



IS Green Bonds Allocation and Impact report 2022



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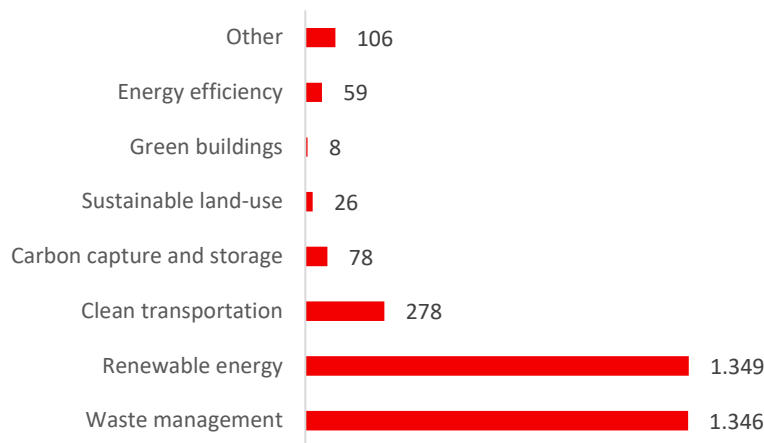


1. Introduction









2022 Impact summary

Projects supported by IS Green Bonds resulted in avoided emissions of 3,249 tCO₂e in 2022. Each day the fund has contributed to 8.9 tCO₂e in avoided emissions.




Avoided/sequestered greenhouse gas emissions (tCO₂e) by category 2022



In 2022, IS Green Bonds contributed to¹:

 3,249 tCO₂e in avoided emissions	 11,1 GWh of clean energy produced	 230 km of fiber optic cables laid	 111 clean vehicles
 5,032 sqm of eco-efficient buildings	 78 tCO₂e captured and mineralized underground in basalt rocks	 2 social housing units	 22 charging stations for electric vehicles

Avoided emissions per 1m ISK is 0,83 tCO₂e₂, equivalent to

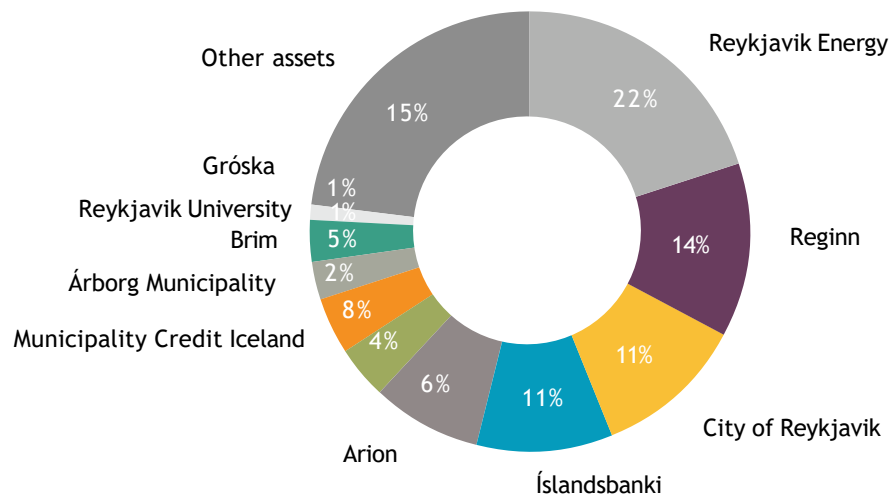
-  **2.8 round trips around Iceland, or**
-  **3 roundtrip airline seats between Reykjavik-London, or**
-  **32 kg of Icelandic lamb meat**

1 Impact highlights are aggregated by adding together IS Green Bonds' allocated impact from each sustainable bond, based on the fund's share of investment. The list of highlights is non-exhaustive; more detail on positive impact can be found in the impact reports of individual issuers.

2. Avoided emissions per 1m ISK are estimated by dividing IS Green bonds' total avoided emissions in 2022 by the Fund's average amount outstanding in 2022 (market value).

Allocation and methodology

IS Green Bonds' fund assets as of year-end 2022
Share of total investment by issuer



Methodology

Impact assessments in this report are based on issuers' own impact reports and public data.

Impact figures cover green and social bonds which accounted for 80,3% of IS Green Bonds' total assets at year-end 2022.

