

Carbon Accounting Report 2021

Eika Boligkreditt

This report provides an overview of the organisation's greenhouse gas (GHG) emissions, which is an integrated part of the organisation's climate strategy. Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

This report comprises the following unit: Eika Boligkreditt.

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO₂-equivalents (tCO₂e). The carbon footprint analysis is based on the international standard; *A Corporate Accounting and Reporting Standard*, developed by the Greenhouse Gas Protocol Initiative (GHG Protocol). The GHG Protocol is the most widely used and recognised international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-1.

Reporting Year Energy and GHG Emissions

Emission source	Description	Consumption	Unit	Energy (MWh)	Emissions tCO ₂ e	% share
Transportation total				24.4	5.9	62.3 %
Petrol		2,516.0	liters	24.4	5.9	62.3 %
Scope 1 total				24.4	5.9	62.3 %
Electricity total				42.8	1.3	14.0 %
Electricity Nordic mix		42,800.0	kWh	42.8	1.3	14.0 %
District heating location total				15.1	0.1	1.5 %
District heating NO/Oslo		15,135.0	kWh	15.1	0.1	1.5 %
Electric vehicles total				9.3	0.8	8.5 %
Electric car Nordic		48,750.0	km	9.3	0.3	3.1 %
Hybrid vehicles		4,250.0	km	-	0.5	5.4 %
Scope 2 total				67.2	2.3	24.0 %
Waste total				-	0.1	1.1 %
Residual waste, incinerated		181.0	kg	-	0.1	1.0 %
Paper waste, recycled		112.0	kg	-	0.002	0.03 %
Glass waste, recycled		8.0	kg	-	< 0.001	0.002 %
Organic waste, recycled		311.0	kg	-	0.007	0.1 %
Plastic waste, recycled		23.0	kg	-	< 0.001	0.07 %
Hazardous waste, recycled		-	kg	-	-	-
Business travel total				-	1.2	12.7 %
Domestic		20.0	flight trip	-	1.2	12.7 %
Scope 3 total				-	1.3	13.8 %
Total				91.6	9.5	100.0 %
KJ				329,679,144.0		

Reporting Year Market-Based GHG Emissions

Category	Unit	2021
Electricity market-based	tCO ₂ e	10.6
Scope 2 market-based	tCO ₂ e	11.6
Total market-based	tCO ₂ e	18.7

Carbon Accounting 2021

In the carbon accounting for 2021, Eika Boligkreditt had a total emission of 9.5 tons CO₂-equivalents (tCO₂e). This is the same value as 2020. The company experienced a decrease in emissions of 61.2% in 2020 compared to 2019, most likely due to the implications of the Covid-19 pandemic resulting in a reduction in transportation and business travel, less waste generation and electricity consumption. 2021 has, in the same way as 2020, been an unnormal operating year. Compared with the last normal operating year, 2019, Eika Boligkreditt showcased a reduction in emissions of 15.5 tCO₂e.

The greenhouse gas (GHG) emissions in 2021 were separated into Scope 1, 2, and 3 in the following way:

Scope 1: 5.9 tCO₂e (62.3 %)

Scope 2: 2.3 tCO₂e (24.0 %)

Scope 3: 1.3 tCO₂e (13.8 %)

Scope 1

Transportation: Actual consumption of fossil fuels in the company's vehicles (leased). Total fuel consumption in 2021 corresponds to the emission of 5.9 tCO₂e, which is an increase of 25.5% from 2020. Petrol accounts for most of the emissions in Scope 1.

Scope 2

Electricity: Measured use of electricity in company-owned or leased locations. The table shows GHG emissions from electricity calculated with the location-based emission factor Nordic Mix. The overall emissions from electricity in 2021 is 1.3 tCO₂e and have increased by 0.7 tCO₂e compared with 2020.

