GHG Emission Accounting Report 2023

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. GHG emissions accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual GHG emissions accounting report enables the organisation to benchmark performance indicators and evaluate progress over time.

The report comprises Eika Boligkreditts' financed emissions and emissions related to operations.

The input is based on consumption data from internal and external sources, which has then been converted into tonnes CO_2-equivalents (tCO_2e) using generic and/or specific emission factors. The GHG emissions accounting 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 on a company level, and is the basis for the ISO standard 14064-I.

Reporting Year Energy and GHG Emissions

Emission source	Description	Consumption	Unit	Energy (MWh)	Emissions tCO_2e	% share
Transportation total				**20.2**	**5.0**	**<0.01%**
Petrol (E5)		1 750.0	Liters	15.8	3.9	<0.01%
Petrol (E5)	Hybrid	480.0	Liters	4.3	1.1	<0.01%
Scope 1 total				**20.2**	**5.0**	**<0.01%**
Electricity total				**58.4**	**1.1**	**<0.01%**
Electricity Norway (NVE)		58 398.0	kWh	58.4	1.1	<0.01%
Electric cars total				**12.5**	**0.3**	<0.01%
Electric car Nordic	El- and hybrid car	66 000.0	km	12.5	0.3	<0.01%
District heating location total				**21.6**	**0.2**	**<0.01%**
District heating NO / Oslo		21 647.0	kWh	21.6	0.2	<0.01%
Scope 2 total				**92.6**	**1.7**	**<0.01%**
Waste total				**-**	**0.2**	**<0.01%**
Residual waste, incinerated		355.7	Kg	-	0.2	<0.01%
Paper waste, recycled		97.8	Kg	-	<0.01	<0.01%
Glass waste, treated		70.6	Kg	-	<0.01	<0.01%
Organic waste, treated		678.6	Kg	-	0.01	<0.01%
Plastic waste, recycled		36.1	Kg	-	<0.01	<0.01%
Business travel total				**-**	**5.3**	**<0.01%**
Air travel, domestic		5 770.0	Pkm	-	0.9	<0.01%
Air travel, continental		36 036.0	Pkm	-	4.0	<0.01%
Hotel nights, Europe		25.0	Nights	-	0.34	<0.01%
Hotel nights, Nordic		4.0	Nights	-	0.03	<0.01%
Mortgage portfolio total				**-**	**17 300.0**	**99.9 %**
Electricty Norway	Location-based	17 300.0	tCO_2e	-	17 300.0	99.9 %
Scope 3 total				**-**	**17 305.5**	**100.0 %**
Total (Without mortgage portfolio)				**112.8**	**12.1**	**100.0 %**
Total				**112.8**	**17 312.1**	**100.0 %**
KJ				**405 959 400.0**		

Reporting Year Market-based GHG Emissions

Category	Unit	2023
Electricity Total (Scope 2) with Market-based calculations	tCO_2e	29.3
Scope 2 Total with Market-based electricity calculations	tCO_2e	29.9
Scope 1+2+3 Total with Market-based electricity calculations	tCO_2e	420 040.3

GHG emission accounting 2023

Eika Boligkreditt had a total GHG emission of 17 312.1 ton CO_2-equivalents (tCO_2e) in 2023 according to the location-based emission factor. As of 2023, Eika Boligkreditt have included their mortgage portfolio in Scope 3. This has resulted in a significant increase in their total emissions. The GHG emissions from 2023 are divided between Scope 1, 2 and 3 with the following distribution:

Scope 1: 5.0 tCO_2e (0.03 %)

Scope 2: 1.7 tCO_2e (0.01 %)

Scope 3: 17 305.5 tCO_2e (99.96%)

Scope 1

Transportation: Consumption of fossil fuel used for the company's vehicles is estimated (leased petrol car and petrol-hybrid). Total consumption of fossil fuel in 2023 was 5.0 tCO_2e, a reduction of 29.6% from 2022. Petrol is the only source of emissions in Scope 1. Electricity from hybrid cars is reported in Scope 2.

Scope 2

Scope 2 emissions for Eika Boligkreditt covers office premises (electricity), office premises (district heating) and electricity consumption from transportation (electric- and hybrid cars). Eika Boligkreditt has previously used Nordic Mix as the emission factor (based on data from IEA), but for 2023 the company has used Electricity Norway (NVE) as the emission factor, following the guidance from Finance Norway (location-based and market-based). The NVE emission factor have also been used for historical data to enable continuity in the reporting.