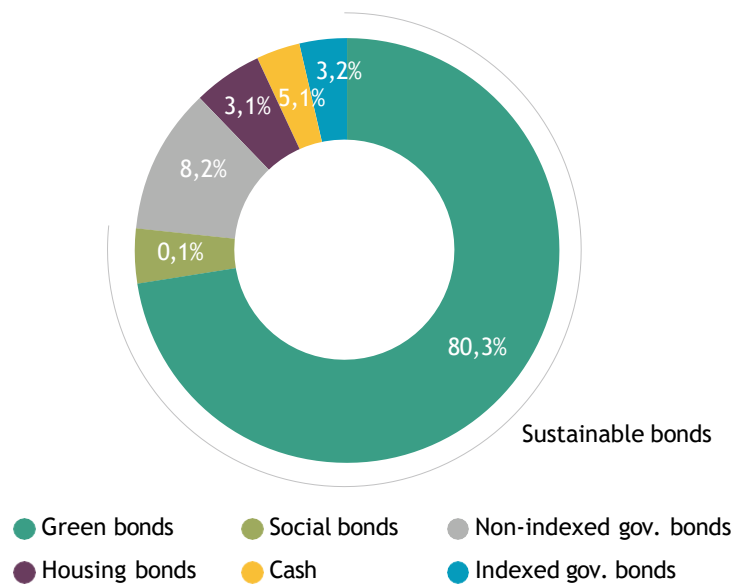
Impact figures are calculated based on IS Green Bonds' share of individual issuers' sustainable bonds. The Fund's average share of sustainable bonds in 2022 is multiplied by their impact as reported by individual issuers. Time and allocation to individual investments is taken into account.

We note that methodology might differ between issuers. Links to impact reports of individual issuers in 2022 can be found on their respective pages.

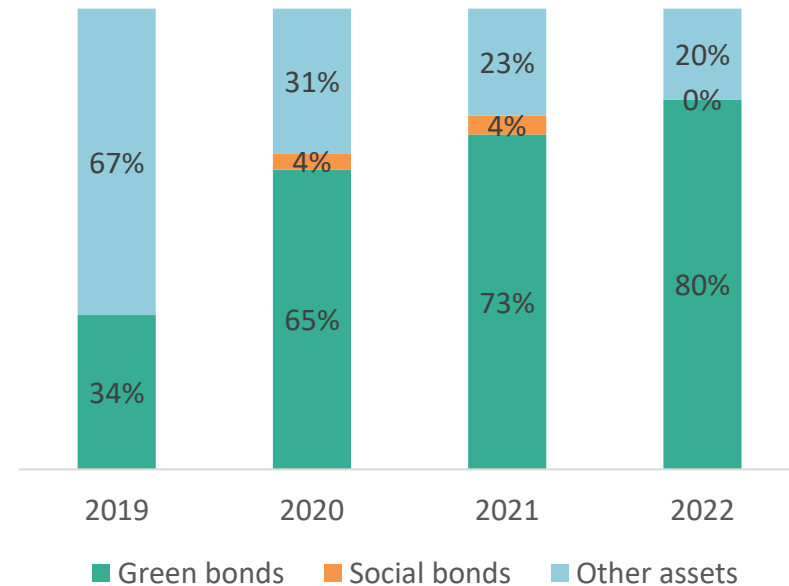
Composition of holdings

Since IS Green Bonds was established in 2018, the share of green and social bonds in the portfolio has increased as the sustainable bond market in Iceland has developed. In 2022, the share of sustainable bonds grew to 80,3%.

Holdings at year-end 2022



Composition change YoY



Accumulated impact

Since 2018, IS Green Bonds has supported 19,789 tCO₂e of avoided emissions.

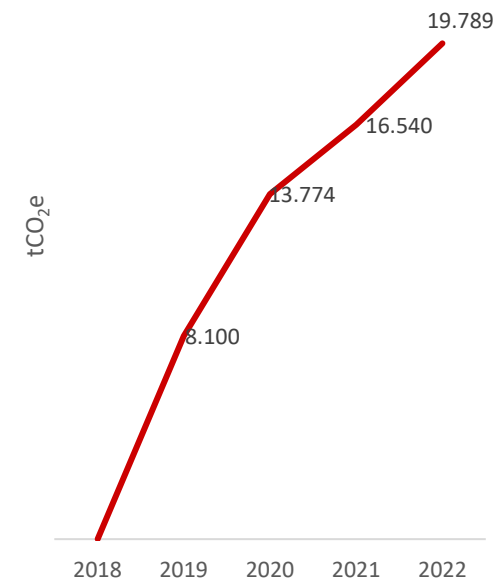
Since its establishment in 2018, IS Green Bonds has supported 19,789 tCO₂e of avoided emissions.