Electricity with a market-based emission factor is presented at the top of page 3 in this report. As Eika Boligkreditt did not purchase Guarantees of Origins for their electricity use in 2021, the emission factor Nordic Mix is used. In 2021 the emissions from electricity were 10.6 tCO₂e with the market-based method, a reduction of 2.1 tCO₂e. The purpose of presenting the emissions from electricity consumption with two different emission factors is further explained under Scope 2 in Method.

District heating: Use of district heating in company-owned or leased locations. The emissions from district heating were reduced by 0.1 tCO₂e in 2021.

Electric cars: The use of electricity for company-owned or leased vehicles. The emissions from electric vehicles were 0.3 tCO₂e in 2021.

Hybrid cars: Emissions from hybrid cars were 0.5 tCO₂e in 2021. Hybrid cars have not previously been reported separately in the climate accounts of Eika Boligkreditt. For the reporting year 2021, hybrid cars have been separated in the carbon accounting to achieve a more precise emissions calculation.

Scope 3

Air travel: Measured in the number of flight trips per region. Air travel accounted for GHG emissions of 1.2 tCO₂e in 2021, which equals 12.7% of Eika Boligkreditts total emissions in 2021. Emissions linked to travel activity have been heavily reduced in 2021 and 2020. In 2022, we will expect an increase as corona-related

restrictions are lifted, but travel activity will not reach the pre-corona level because digital forms of interaction such as Teams and Zoom are expected to continue and replace some of necessary for physical meetings that involve travel.

Waste: Reported waste in kg divided into different waste fractions, as well as treatment methods (recycled, energy recovered, landfilled). Emissions from waste are reduced from 0.2 tCO₂e in 2020 to 0.1 tCO₂e in 2021.