Location-based emissions

The total Scope 2 (location-based) emissions for Eika Boligkreditt in 2023 is 1.7 tCO_2e. This constitutes an increase of 112.5% from 2022 when the total emissions accounted for 0.8 tCO_2e. The table shows the GHG emissions from electricity using the location-based emission factor Electricity Norway (NVE). The NVE electricity factor includes import and export of electricity in the Norwegian power grid. The decision to phase out German nuclear power combined with the Russian invasion of Ukraine has contributed to energy deficit and high electricity prices in Europe. The war in Ukraine has led to sanctions against Russia which effects the German industry's access to cheap Russian gas. Furthermore, this has led to the reopening of the German coal power plant and increasing coal production because of the nuclear power plant being phased out. Increased export of German and Danish coal power to Norway has led to a significant increase in the carbon footprint per kWh.

Office premises

Electricity: The measured consumption of electricity in leased office premises. The electricity consumption for Eika Boligkreditts' offices accounts for 1.1 tCO_2e, an increase of 120% from 2022.

District heating: Usage of district heating in leased office premises. The emissions from the usage of district heating accounted for 0.2 tCO_2e in 2023, which is a doubling from the previous year. The increase of 0.1 tCO_2e shows an increase in the consumption of district heating from 2022 to 2023.

Transportation (electric- and hybrid cars)

Electric cars- and hybrid cars: Usage of leased electric company cars. The emissions from electric cars accounts for 0.3 tCO_2e in 2023. This is an increase of 0.1 tCO2e (50%) from 2022. Hybrid cars were separated in the accounting in 2022 to enable a more correct GHG emissions accounting. From 2022 a new method has been used to account for the emissions from hybrid cars based on their driving pattern. This has led to an increase in Scope 1 emissions and is not comparable to the emissions from hybrid cars in 2021.

Market-based emissions

In 2023, emissions from electricity consumption were 29.3 tCO_2e using the market-based factor, an increase of 9.6 tCO_2e which corresponds to an increase of 48.73% from 19.7 tCO_2e in 2022. With the market-based method, the total emissions in Scope 2 were 29.9 tCO_2e in 2023, an increase of 9.9 tCO_2e which corresponds to an increase of 49.5%. The reason for the large increase is connected to an increased share of coal power in the residual mix from Germany and Denmark (NVE, 2022). The total market-based emission is presented in the table at the top of page 3 of the report. The table shows greenhouse gas emissions from electricity calculated with the market-based emission factor Electricity Norway (NVE).

Scope 3

Business travels: Measured in passenger kilometers (pkm) and hotel nights (number of nights). Emissions from air travel totaled 4.9 tCO_2e, a reduction of 48.96% from 9.6 tCO_2e in 2022. No bus trips have been recorded in 2023. Hotel nights were reported for the first time in 2023 and resulted in an emission of 0.3 tCO_2e in 2023. In total, there was a decrease in emissions from business trips of 4.4 tCO_2e, which corresponds to a reduction of 45.4% from 2022.

Waste: Reported waste in kg divided into different waste fractions, as well as treatment method (recycled, energy recovered, landfilled). Emissions from waste have remained stable in 2023 compared to previous years.

Mortgage portfolio: 2023 is the first time Eika Boligkreditt includes the mortgage portfolio in the internal climate accounting. Finance Norway's "Guide for calculating financed greenhouse gas emissions" for mortgages was completed in 2023 and the company has used this methodology to calculate its financed emissions. Using a market-based emission factor, the company's financed emissions were calculated at 420 000 tCO_2e and 17 300 tCO_2e using a location-based emission factor.

