



IS Green Bonds

Allocation and Impact Report 2024



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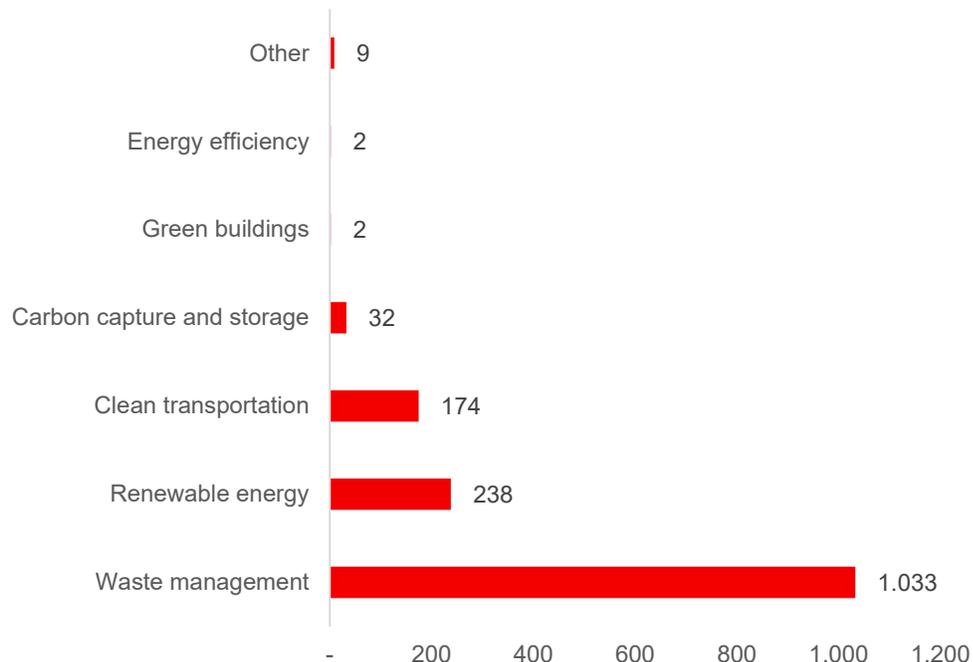
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1. Introduction

2024 Impact summary

Projects supported by IS Green Bonds resulted in avoided emissions of **1.488 tCO₂e** in 2024.

Avoided/sequestered greenhouse gas emissions (tCO₂e) by category in 2024



In 2024, IS Green Bonds contributed to¹:



1.488 tCO₂e in avoided emissions



5,2 GWh of clean energy produced



101 km of fiber optic cables laid



35 clean vehicles



3.436 sqm of eco-efficient buildings



32 tCO₂e captured and mineralized underground in basalt rocks



11 social housing units



3 charging stations for electric vehicles

Avoided emissions per 1 mISK is 0,46 tCO₂e², equivalent to



1,6 round trips around Iceland



1,5 roundtrip airline seats between Reykjavik-London



17,7 kg of Icelandic lamb meat

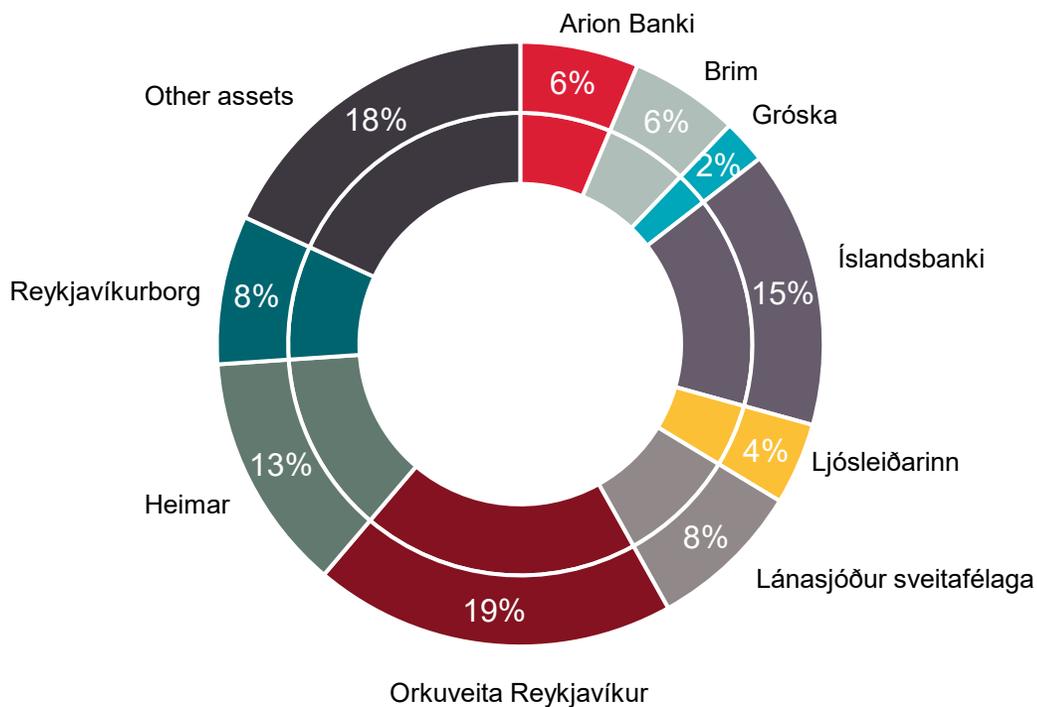
1 Impact highlights are aggregated by adding together IS Green Bonds' allocated impact from each sustainable bond, based on the fund's share of investment. The list of highlights is non-exhaustive; more detail on positive impact can be found in the impact reports of individual issuers.