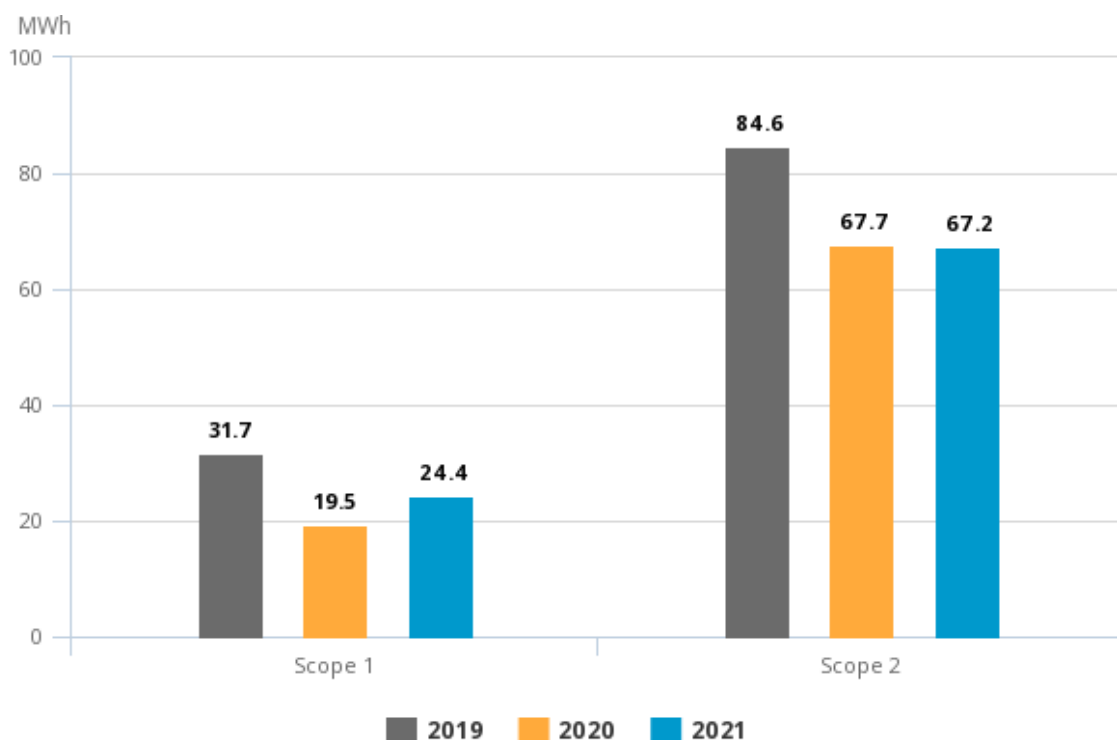
Internal climate goal 2030

Eika Boligkredit's target for the internal climate footprint was set in 2020. The target indicates that emissions will be reduced by 50 per cent until 2030 from a benchmark set at an average for emissions in 2012–2019. In 2030, the company will have a lower climate footprint than 14.9 tonnes of CO₂e. The company has already achieved this goal in both 2020 and 2021 due to the Covid-19 pandemic. Emissions are mainly linked to travel activity, which has been sharply reduced in 2020 and 2021. In 2022 and onwards, an increase in travel will be expected as corona-related restrictions are lifted, but the activity will probably not reach the pre-corona level. To ensure that we reach the final target in 2030, the company has set annual sub-targets (27.0 tonnes of CO₂e in 2021). In 2021, the company reduced its emissions by approximately three times as much for a total emission of 9.5 tonnes of CO₂e.

Annual GHG Emissions

Category	Description	2019	2020	2021	% change from previous year
Transportation total		7.5	4.7	5.9	25.3 %
Petrol		1.5	4.7	5.9	25.3 %
Diesel (NO)		5.9	-	-	-
Scope 1 total		7.5	4.7	5.9	25.3 %
Electricity total		2.5	2.0	1.3	-32.9 %
Electricity Nordic mix		2.5	2.0	1.3	-32.9 %
District heating location total		0.2	0.2	0.1	-17.9 %
District heating NO/Oslo		0.2	0.2	0.1	-17.9 %
Electric vehicles total		0.2	0.3	0.8	154.1 %
Electric car Nordic		0.2	0.3	0.3	-7.1 %
Hybrid vehicles		-	-	0.5	100.0 %
Scope 2 total		3.0	2.5	2.3	-7.9 %
Waste total		0.6	0.2	0.1	-47.9 %
Residual waste, incinerated		0.6	0.2	0.1	-49.3 %
Paper waste, recycled		0.005	0.004	0.002	-36.4 %
Glass waste, recycled		0.001	< 0.001	< 0.001	-38.5 %
Organic waste, recycled		0.013	0.01	0.007	-30.3 %
Hazardous waste, recycled		< 0.001	0.04	-	-100.0 %
Plastic waste, recycled		< 0.001	< 0.001	< 0.001	91.7 %
Business travel total		14.0	2.1	1.2	-43.2 %
Continental/Nordic		8.0	2.1	-	-100.0 %
Intercontinental		2.7	-	-	-
Domestic		3.2	-	1.2	100.0 %
Mileage all. car (NO)		0.2	-	-	-100.0 %
Scope 3 total		14.6	2.3	1.3	-43.6 %
Total		25.0	9.5	9.5	-0.2 %
Percentage change		100.0 %	-62.1 %	-0.2 %	

Annual energy consumption (MWh) Scope 1 & 2



Annual Market-Based GHG Emissions

Category	Unit	2019	2020	2021
Electricity market-based	tCO ₂ e	13.2	12.7	10.6
Scope 2 market-based	tCO ₂ e	13.6	13.2	11.6
Total market-based	tCO ₂ e	35.6	20.2	18.7
Percentage change		100.0 %	-43.4 %	-7.1 %