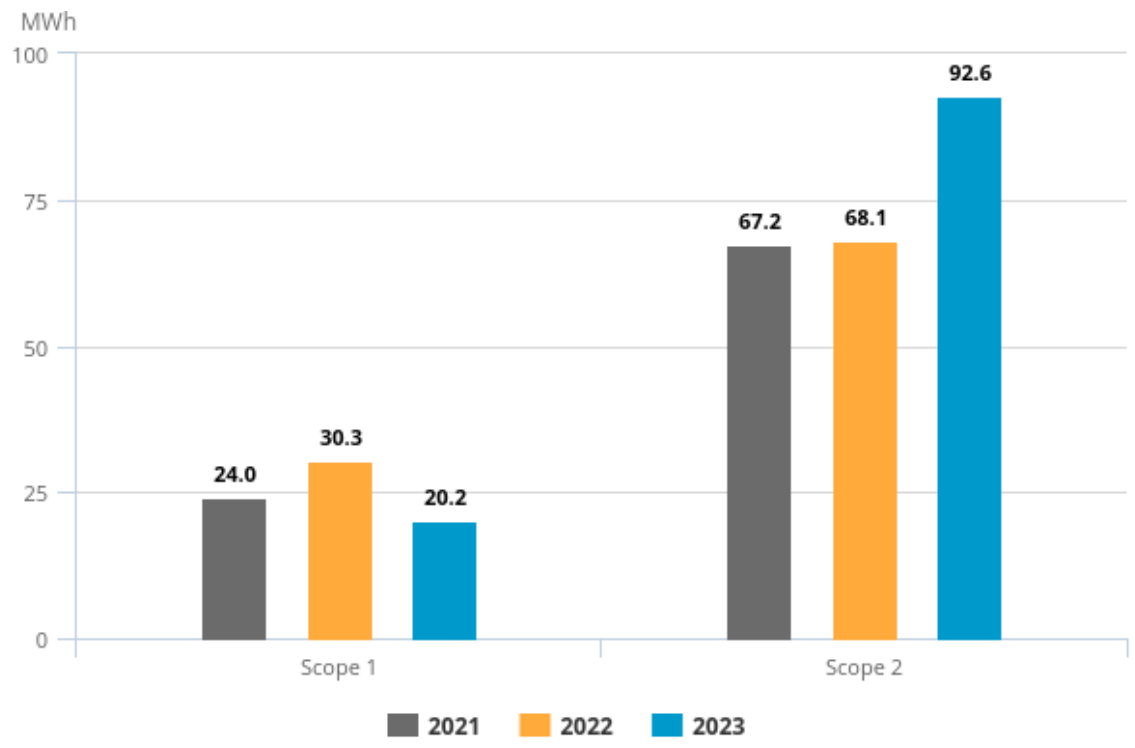
Target setting for 2030

Eika Boligkreditt has a goal of reducing its climate footprint (scope 1, scope 2 and scope 3 business trips and waste) until 2030. The footprint must be reduced by 50 percent until 2030 from a reference point that is set at an average for emissions in 2012– 2019. In 2030, the company must have a climate footprint that is lower than 14.9 tCO_2e. The company should achieve this objective through annual milestones. In 2023, the partial target was set at 24.3 tCO_2e. The company's climate footprint excluding the mortgage portfolio was 12.1 tCO_2e in 2023. Since the target was set, Eika Boligkreditt has managed to meet all the sub-targets towards the target in 2030. The residential mortgage portfolio makes up the largest part of the company's climate accounting. It has not yet been possible for Eika Boligkreditt to set any targets regarding climate emissions for the residential mortgage portfolio because Eika Boligkreditt is only a source of funding for the lending activities that take place in the alliance banks. A goal of net zero emissions in the lending business that takes place through Eika Boligkreditt must be done in conjunction with such goals being set by the owner banks. A project has been set up with the aim that the banks in the Eika Alliance will establish such ambitions for their lending activities.

Annual GHG emissions

Category	Description	2021	2022	2023	% change from previous year
Transportation total		**5.6**	**7.1**	**5.0**	**-29.6 %**
Petrol (E5)		5.6	5.4	3.9	-27.8 %
Petrol (E5)	Hybrid	-	1.6	1.1	-31.3 %
Scope 1 total		**5.6**	**7.1**	**5.0**	**-29.6 %**
Electricity location-based total		**0.3**	**0.5**	**1.1**	**120.0 %**
Electricity Norway (NVE)		0.3	0.5	1.1	120.0 %
Electric cars total		**0.8**	**0.2**	**0.3**	**50.0 %**
Electric car Nordic	Electric- and hybrid cars	0.3	0.2	0.3	50.0 %
Hybrid cars		0.5	0.02	-	-100.0 %
District heating total		**0.1**	**0.1**	**0.2**	**100.0 %**
District heating NO / Oslo		0.1	0.1	0.2	100.0 %
Scope 2 total		**1.3**	**0.8**	**1.7**	**112.5 %**
Waste total		**0.1**	**0.2**	**0.2**	**-**
Residual waste, incinerated		0.1	0.2	0.2	0.2 %
Paper waste, recycled		<0.01	<0.01	<0.01	-28.5 %
Glass waste, recycled		<0.01	<0.01	<0.01	56.5 %
Organic waste, treated		<0.01	0.01	0.01	30.8 %
Plastic waste, recycled		<0.01	<0.01	<0.01	- 22.3
Hazardous waste, recycled		-	-	-	-
Business travel total		**1.2**	**9.7**	**5.3**	**-45.4 %**
Air travel, domestic		1.2	0.5	0.9	80.0 %
Air travel, continental		-	9.1	4.0	-56.0 %
Hotel nights, Europe		-	-	0.3	100.0 %
Bus regional		-	0.1	-	-100.0 %
Hotel nights, Nordic		-	-	-	<0.01 %
Mortgage portfolio total		**10 852.0**	**17 974.0**	**17 300.0**	**-3.75 %**
Electricity Norway (NVE)	Location-based	10 852.0	17 974.0	17 300.0	-3.75 %
Scope 3 total		**10 853.3**	**17 983.9**	**17 305.5**	**3.72 %**
Total (Without mortgage portfolio)		**8.2**	**17.9**	**12.1**	**-32.4 %**
Total		**10 860.2**	**17 991.8**	**17 312.1**	**-3.78 %**
Precentage change		**100.0 %**	**65.5 %**	**-3.78 %**	

