8 GRI: 102-41 SASB: General Issue / Labor Practices (See also: SASB Industry Standards)						

Supplier Code of Conduct	Unit	2015	2016	2017	2018	2019
Are your vendors or suppliers required to follow a Code of Conduct	yes/no	No	No	No	No	No
If yes, what percentage of your suppliers have formally certified their compliance with the code	%	-	-	-	-	-
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)						

Ethics & Anti-Corruption	Unit	2015	2016	2017	2018	2019
Does your company follow an Ethics and/or Anti-Corruption policy?	yes/no	Yes	Yes	Yes	Yes	Yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	-	-	-	-	-
G6 UNGC: P10 SDG: 16 GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)						

Data Privacy	Unit	2015	2016	2017	2018	2019
Does your company follow a Data Privacy policy?	yes/no	No	No	No	Yes	Yes
Has your company taken steps to comply with GDPR rules?	yes/no	-	No	No	Yes	Yes
G7 GRI: 418 Customer Privacy 2016 SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)						

ESG Reporting	Unit	2015	2016	2017	2018	2019
Does your company publish a sustainability report?	yes/no	No	No	No	Yes	Yes
Is sustainability data included in your regulatory filings?	yes/no	No	No	No	Yes	Yes
G8 UNGC: P8						

Disclosure Practices	Unit	2015	2016	2017	2018	2019
Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	-	-	Yes	Yes	Yes
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	-	-	Yes	Yes	Yes
Does set targets and report progress on the UN SDGs?	yes/no	-	-	-	-	-
G9 UNGC: P8						

External Assurance	Unit	2015	2016	2017	2018	2019
Are your sustainability disclosures assured or validated by a third party?	yes/no	Yes	Yes	Yes	Yes	Yes
G10 UNGC: P8 GRI: 102-56						

Methodology

This report publishes Eimskip's GHG emission for 2019 in comparison with 2015, and puts forth a plan of action for 2020. The calculation methods, constants, and the statement are based on the Greenhouse Gas (GHG) Protocol, which is a standardized methodology used to calculate the environmental footprint of both companies and organizations.

Direct & Indirect GHG Emissions (E1)

The GHG Protocol divides emissions into three scopes to effectively set boundaries between direct and indirect emissions:

- Scope 1 accounts for direct GHG emissions from a company's operations. Direct emissions occur from sources that are owned or controlled by the company. In Eimskip's case, Scope 1 is limited to emissions from vehicles, heavy machinery and vessels.
- Scope 2 accounts for indirect GHG emissions relating to electricity consumption and heating. Emissions of this type do not occur within organizational boundaries of the company and are therefore considered to be indirect.
- Scope 3 accounts for indirect GHG emissions from Eimskip's value chain. There are several different factors involved, including emissions originating from flights, business trips via flight. It also includes emissions from waste-pickup and disposal from buildings and ships.

The GHG emissions are reported in tonnes CO₂ equivalents (tCO₂e). CO₂ equivalents is a quantity that describes, for a given mixture and amount of GHG, the amount of CO₂ that would have the same global warming potential (GWP), i.e. the ability of a gas to trap heat in the atmosphere when measured over the timescale of 100 years.

Net operational carbon emissions represents the net emissions of a company with neutralization of emissions by carbon offset projects is taken into account.

Emission Intensity (E2)

Emission intensity figures are based on combined Scope 1, Scope 2 (location-based), and Scope 3 (business travel via flight and waste pick-up and disposal). Emission intensity is calculated by dividing GHG emissions by a selected operational parameter unit, and is reported as tCO₂e per unit (such as tCO₂e per revenue unit). Emission intensity indicators are used to measure and compare the company's emissions relative to its operational scale.

Direct & Indirect Energy Consumption (E3)

The total energy consumption measures all energy consumed by the company, including fuels for the company's vehicles, heavy machinery and vessels (Scope 1) and energy from electricity and hot water (Scope 2). The energy consumption is reported by source in kilowatt-hours (kWh).

Energy Intensity (E4)

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 (FTEe)). Energy intensity indicators are used to measure the efficiency of energy usage and compare the company's energy consumption relative to its operational scale.

Notes

- [1] There are discrepancies between this statement and previously published statements, which is due to increased resolution of data via data streams.
- [2] As mentioned earlier in the report, this report includes international flight for the first time with data dating back to 2015.