

Eimskipafélag Íslands hf.
Sustainability Statement (ESG)
1 January to 30 December 2020

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 cover the period January 1 to December 31, 2020. 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 matters 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.

I hereby confirm The Company's Sustainability Statement for the period from January 1 to December 31, 2020.



Reykjavík, February 2021

Vilhelm Már Þorsteinsson

CEO, Eimskipafélag Íslands hf.

ENVIRONMENTAL ASSESSMENT REPORT

Signatory: Dr. Jón Ágúst Þorsteinsson

Project Manager: Selja Ósk Snorradóttir

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 January 1, to December 31, 2020.

A handwritten signature in blue ink, appearing to read 'Jon Agust Thorsteinsson', is positioned above the typed name.

Reykjavík, February 2021.

Dr. Jon Agust Thorsteinsson

CEO, Klappir Green Solutions hf.

COMPANY DESCRIPTION

Eimskip is a leading transportation company in the North Atlantic providing container and reefer liner services with connections to international markets and is specialized in worldwide freight forwarding services with focus on frozen and chilled commodities.

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 in Iceland with Air Iceland Connect from January 2018.
 - All international flights from March 2019 (from Eimskip’s registration system).

Base Year

Eimskip’s base year is 2015.

ENVIRONMENTAL HIGHLIGHTS

Eimskip has been one of the key companies in Iceland since its founding in 1914, connecting the country to the rest of the world with its extensive sailing system. In 1991, Eimskip became one of the first companies in Iceland to establish an environmental policy. Since then, challenges in this field have developed rapidly and the transportation industry, as well as others, realizes how important environmental issues are for the world today. Much has been accomplished since 1991, and Eimskip continues to take further steps towards improving its environmental performance and aligning to global and international initiatives.

As economic activities of the world shift towards sustainability, more responsible use of resources, and transparent ESG reporting, Eimskip makes great effort monitor the operation closely in regard to these matters. 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 been possible. This work has been done in collaboration with Klappir Green Solutions. Eimskip strives to take all three pillars of sustainability 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 onshore 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 overview of the carbon footprint of both individual vessels and workstations, as well as the totality of the operation.

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 manage 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.

The focus in 2020 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.

Examples of ESG projects in the year 2020

- The Company received a formal certification in Iceland of operating the Equal Pay system, based on the Icelandic law on the Equal Position 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. The company's vision for the future is that all employees are paid equal wages and enjoy the same terms of employment for work of equal value, including for those who work in other countries.
- The Company started a partnership with the entrepreneurial company Pure-North Recycling, which is developing new solutions for recycling plastic in Iceland. The goal of this project was that all plastic that falls into warehouses in Iceland would be recycled with Pure-North to reduce The Company's carbon footprint.
- Eimskip started quarterly publication of environmental statements which is a great milestone in managing and monitoring The Company's CO2 emissions.
- Eimskip took delivery of two new vessels, Brúarfoss and Dettifoss in 2020. These vessels are made in line with environmental standards and designed to be very fuel-efficient.

- Eimskip consolidated its headquarters in one location in Reykjavík. One of the reasons for the change was to reduce energy consumption. Another project that emerge from this change was the project Paperless Eimskip.
- Two methane trucks were added to the Company fleet in November 2020. This is a very important step towards Eimskip goal of reducing the Company's CO2 emissions by 40% by 2030. It is important for companies such as Eimskip to participate in energy exchange and to try out new environmentally friendly alternatives.
- Launched a service for larger customers who can now get access to their carbon footprint for their transportation with Eimskip
- In the third quarter, Eimskip collaborated with the consulting company Circular Solutions on a risk assessment of The Company's ESG. Circular also provided training on ESG for all executives and employees globally. Based on the risk analysis, Eimskip made an action plan for the next 3 years regarding Sustainability. The action plan took effect in November 2020 with one of the first projects being improving information on The Company website. Goals were set to improve and review The Company's policies by establishing teams across The Company's organization.
 - **Policies that have been reviewed**
 - Human Resource Policy
 - Code of Conduct
 - Equal Rights Policy and action plan for 2021-2023
 - **New policies that have been approved**
 - Whistleblower Policy
 - Money- Laundering Policy
 - Procurement Policy (OPEX)
 - Supplier Code of Conduct

FOCUS IN 2021

In 2021, the focus will be on further implementing The Company's Sustainability policy and the new policies that have been approved within the Eimskip group. New global goals of the United Nations that are most closely linked to the operation and to The Company's action plan will also be implemented. Focus will also continue to be on increasing waste management and to explore and try ways to replace the fleet with more environmentally friendly trucks.