Annual Key Energy and Climate Performance Indicators

Name	Unit	2019	2020	2021	% change from previous year
Total emissions (s1+s2+s3) (tCO2e)		25.0	9.5	9.5	-0.2 %
Total energy scope 1 +2 (MWh)		116.4	87.2	91.6	5.0 %
Sum square meters (m2)		298.0	298.0	298.0	-
Sum locations kWh/m2		284.0	227.2	225.5	-0.7 %
Emissions per FTE (kgCO2e per FTE)		1,263.0	498.5	497.7	-0.2 %
Emissions per revenue (kgCO2e per million revenue)		38.6	11.7	11.3	-2.9 %
FTE		19.8	19.0	19.0	-
Areal	m ²	298.0	298.0	298.0	-
Revenue	MNOK	648.1	811.9	834.9	2.8 %

Methodology and sources

The Greenhouse Gas Protocol initiative (GHG Protocol) was developed by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). This analysis is done according to *A Corporate Accounting and Reporting Standard Revised edition*, currently one of four GHG Protocol accounting standards on calculating and reporting GHG emissions. The reporting considers the following greenhouse gases, all converted into CO₂-equivalents: CO₂, CH₄ (methane), N₂O (laughing gas), SF₆, HFCs, PFCs and NF₃.

For corporate reporting, two distinct approaches can be used to consolidate GHG emissions: the equity share approach and the control approach. The most common consolidation approach is the control approach, which can be defined in either financial or operational terms.

The carbon inventory is divided into three main scopes of direct and indirect emissions.

Scope 1 includes all direct emission sources. This includes all use of fossil fuels for stationary combustion or transportation, in owned and, depending on the consolidation approach selected, leased, or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2 includes indirect emissions related to purchased energy; electricity and heating/cooling where the organisation has operational control. The electricity emission factors used in Cemsys are based on national gross electricity production mixes from the International Energy Agency's statistics (IEA Stat). Emission factors per fuel type are based on assumptions in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA statistics.

In January 2015, the GHG Protocol published new guidelines for calculating emissions from electricity consumption. Primarily two methods are used to "allocate" the GHG emissions created by electricity generation to the end consumers of a given grid. These are the location-based and the market-based methods. The location-based method reflects the average emission intensity of the grids on which energy consumption occurs, while the market-based method reflects emissions from electricity that companies have purposefully chosen (or not chosen).

Organisations who report on their GHG emissions will now have to disclose both the location-based emissions from the production of electricity, and the market-based emissions related to the potential purchase of Guarantees of Origin (GoOs) and Renewable Energy Certificates (RECs).

The purpose of this amendment in the reporting methodology is on the one hand to show the impact of energy efficiency measures, and on the other hand to display how the acquisition of GoOs or RECs affect the GHG emissions. Using both methods in the emission reporting highlights the effect of all measures regarding electricity consumption.

The location-based method: The location-based method is based on statistical emissions information and electricity output aggregated and averaged within a defined geographic boundary and during a defined time period. Within this boundary, the different energy producers utilize a mix of energy resources, where the use of fossil fuels (coal, oil, and gas) result in direct GHG-emissions. These emissions are reflected in the location-based emission factor.

The market-based method: The choice of emission factors when using this method is determined by whether the business acquires GoOs/RECs or not. When selling GoOs or RECs, the supplier certifies that the electricity is produced exclusively by renewable sources, which has an emission factor of 0 grams CO₂e per kWh. However, for electricity without the GoO or REC, the emission factor is based on the remaining electricity production after all GoOs and RECs for renewable energy are sold. This is called a residual mix, which is normally substantially higher than the location-based factor. As an example, the market-based Norwegian residual mix factor is approximately 7 times higher than the location-based Nordic mix factor. The reason for this high factor is due to Norway's large export of GoOs/RECs to foreign consumers. In a

market perspective, this implies that Norwegian hydropower is largely substituted with an electricity mix including fossil fuels.

Scope 3 includes indirect emissions resulting from value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not controlled by the company, i.e. they are indirect. Examples are business travel, goods transportation, waste handling, consumption of products etc.

In general, the carbon accounting should include information that users, both internal and external to the company, need for their decision making. An important aspect of relevance is the selection of an appropriate inventory boundary which reflects the substance and economic reality of the company's business relationships.