Around half of total avoided emissions were recorded in the fund's first year, a time when the green bond market in Iceland expanded rapidly and saw many firms issue green bond frameworks under which significant sustainable assets were refinanced. This includes two of Iceland's largest geothermal power plants financed by Reykjavik Energy's green bond proceeds, which explains in part why the reported avoided emissions were relatively high in IS Green Bonds' first year of operation.

Methodology used by individual green bond issuers to calculate the avoided emissions of their assets has also developed over the years and differs between some issuers. The baseline emission factor published by the Environment Agency of Iceland, which is used by some to calculate avoided emissions, may also change between years. This presents a challenge in comparing avoided emissions year-on-year, but further development and standardisation of impact reporting is expected in coming years as the market matures.

Avoided emissions describes the estimated reduction in emissions from financing a less carbon intensive asset instead of a more carbon intensive asset.

Accumulated avoided GHG emissions 2018-2022 supported by IS Green Bonds



Sustainable Development Goals alignment














IS Green Bonds supports a range of SDGs through its investments in green and social bonds issued in Iceland.

IS Green Bonds supports a range of SDGs through its investments in green and social bonds listed on ICE Sustainable Bonds and First North ICE Sustainable Bonds at Nasdaq Iceland. The use of proceeds and the SDGs supported as such reflect common sustainable activities undertaken within Icelandic industry, including sustainable fisheries and hydropower plants.

The four project categories which received the most investment in 2022 primarily support five SDGs (see table SDGs' alignment of primary project categories funded).

Additional SDGs supported are outlined in the impact reports of individual issuers. Mapping of the primary project categories funded against the relevant UN SDGs is based on GBP/ICMA mapping and existing practices of Nordic issuers.

Sustainable development goals' (SDGs) alignment of primary project categories funded

Project category	Relevant SDGs			
Green buildings				
Energy efficiency				
Renewable energy				
Clean transportation				



2. Overview of allocation and impact of eligible assets

Overview of allocation, share of funding and impact of eligible assets

Allocation to issuers of sustainable bonds (nominal amount)

	Average amount outstanding 2022	Amount outstanding 31.12.2022	Share of funding ¹	Avoided greenhouse gas emissions ²	Clean vehicles	Clean energy produced	Green bulding	Fiber optic cables laid	Upcycled fish skin	EV charging stations	Social housing units	Avoided greenhouse gas emissions per million ISK	Avoided greenhouse gas emissions per million EUR ³
	ISK	ISK	%	tCO ₂ e	number of	GWh	m ²	km	tonnes	number of	number of	tCO ₂ e	tCO ₂ e
Reykjavik Energy	882.538.462	881.000.000	1,99%	1.352	0,4	7,5	-	4,2	78	1,5	-	1,5	226
City of Reykjavik	430.000.000	430.000.000	2,25%	926	1,7	-	462	-	-	19	-	2,2	318
Reginn	540.000.000	540.000.000	1,40%	-	-	-	1.399	-	-	1	-	-	-
Íslandsbanki	416.923.077	400.000.000	3,68%	631	77,7	3,6	3.017	221	-	0,5	2	1,5	223
Municipality Credit Iceland	300.000.000	300.000.000	7,08%	52	0,4	-	106	-	-	-	-	0,2	26
Reykjavik Social Housing	9.230.769	-	0,05%	-	-	-	-	-	-	-	-	-	-
Brim	193.846.154	200.000.000	3,88%	106	-	-	-	-	-	-	-	0,5	81
Reykjavik University	36.923.077	-	0,31%	-	-	-	-	-	-	-	-	-	-
Reykjavik Fibre Network	160.000.000	160.000.000	2,34%	-	-	-	-	5	-	-	-	-	-
Arion	221.538.462	220.000.000	1,99%	80	30,1	-	46	-	-	-	-	0,4	53
Árborg Municipality	76.923.077	100.000.000	1,73%	102	-	-	-	-	-	-	-	1,3	196
Gróska	49.230.769	80.000.000	1,92%	-	-	-	-	-	-	-	-	-	-
Sustainable assets	3.317.153.846	3.311.000.000		3.249	110	11	5.030	230	78	22	2		
Other assets (market value)	615.846.151												
Total assets (market value)	3.932.999.997											0,83	125

1. Share of funding is calculated by dividing the average amount invested in an issuer's bonds in 2022 by the average amount outstanding of all sustainable bonds by the issuer in 2022.

2. Based on avoided GHG emissions reported in the allocation and impact reports of individual issuers.

3. EUR/ISK=151,5 on 31.12.2022

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