

Eimskipafélag Íslands hf.
Sustainability Statement (ESG)
1 January to 31 December 2021

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, 2021. 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, Eimskip Germany, Eimskip Poland, Eimskip Spain, and Eimskip UK. 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. 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, 2021



Reykjavík, February 2022

Vilhelm Már Þorsteinsson

CEO, Eimskipafélag Íslands hf.

SUSTAINABILITY STATEMENT

Project manager: Selja Ósk Snorradóttir

Eimskip's 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).

Klappir has assisted with the sustainability statement. The statement is based on information that the Klappir sustainability platform has gathered throughout the year.

The sustainability statement contains key information on environmental, social, and governance aspects in Eimskip's operations. Klappir planned and conducted the work in accordance with the principles of the Greenhouse Gas Protocol standards (Relevance, Accuracy, Completeness, Consistency, Transparency).

Klappir has reviewed and assessed Eimskip's data with accuracy and the best available information at this time, excluding the social and governance data. Klappir is not responsible for any investment decisions based on the information presented in this statement.

Reykjavík, February 2022



Jón Ágúst Þorsteinsson Ph.D.
CEO, Klappir

ORGANIZATIONAL AND OPERATIONAL BOUNDARIES

About Eimskip

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 a focus on frozen and chilled commodities.

Organizational Boundaries

Environmental

The "Operational Control" methodology has been chosen to report on Eimskip's emissions. According to the "Operational Control" methodology, companies should account for 100 percent of greenhouse gas emissions from operations under their control. It should not account for greenhouse gas emissions from operations that it has no control over, even though it has a vested interest in its operations.

Eimskip's environmental statement covers the following entities:

- Eimskipafélag Íslands hf.
- Eimskip Ísland ehf.
- Eimskip's shipping department in Norway
- Faroe Ship
- Eimskip Germany
- Eimskip Poland
- Eimskip Spain
- Eimskip UK

Eimskip aims to get a complete overview of all ESG data of its' subsidiaries over the next year.

Social and Governance

All employees (1621) are now included in Social and Governance part of the ESG statement.

Operational Boundaries

Eimskip has taken steps towards including all subsidiaries in the sustainability statement. All subsidiaries are now included in social and governance data. Environmental data is included for the first time this year for the following entities for Scope 1 and Scope 2: Faroe Ship, Eimskip Germany, Eimskip Poland, Eimskip Spain and Eimskip UK, excluding heating data for Eimskip Poland and Eimskip UK. Currently, Scope 3 data is only available for operations in Iceland.

Scope 1

Mobile combustion and stationary combustion

Scope 2

Electricity and heating

Scope 3

3.5. Waste generated in operations

3.6. Business travel

- Icelandair flights from January 2015 – to March 2019.
- Domestic flights in Iceland with Air Iceland Connect from January 2018.
- All international flights from March 2019 (from Eimskip's registration system).

HIGHLIGHTS

Greenhouse Gas Emissions: Eimskip's Total emissions were 297,988 tCO₂e in 2021. Scope 2 emissions amounted to 1,102 tCO₂e. The significant increase in Scope 2 emissions between years is due to the addition of Eimskip International offices in this year's statement.

Energy Usage: Eimskip's total energy usage was 1,180,312,235 kwh in 2021. Energy usage includes electricity, heating, and fuel usage. Thereof, indirect energy usage from hot water and electricity consumption amounted to 28,367,0683 kWh.

Key performance indicators: Eimskip's emissions per unit of transported cargo have decreased by 18% since the year 2015.

Additions since the last statement: Eimskip has taken steps towards including all subsidiaries in the sustainability statement.

All subsidiaries are now included in social and governance data.

Environmental data is included for the first time this year for the following entities for Scope 1 and Scope 2: Faroe Ship, Eimskip Germany, Eimskip Poland, Eimskip Spain, and Eimskip UK, excluding heating data for Eimskip Poland and Eimskip UK.

Carbon offset: Eimskip's total carbon offset measures amounted to 843 tCO₂e.