Annual energy consumption (MWh) Scope 1 & 2



Annual location-based GHG emissions

Category	Unit	2021	2022	2023
Electricity Total (Scope 2) with locations-based calculations	tCO_2e	0.3	0.5	1.1
Scope 2 Total with location-based electricity calculations	tCO_2e	1.3	0.8	1.7
Scope 1+2+3 Total with location-based electricity calculations	tCO_2e	10 860.2	17 991.9	17 312.1
Percentage change		**114 553.9 %**	**65.7 %**	**-3.78 %**

Annual market-based emissions

Category	Unit	2021	2022	2023
Electricity Total (Scope 2) with market-based calculations	tCO_2e	17.2	19.7	29.3
Scope 2 Total with market-based electricity calculations	tCO_2e	18.1	20.0	29.9
Scope 1+2+3 Total with market-based electricity calculations	tCO_2e	399 562.0	474 902.0	420 040.3
Percentage change		**197 703.9 %**	**18.86 %**	**-11.55 %**

Annual key numbers and climate indicators

Name	Unit	2021	2022	2023	% change from previous year
Total emissions (S1+S2+S3)	tCO_2e	10 862.3	17 991.8	17 312.1	-3.78 %
Total energy consumption Scope 1+2	MWh	91.2	98.4	112.8	14.6 %
Total kWh/m2 (Scope 2)	kWh/m^2	225.5	228.5	310.7	36.0 %
Emission per FTE	tCO_2e/FTE	571.6	999.1	910.8	- 8.84 %
Emissions per MNOK/Revenue	tCO_2e/MNOK	13.0	34.0	28.8	-15.3 %
Emission per million utlånsportefølje	tCO_2e/MNOK	0.119	0.187	0.176	-6.01 %
Full-time employee	FTE	19.0	18.0	19.0	5.56 %
Area	m^2	298.0	298.0	298.0	-
Mortgage portfolio	MNOK	91 327.0	95 971.0	98 261.3	2.39 %
Revenue	MNOK	834.9	528.2	600.1	13.61 %

Methodology

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 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., as well as leakage of refrigerants.

Scope 2 includes indirect emissions related to purchased energy, including electricity and heating/cooling in assets owned/controlled by the organisation.

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 generated by electricity production to the end consumers on a given grid, namely the location-based and the market-based method. 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 marked-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 emissions accounting highlights the effect of both of these types of 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. Eika Boligkreditt has chosen to move away from the Electricity Nordic Mix (based on IEA data for the Nordics) and has adopted the Electricity Norway (NVE) emission factor from the Norwegian Water Resources and Energy Directorate (NVE). The emission factor change has been implemented retroactively in previous years to correctly display yearly changes.

The market-based method: The choice of emission factors when using this method is determined by whether the organisation acquires GoOs/RECs or not. When selling GoOs for renewable electricity or RECs, the supplier guarantees that the same amount of electricity has been produced exclusively from renewable sources, which is assumed to have an emission factor of 0 grams CO2e per kWh. However, for electricity without GoOs or RECs, the emission factor should instead be based on the remaining electricity supply after all GoOs for renewable electricity and/or RECs have been sold and cancelled. This is called the residual mix, which in most cases is connected to a substantially higher emission factor than the location-based emission factor.

Scope 3 includes indirect emissions resulting from other value chain activities. The scope 3 emissions are a result of the company's upstream and downstream activities, which are not directly controlled by the organisation. Examples include production of purchased goods and services, business travel, goods transportation, waste handling, use of sold products, etc.

In general, the carbon accounting should include information that stakeholders, 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 relationship

Sources

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The reference list above is not necessarily complete, but contains the most essential references used in CEMAsys. In addition, several local/national sources may be used, depending on the selection of emission factors.