Operational Parameters

Operational Parameters	Unit	2015	2016	2017	2018	2019	2020
Total Revenue	EUR m	338	347,1	393,1	415	416,3	383
Number of full time equivalent employee	FTEs	842	865	916	896	887	800
Transported cargo	tonne	1.866.665	1.981.899	2.127.978	2.262.791	2.356.632	2.425.172
Key performance indicators	Unit	2015	2016	2017	2018	2019	2020
GHG emissions per unit of transported cargo	kgCO ₂ e/tonne	126,3	116,2	112,5	112,2	111,9	115,5
development of GHG per transp. unit	%	100%	92%	89,1%	88,9%	88,6%	91,4%
development of KPI excluding voyage from China	%	100%	-	-	-	-	86,9%
development of KPI excluding VSA related consumptions between Reykjavik and Nuuk	%	100%	-	-	-	-	86,2%

Environmental

Greenhouse Gas Emissions	Unit	2015	2016	2017	2018	2019	2020
Scope 1	tCO ₂ e	235.139	229.695	238.771,6	253.179,1	262.984,2	279.490,1
Scope 2 (location-based)	tCO ₂ e	266,8	258,6	239	262,3	260,6	251,1
Scope 2 (market-based)	tCO ₂ e	2.526	8.086	239	262,3	260,6	251,1
Scope 3	tCO ₂ e	374,9	420,7	441,6	508,1	417,7	316,1
Gross operational carbon emission	tCO ₂ e	235.780,6	230.374,3	239.452,2	253.949,4	263.662,5	280.057,4
Total emissions neutralized by carbon offset projects	tCO ₂ e	0	0	0	0	6,9	4,5
Net operational carbon emissions	tCO ₂ e	235.780,6	230.374,3	239.452,2	253.949,4	263.655,6	280.052,9

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	2020
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	273,2	262	261,5	254,1	258,7	255,9
GhG emissions per full-time equivalent (FTE) employee	tCO ₂ e/FTEs	280,02	266,33	261,41	283,43	297,25	350,07
GhG emissions per unit of revenue	kgCO ₂ e/EUR m	697.575,79	663.711,61	609.138,23	611.926,38	633.347,42	731.220,27
GhG emissions per unit of transported cargo (KPI)	tCO ₂ e/tonne	0,126	0,116	0,113	0,112	0,112	0,115
Development of the KPI from base year	%	100%	92,03%	89,09%	88,85%	88,58%	91,42%

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

Energy Usage	Unit	2015	2016	2017	2018	2019	2020
Total energy consumption	kWh	863.091.987	879.231.148	915.765.890	999.567.598	1.019.195.640	1.094.363.387
Of which energy from bio fuel	kWh	0	0	0	0	0	15.572
Of which energy from fossil fuel	kWh	835.243.214	850.889.744	888.669.471	970.589.197	991.552.905	1.067.639.816
Of which energy from electricity	kWh	16.231.089	17.356.579	16.349.975	16.587.947	16.737.614	15.524.718
Of which energy from hot water	kWh	11.617.684	10.984.825	10.746.444	12.390.454	10.905.121	11.183.281
Direct Energy Consumption	kWh	835.243.214	850.889.744	888.669.471	970.589.197	991.552.905	1.067.655.388
Indirect Energy Consumption	kWh	27.848.773	28.341.404	27.096.419	28.978.401	27.642.735	26.707.999

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

Energy Intensity	Unit	2015	2016	2017	2018	2019	2020
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	1.025.050	1.016.452	999.744	1.115.589	1.149.037	1.367.954
Energy per unit of revenue	kWh/EUR m	2.553.526,6	2.533.077,3	2.329.600,3	2.408.596,6	2.448.224	2.857.345

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

Energy Mix	Unit	2015	2016	2017	2018	2019	2020
Fossil Fuel	%	97,1%	97,9%	97%	97,1%	97,3%	97,6%
Nuclear Energy	%	0,2%	0,4%	-	-	-	-
Renewable Energy	%	2,7%	1,7%	3%	2,9%	2,7%	2,4%

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

Water Usage	Unit	2015	2016	2017	2018	2019	2020
Total water consumption	m ³	245.460	230.993	235.997	260.534	254.240	262.285
Cold water	m ³	45.155	41.599	50.713	46.906	66.221	69.470
Hot water	m ³	200.305	189.394	185.284	213.629	188.019	192.815

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

Environmental Operations	Unit	2015	2016	2017	2018	2019	2020
Does your company follow a formal Environmental Policy?	yes/no	-	-	-	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	Yes
Is the Environmental Policy approved by the board	yes/no	-	-	-	-	Yes	Yes

