



Climate issues ▾

Climate issues

We endeavour to know the environmental impact of our activities. Work on analysing our carbon footprint and impact on society is on-going.



In addition to detailed analysis of our direct and indirect environmental impact higher up in the value chain, we have now for the first time analysed greenhouse gas (GHG) emissions from the Bank's credit portfolio and published that information.

GHG emissions from the Bank's traditional operation is mainly from air travel, employee travel to and from work, fuel consumption by the Bank's cars and indirect emissions from the production of computer equipment.

GHG emissions from our operation decreased by 44% between years, not counting emissions from credit products. This reduction is mainly caused by less use of concrete in construction of the Bank's new building in central Reykjavík.

YoY comparison of GHG emissions

The above figure breaks down emissions by scope as defined by the international guidelines of the Greenhouse Gas Protocol. The GHG Protocol is an internationally approved methodology generally used to calculate the corporate carbon footprint.

Emissions from the Bank's traditional operation amount to a mere 1% of total emissions from our activities, with indirect emissions from the credit portfolio having the largest impact. Indirect emissions are always most significant in our operation. While we can only impact indirect emissions indirectly, we are working to minimise them, through such actions as communication with our suppliers and customers. Only a small portion of the carbon footprint of the Bank's traditional operation is direct, or from electricity or heat generation.

GHG Protocol methodology

The GHG Protocol methodology defines scope of emission as follows:

Scope 1

Direct emissions from our operation, i.e. emissions from owned or controlled sources.

The figure below is a clear representation of the origin of emissions from the Bank's traditional operation. Employee travel to and from work, the production of computer equipment and fuel combustion by the Bank's cars are the largest GHG emission factors in our operation, excepting indirect emissions from the construction of new headquarters and from credit products, which represent the major share of GHG emissions from our operation.

Greenhouse gas emissions by scope

The Covid-19 pandemic has led to changes in the operation of many companies, such as employees working more from home. In calculating the Bank's carbon footprint, we now also factor in GHG emissions from home office work. Construction of the Bank's new building at Austurbakki is still a major factor in GHG emissions even though such emissions have decreased considerably, as shown in the figure above, as concrete work is mostly finished.

It is important for banks to know the indirect impact of their GHG emissions to take informed decisions on climate issues.

This year, we estimated emissions from the Bank's lending activity in 2019 using the methodology of the Partnership for Carbon Accounting Financials PCAF. We have also completed the same calculations for 2018 and 2020 and the main results are presented in the figure below for three credit portfolios: a) corporate loans to legal entities, b) housing mortgages, and c) vehicle loans.

GHG emissions from credit portfolio

This information allows us to focus more on working with companies to finance solutions that will

minimise GHG emissions.

Carbon-offset operation

We have carbon-offset the Bank's traditional operation in 2021 and renewed our internationally acclaimed certification from CarbonNeutral®. Our operation is carbon-offset through internationally approved actors and the purchase of certified carbon credits. Working with Natural Capital Partners, we have purchased carbon credits that have undergone a strict certification process and certainly led to carbon sequestration or avoidance of GHG emissions. This allows us to counterbalance our unavoidable emissions. We will nevertheless continue our efforts to reduce emissions from our operation and help customers to do the same.



 [Legal notice](#)

 [Accompanying documents](#)

 [Landsbankinn's website](#)

Governance and Organisation

From the Chairman
From the CEO
Strategy
Governance
Main news 2021

Satisfied customers

Smarter banking service
Personal banking
Corporate banking
Asset Management & Capital Markets

Sustainability

Key sustainability initiatives
Climate issues
Sustainability accounts
Human resources and equality
Collaboration, support and instruction

Financials

Highlights of the Annual Financial Statement
Funding
Risk management
Documents accompanying the Annual Report

Landsbankinn hf.

Austurstraeti 11, 155 Reykjavik
Reg. No. 471008-0280
Swift/BIC: NBIIISRE
Sími: +354 410 4000
landsbankinn@landsbankinn.is