OPERATIONAL PARAMETERS

	Unit	2015	2017	2018	2019	2020	2021
Total Revenue ¹	EUR m	338	393,1	415	416,3	383	556,3
Number of full-time equivalent employee ¹	FTEs	842	916	896	887	800	1.062
Transported cargo	tonne	1.866.665	2.127.978	2.262.791	2.356.632	2.479.001	2.602.455
Key performance indicators							
	Unit	2015	2017	2018	2019	2020	2021
GHG emissions per unit of transported cargo adjusted to the scope of the official KPI set in 2015 ²	kgCO ₂ e/tonne	126,3	112,1	111,9	111,6	105,9	103,1
development of GHG per transported unit	%	100%	89,0%	88,8%	88,6%	84,1%	81,8%

¹ Offices in the Faroe Islands Germany, Poland, Spain and the UK are now part of the environmental ESG statement in addition to Eimskipafélag Íslands and vessel departments in Norway and Faroe Island

² Official KPI set in 2015 is used to measure the development of reducing GHG emissions 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 tonne of transported unit. 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	2017	2018	2019	2020	2021
Scope 1	tCO ₂ e	235.139	238.575	253.179	262.984	278.095	296.684
Scope 2 (location-based)	tCO ₂ e	267	239	264	260	267	1.102
Scope 3 ³	tCO ₂ e	375	442	508	416	316	202
Gross operational carbon emission	tCO ₂ e	235.781	239.256	253.951	263.661	278.678	297.988

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

Emissions Intensity

	Unit	2015	2017	2018	2019	2020	2021
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	273	261	262	262	256	252
GhG emissions per full-time equivalent (FTEe) employee	kgCO ₂ e/FTEs	280.024	261.196	283.427	297.250	348.348	280.591
GhG emissions per unit of revenue	kgCO ₂ e/EURm	697.576	608.638	611.929	633.343	727.620	535.658

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

Energy Usage

	Unit	2015	2017	2018	2019	2020	2021
Total energy consumption	kWh	863.091.987	915.014.499	970.968.590	1.006.773.316	1.089.270.905	1.180.312.235
Of which energy from biofuel	kWh	0	0	0	0	15.572	119.732
Of which energy from fossil fuel	kWh	835.243.214	887.918.080	941.852.808	979.195.318	1.061.977.271	1.151.825.434
Of which energy from electricity	kWh	16.231.089	16.349.975	16.725.329	16.677.931	15.697.285	17.911.972
Of which energy from heating	kWh	11.617.684	10.746.444	12.390.454	10.900.068	11.580.777	10.455.096
Direct Energy Consumption	kWh	835.243.214	887.918.080	941.852.808	979.195.318	1.061.992.843	1.151.945.167
Indirect Energy Consumption	kWh	27.848.773	27.096.419	29.115.782	27.577.999	27.278.062	28.367.068

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

³ Scope 3 data is only available for operations in Iceland

Energy Intensity

Energy per full-time equivalent (FTEe) employee

Energy per unit of revenue

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

Unit	2015	2017	2018	2019	2020	2021
kWh/FTEs	1.025.050	998.924	1.083.670	1.135.032	1.361.589	1.111.405
kWh/EUR m	2.553.527	2.327.689	2.339.683	2.418.384	2.844.049	2.121.708

Energy Mix

Fossil Fuel

Nuclear Energy

Renewable Energy

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

Unit	2015	2017	2018	2019	2020	2021
%	97,1%	97, %	97%	97,3%	97,5%	97,7%
%	0,2%	0%	0%	0%	0%	0%
%	2,7%	3%	2,9%	2,7%	2,5%	2,3%

Water Usage

Total water consumption

Cold water

Hot water

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

Unit	2015	2017	2018	2019	2020	2021
m ³	245.462	235.998	260.536	252.292	230.032	219.613
m ³	45.157	50.715	46.907	64.360	30.364	39.455
m ³	200.305	185.284	213.629	187.932	199.669	180.128