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

Waste Management	Unit	2015	2016	2017	2018	2019	2020
Total waste generated	kg	660.481	769.279	862.691	1.109.356	1.217.918	1.198.288
Of which sorted waste	kg	14.922	20.392	22.565	683.657	886.821	876.658
Of which unsorted waste	kg	330.200	374.568	423.838	400.789	331.097	321.630
Recycled/recovery	kg	327.589	387.836	427.670	591.032	364.222	272.938
Landfill/disposal	kg	332.802	381.443	435.021	518.324	853.696	925.350
Percentage of sorted waste	%	2,3%	2,7%	2,6%	61,6%	72,8%	73,2%
Percentage of recycled waste	%	-	-	-	53,3%	29,9%	22,8%

Waste Intensity	Unit	2015	2016	2017	2018	2019	2020
Total waste per full-time equivalent (FTEe) employee	kg/FTEs	784,4	889,3	941,8	1.238,1	1.373,1	1.497,9
Total waste per unit of revenue	kg/EUR m	1.954,1	2.216,3	2.194,6	2.673,1	2.925,6	3.128,6

Business Trips	Unit	2015	2016	2017	2018	2019	2020
Emissions from business trips	tCO ₂ e	112,5	103,3	105,7	105,4	154,3	85,2
Flights	tCO ₂ e	112,5	103,3	105,7	105,4	154,3	85,2
Taxi	tCO ₂ e	-	-	-	-	-	-
Primary energy source	Unit	2015	2016	2017	2018	2019	2020
Total fuel consumption in litres	litres	64.787.866	71.876.194	81.129.367	85.938.683	90.058.607	97.102.368
Methane	litres	-	-	-	-	-	1.420
Petrol	litres	60.836	52.841	51.576	43.337	43.307	31.242
Diesel oil	litres	4.120.969	4.306.642	4.393.435	4.354.530	4.220.656	3.772.931
Total fuel consumption in kg	kg	3.548.451	3.700.276	3.773.101	3.733.853	3.620.038	3.231.453
Methane	kg	-	-	-	-	-	1.030
Petrol	kg	45.627	39.630	38.682	32.503	32.481	23.431
Diesel oil	kg	3.502.824	3.660.646	3.734.419	3.701.350	3.587.557	3.206.992
Paper Management	Unit	2015	2016	2017	2018	2019	2020
Total weight of printed papers	kg	0	14.343,4	11.378,8	12.435,2	9.609,9	6.262
Total amount of printed paper	pages	-	2.859.527	2.268.508	2.479.106	1.915.853	1.248.402
of which color print	pages	-	360.300	247.267	342.117	402.329	223.985
of which black/white print	pages	-	2.499.227	2.021.241	2.136.989	1.513.524	1.024.417
Emissions neutralized by carbon offset projects	Unit	2015	2016	2017	2018	2019	2020
Total emissions offset	tCO ₂ e	0	0	0	0	6,9	4,5
Emissions offset by forestry	tCO ₂ e	0	0	0	0	6,9	4,5
Emissions offset by wetland restoration	tCO ₂ e	0	0	0	0	0	0
Emissions offset by other means	tCO ₂ e	-	-	-	-	-	-
Carbon Taxes	Unit	2015	2016	2017	2018	2019	2020
Carbon tax, gas- and diesel oil	ISK/litre	5,84	6	6,3	9,45	10,4	11,45
Carbon tax, gasoline	ISK/litre	5,1	5,25	5,5	8,25	9,1	10
Carbon tax, fuel oil	ISK/kg	7,23	7,4	7,75	11,65	12,8	14,1
Carbon tax, crude oil, etc	ISK/kg	6,44	6,6	6,9	10,35	11,4	12,55
Total Carbon Tax (ESR)	ISK	24.376.722,56	26.117.267,25	27.962.308,5	41.507.838,75	44.288.916,1	43.512.479,95
Total Carbon Tax (ETS)	ISK	-	-	-	-	-	-

Social

CEO Pay Ratio	Unit	2015	2016	2017	2018	2019	2020
CEO Salary & Bonus (X) to median FTE Salary	X:1	6,3	6	6,1	6,2	4,6	4,3
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	2020
Median total compensation for men (X) to median total compensation for women	X:1	-	-	-	-	-	-
Outcome of equal pay certification	%	-	-	-	-	1,7%	0,7%

S2 | UNGC: P6 | GRI: 405-2 | SASB: General Issue / Employee Engagement, Diversity & Inclusion