2. Avoided emissions per 1m ISK are estimated by dividing IS Green bonds' total avoided emissions in 2024 by the Fund's average amount outstanding in 2024 (market value).

Allocation and methodology

IS Green Bonds fund assets as of year-end 2024

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 82% of IS Green Bonds' total assets at year-end 2024.

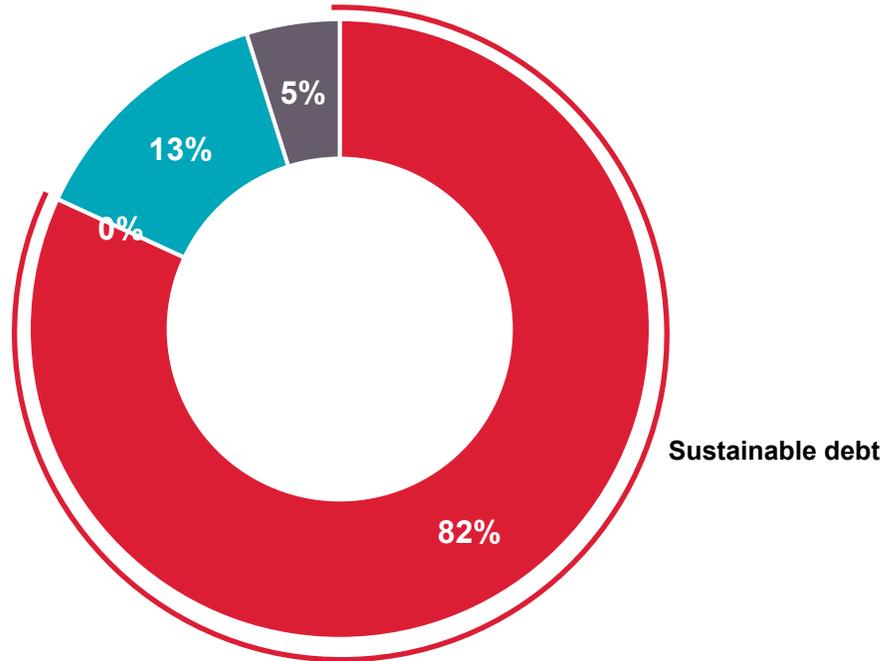
Impact figures are calculated based on IS Green Bonds' share of individual issuers' sustainable bonds. The Fund's average share of sustainable bonds in 2024 is multiplied by their impact as reported by individual issuers. Time and allocation to individual investments is taken into account.

We note that methodology might differ between issuers and therefore there can be some discrepancies.