Waste Management

Total waste generated

Of which sorted waste

Of which unsorted waste

Recycled/recovery

Landfill/disposal

Percentage of sorted waste

Percentage of recycled waste

Unit	2015	2017	2018	2019	2020	2021
kg	660.481	862.691	1.109.356	1.217.918	1.198.288	1.347.263
kg	14.922	22.565	683.657	886.821	876.658	1.013.316
kg	330.200	423.838	400.789	331.097	321.630	333.947
kg	327.589	427.670	580.752	363.382	272.938	407.512
kg	332.802	435.021	528.604	854.536	925.350	939.751
%	2,3%	2,6%	61,6%	72,8%	73,2%	75%
%	-	-	52,4%	29,8%	22,8%	30,2%

Waste Intensity

Total waste per full-time equivalent (FTEe) employee

Total waste per unit of revenue

Unit	2015	2017	2018	2019	2020	2021
kg/FTEs	784	942	1.238	1.373	1.498	1.269
kg/EUR m	1.954	2.195	2.673	2.926	3.129	2.422

Business Trips		Unit	2015	2017	2018	2019	2020	2021
Emissions from business trips		tCO ₂ e	112,5	105,7	105,4	154,3	85,2	63,7
Flights		tCO ₂ e	112,5	105,7	105,4	154,3	85,2	63,7
Primary energy source of cars and trucks		Unit	2015	2017	2018	2019	2020	2021
Total fuel consumption in kg		kg	72.585.053	74.359.126	78.810.569	82.028.172	86.549.791	91.687.884
Petrol		kg	45.627	38.682	32.503	32.481	23.354	31.841
Biomethane		kg	-	-	-	-	1.030	7.918
Diesel oil		kg	3.502.824	3.734.419	3.701.350	3.587.557	3.206.992	3.913.200
Paper Management		Unit	2015	2017	2018	2019	2020	2021
Total weight of printed papers				12.553	14.077	11.567	7.347	5.672
Total amount of printed paper		pages	-	2.268.508	2.479.098	1.915.851	1.248.404	1.003.384
of which color print		pages	-	247.264	342.113	402.327	223.986	133.397
of which black/white print		pages	-	2.021.244	2.136.985	1.513.524	1.024.418	869.987
Emissions neutralized by carbon offset projects		Unit	2015	2017	2018	2019	2020	2021
Total emissions offset		tCO ₂ e	0	0	0	6,9	4,5	843
Emissions offset by forestry		tCO ₂ e	0	0	0	6,9	4,5	843
Emissions offset by wetland restoration		tCO ₂ e	0	0	0	0	0	0
Carbon Taxes		Unit	2015	2017	2018	2019	2020	2021
Carbon tax, gas- and diesel oil		ISK/litre	5,84	6,3	9,45	10,4	11,45	11,75
Carbon tax, gasoline		ISK/litre	5,1	5,5	8,25	9,1	10	10,25
Carbon tax, fuel oil		ISK/kg	7,23	7,75	11,65	12,8	14,1	14,45
Carbon tax, crude oil, etc		ISK/kg	6,44	6,9	10,35	11,4	12,55	12,85
Total Carbon Tax (ESR)		ISK	24.376.723	27.962.306	41.507.834	44.288.914	43.511.447	54.529.385

Environmental Operations

	Unit	2015	2017	2018	2019	2020	2021
Does your company follow a formal Environmental Policy?	yes/no	-	-	Yes	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	-	-	-	-	-	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	2017	2018	2019	2020	2021
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	-	-	-	-	-	Yes
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	-	-	-	-	-	-

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	2017	2018	2019	2020	2021
Total annual investment in climate-related infrastructure, resilience, and product development	EUR m	-	-	-	-	-	-