Employee Turnover	Unit	2015	2016	2017	2018	2019	2020
Full-time Employees							
Year-over-year change for full-time employees	%	18,8%	-	-	-	43,5%	24,7%
Dismissal	%	-	-	-	-	10,8%	7,9%
Retirement	%	-	-	-	-	1,4%	1,7%
Part-time Employees							
Year-over-year change for part-time employees	%	-	-	-	-	-	13,6%
Dismissal	%	-	-	-	-	-	3,4%
Retirement	%	-	-	-	-	-	0%
Gender							
Men	%	9%	85%	80%	83%	77%	88%
Women	%	91%	15%	20%	17%	23%	12%
Age							
<20	%	-	-	-	-	-	-
20-29	%	39,3%	35,4%	46,6%	44,2%	39%	38%
30-39	%	17,2%	23,4%	22,3%	19,2%	24,8%	19%
40-49	%	14,5%	16,6%	13%	12%	12,9%	13%
50-59	%	12,4%	14,9%	9,8%	10,6%	12,4%	12%
60-69	%	16,6%	9,7%	8,3%	13,9%	11%	17%
70+	%	-	-	-	-	-	-

S3 | UNGC: P6 | GRI: 401-1b | SDG: 12 | SASB: General Issue / Labor Practices

Gender Diversity	Unit	2015	2016	2017	2018	2019	2020
Enterprise Headcount							
Percentage of women in enterprise	%	19%	20%	20,3%	20,2%	19,2%	19,3%
Women	no.	160	173	185	180	170	154
Men	no.	682	692	730	715	716	646
Senior- and Executive-level Positions							
Percentage of women in senior- and executive-level positions	%	20%	24%	27%	25%	20%	20%
Women	no.	9	14	17	15	13	12
Men	no.	38	45	47	44	52	47

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

S5|GRI: 102-8|UNGC: P6

Non-Discrimination	Unit	2015	2016	2017	2018	2019	2020
Does your company follow a sexual harassment and/or non-discriminatory policy?	yes/no	Yes	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	2020
Total number of injuries and fatalities, relative to the total workforce	%	1%	7%	5%	5%	5%	6,3%

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

Global Health & Safety	Unit	2015	2016	2017	2018	2019	2020
Does your Company publish and follow an occupational health and/or global health & safety policy	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
Total absence from work (X) to total working hours of all employees	X:1	0	0	0	0	-	-
Absence from work due to long-term illness (X) to total working hours of all employees	X:1	0	0	0	0	-	-
Absence from work due to short-term illness (X) to total working hours of all employees	X:1	0	0	0	0	-	-

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	2020
Does your company follow a child labor policy?	yes/no	-	-	-	Yes	Yes	Yes
Does your company follow a forced labor policy?	yes/no	-	-	-	Yes	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	2020
Does your company publish and follow a human rights policy?	yes/no	No	No	No	Yes	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

	Unit	2015	2016	2017	2018	2019	2020
Board Diversity							
Total board seats occupied by women (as compared to men)	%	40%	40%	40%	60%	40%	40%
Committee chairs occupied by women (as compared to men)	%	-	-	-	-	33,3%	33,3%
<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 CEO from serving as board chair?	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
Total board seats occupied by independents	%	80%	80%	80%	80%	60%	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 Bargaining							
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 Conduct							
Are your vendors or suppliers required to follow a Code of Conduct	yes/no	No	No	No	No	No	In progress
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>							
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?	%	-	-	-	-	-	-
<i>G6 UNGC: P10 SDG: 16 GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)</i>							

Data Privacy	Unit	2015	2016	2017	2018	2019	2020
Does your company follow a Data Privacy policy?	yes/no	No	No	No	Yes	Yes	Yes
Has your company taken steps to comply with GDPR rules? <i>G7 GRI: 418 Customer Privacy 2016 SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)</i>	yes/no	-	No	No	Yes	Yes	Yes

ESG Reporting	Unit	2015	2016	2017	2018	2019	2020
Does your company publish a sustainability report?	yes/no	No	No	No	Yes	Yes	Yes
Is sustainability data included in your regulatory filings? <i>G8 UNGC: P8</i>	yes/no	No	No	No	Yes	Yes	Yes

Disclosure Practices	Unit	2015	2016	2017	2018	2019	2020
Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	-	-	Yes	Yes	Yes	Yes
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	-	-	Yes	Yes	Yes	Yes
Does your company set targets and report progress on the UN SDGs? <i>G9 UNGC: P8</i>	yes/no	-	-	-	-	-	-

External Assurance	Unit	2015	2016	2017	2018	2019	2020
Are your sustainability disclosures assured or validated by a third party? <i>G10 UNGC: P8 GRI: 102-56</i>	yes/no	Yes	Yes	Yes	Yes	Yes	Yes

METHODOLOGY

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.

1. 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.

2. Net operational carbon emissions

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

3. 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.

4. 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).

5. 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] Individual assets' use of electricity and hot water is estimated based on data from previous periods, as data through the end of the period were not available. The estimate amounts to 3% of electricity use and 75% of hot water use. Emissions from electricity usage in Scope 2 were calculated using the emissions factors from the National Inventory Report published by The Environmental Agency of Iceland. The coefficients reflect total electricity production in Iceland over a specified period.

[3] Fuel used for cars and trucks.