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

SOCIAL⁴

CEO Pay Ratio⁵	Unit	2015	2017	2018	2019	2020	2021
CEO Salary & Bonus (X) to median FTE Salary	X:1	6,3	6,1	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 Ratio⁶	Unit	2015	2017	2018	2019	2020	2021
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 Turnover⁷	Unit	2015	2017	2018	2019	2020	2021
Full-time Employees							
Year-over-year change for full-time employees	%	18,8%	23,3%	24,3%	24,7%	21,4%	20,0%
Dismissal	%	-	-	-	-	7,2%	2,8%
Retirement	%	-	-	-	-	1,1%	1,5%
Gender							
Men	%	-	-	-	-	21%	20%
Women	%	-	-	-	-	24%	20%
Age							
<20	%	-	-	-	-	29%	18%
20-29	%	-	-	-	-	32%	30%
30-39	%	-	-	-	-	19%	22%
40-49	%	-	-	-	-	18%	15%
50-59	%	-	-	-	-	14%	10%
60-69	%	-	-	-	-	30%	28%
70+	%	-	-	-	-	100%	100%
<i>S3/UNGC: P6/GRI: 401-1b/SDG: 12/SASB: General Issue / Labor Practices</i>							

⁴ Social includes all Eimskip Employees globally which are 1621

⁵ Comparison to FTE Salary in Iceland

⁶ Equal pay certification has yet to be measured for the whole Eimskip group, this number represents the outcome of the equal pay re-certification for Eimskip Iceland.

⁷ Changes in the calculation – From 2015-2019 only employees in Eimskip Iceland and shipping department in Norway & Faroe Islands were included. The calculation for 2020 and 2021 now available for all employees

Gender Diversity⁸

Enterprise Headcount

	Unit	2015	2017	2018	2019	2020	2021
Percentage of women in enterprise	%	19%	20%	20%	19%	30%	30%
Women	no.	160	185	180	170	472	464
Men	no.	682	730	715	716	1092	1098

Senior- and Executive-level Positions

Percentage of women in senior- and executive-level positions	%	20%	27%	25%	20%	29%	29%
Women	no.	9	17	15	13	55	51
Men	no.	38	47	44	52	189	176

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

S5|GRI: 102-8|UNGC: P6

Non-Discrimination

Does your company follow a sexual harassment and/or non-discriminatory policy?

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

Injury Rate⁹

Total number of injuries and fatalities, relative to the total workforce

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

Global Health & Safety

Does your Company publish and follow an occupational health and/or global health & safety policy

Total absence from work (X) to total working hours of all employees

Absence from work due to long-term illness (X) to total working hours of all employees

Absence from work due to short-term illness (X) to total working hours of all employees

S8|GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018)|SDG: 3|SASB: General Issue / Employee Health & Safety

	Unit	2015	2017	2018	2019	2020	2021
yes/no	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
	Unit	2015	2017	2018	2019	2020	2021
%	%	1%	5%	5%	5%	6,3%	3%
	Unit	2015	2017	2018	2019	2020	2021
yes/no	yes/no	Yes	Yes	Yes	Yes	Yes	Yes
X:1	X:1	-	-	-	-	-	-
X:1	X:1	-	-	-	-	-	-
X:1	X:1	-	-	-	-	-	-

⁸ Changes in the calculation – From 2015-2019 only employees in Eimskip Iceland and shipping department in Norway & Faroe Islands were included. Calculation for 2020 and 2021 now available for all employees

⁹ Changes in the calculation – From 2015-2019 only employees in Eimskip Iceland and shipping department in Norway & Faroe Islands were included. Calculation for 2020 and 2021 now available for all employees

Child & Forced Labor

Does your company follow a child labor policy?

Does your company follow a forced labor policy?

If yes, do your child and/or forced labor policy cover suppliers and vendors?¹⁰

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

Unit	2015	2017	2018	2019	2020	2021
yes/no	-	-	Yes	Yes	Yes	Yes
yes/no	-	-	Yes	Yes	Yes	Yes
yes/no	-	-	-	-	-	Yes

Human Rights

Does your company publish and follow a human rights policy?

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

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

Unit	2015	2017	2018	2019	2020	2021
yes/no	No	No	Yes	Yes	Yes	Yes
yes/no	-	-	-	-	-	Yes

¹⁰ Published on www.eimskip.com

Governance

Board Diversity

Total board seats occupied by women (as compared to men)

Committee chairs occupied by women (as compared to men)

G1|GRI 405-1|SDG: 10|SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)

Unit	2015	2017	2018	2019	2020	2021
%	40%	40%	60%	40%	40%	60%
%	-	-	-	33,3%	33,3%	0%

Board Independence

Does the company prohibit the CEO from serving as board chair?

Total board seats occupied by independents

G2|GRI: 102-23, 102-22

Unit	2015	2017	2018	2019	2020	2021
yes/no	Yes	Yes	Yes	Yes	Yes	Yes
%	80%	80%	80%	60%	80%	80%

Incentivized Pay

Are executives formally incentivized to perform on sustainability

G3|GRI: 102-35

Unit	2015	2017	2018	2019	2020	2021
yes/no	-	No	No	No	No	No

Collective Bargaining¹¹

Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population

G4|UNGC: P3|SDG: 8|GRI: 102-41|SASB: General Issue / Labor Practices (See also: SASB Industry Standards)

Unit	2015	2017	2018	2019	2020	2021
%	100	100	100	100	100	100

Supplier Code of Conduct¹²

Are your vendors or suppliers required to follow a Code of Conduct

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)

Unit	2015	2017	2018	2019	2020	2021
yes/no	No	No	No	No	No	Yes
%	-	-	-	-	-	-

Ethics & Anti-Corruption

Unit	2015	2017	2018	2019	2020	2021
------	------	------	------	------	------	------

¹¹ Applies only to Iceland

¹² Policy published on Company's website www.eimskip.com, implementation in process

Does your company follow an Ethics and/or Anti-Corruption policy?
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

Does your company follow a Data Privacy policy?
Has your company taken steps to comply with GDPR rules?

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

ESG Reporting

Does your company publish a sustainability report?
Is sustainability data included in your regulatory filings?

G8/UNGC: P8

Disclosure Practices

Does your company provide sustainability data to sustainability reporting frameworks?
Does your company focus on specific UN Sustainable Development Goals (SDGs)?
Does your company set targets and report progress on the UN SDGs?

G9/UNGC: P8

External Assurance

Are your sustainability disclosures assured or validated by a third party?

C: P8/GRI: 102-56

yes/no	Yes	Yes	Yes	Yes	Yes	Yes	Yes
%	-	-	-	-	-	-	-
Unit	2015	2017	2018	2019	2020	2021	2021
yes/no	No	No	Yes	Yes	Yes	Yes	Yes
yes/no	-	No	Yes	Yes	Yes	Yes	Yes
Unit	2015	2017	2018	2019	2020	2021	2021
yes/no	No	No	Yes	Yes	Yes	Yes	Yes
yes/no	No	No	Yes	Yes	Yes	Yes	Yes
Unit	2015	2017	2018	2019	2020	2021	2021
yes/no	-	Yes	Yes	Yes	Yes	Yes	Yes
yes/no	-	Yes	Yes	Yes	Yes	Yes	Yes
yes/no	-	-	-	-	-	-	-
Unit	2015	2017	2018	2019	2020	2021	2021
yes/no	Yes	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.

Direct & Indirect GHG Emissions

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.
- Scope 2 accounts for indirect GHG emissions relating to electricity consumption, heating, and cooling. Emissions of this type do not occur within the organizational boundaries of the company and are therefore considered to be indirect.
- Scope 3 accounts for indirect GHG emissions from Eimskip's value chain.

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. Methane CH₄ does for example have a global warming potential of about 25 CO₂e and nitrous oxide N₂O of around 298 CO₂e. The statement, therefore, reports all greenhouse gas emissions in tonnes CO₂e.

DEFINITIONS

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 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

The total energy consumption measures all energy consumed by the Company, including fuels for the Company's vehicles (Scope 1) and energy from electricity and hot water (Scope 2). The energy consumption is reported by a source 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 (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.

Waste Intensity

Waste intensity indicates how much waste (in kilograms) is generated in relation to a selected operational parameter. This metric can help the Company estimate whether waste increases or decreases according to the changes in operational parameters.

Scope 2 (location-based)

Scope 2 includes the emissions from electricity and water purchased from the grid.

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.