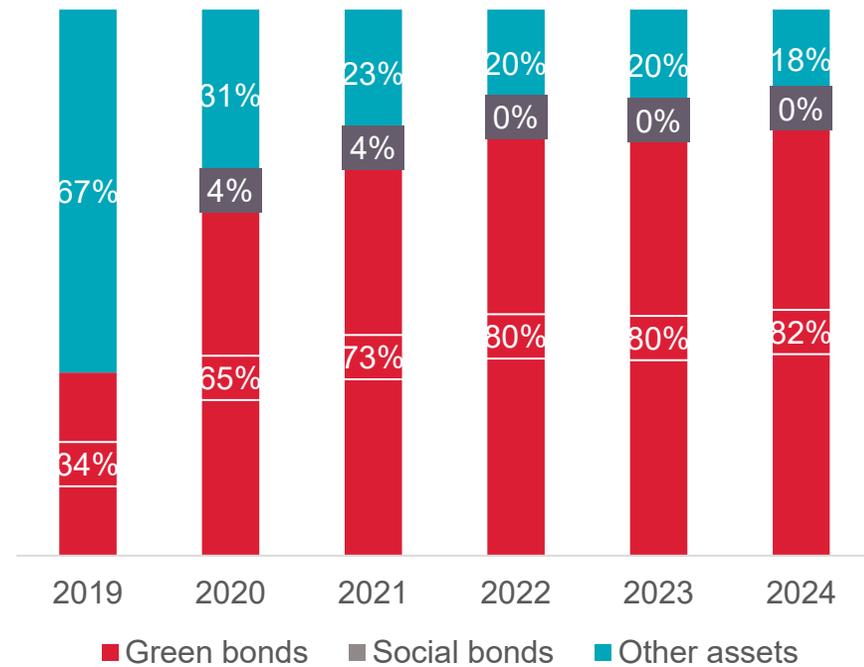
Composition of holdings

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 2024, the share of sustainable bonds³ was 82%.

Holdings at year-end 2024



Compositions at year end



■ Green bonds ■ Social bonds ■ Gov. Bonds ■ Cash

3. Sustainable bonds refers to bonds listed as sustainable on Nasdaq Iceland, and does not refer to sustainable investments as defined in SFDR (regulation (EU) 2019/2088).

Accumulated impact

Since 2018, IS Green Bonds has supported **22.757 tCO₂e** of avoided emissions.

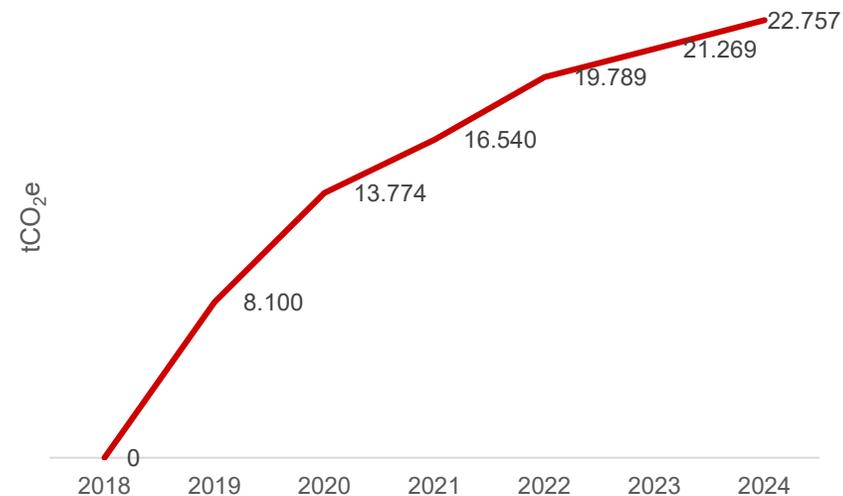
Since its establishment in 2018, IS Green Bonds has supported 22.757 tCO₂e of avoided emissions.

A large part of the 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 2018-2024 supported by IS Green Bonds



2. Overview of allocation and impact of eligible assets

Allocation and Impact of Eligible Assets for IS Green Bonds 2024
**Allocation to issuers of sustainable bonds
(nominal amount)**

	Average amount outstanding 2024	Amount outstanding 31.12.2024	Share of funding ¹	Avoided greenhouse gas emissions ²	Clean vehicles	Clean energy produced	Renewable heat production	Green building	Fiber optic cables laid	Carbon capture and storage	EV charging stations	Heat distribution infrastructure	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	GWh	m ²	km	tonnes	number of	km	number of	tCO ₂ e	tCO ₂ e
Orkuveita Reykjavíkur	711.000.000	711.000.000	0,95%	234	-	1,6	3,3	-	-	32	3,0	1,4	-	0,3	47
Reykjavíkurborg	363.000.000	363.000.000	1,48%	966	0,7	-	-	-	-	-	-	-	-	2,7	383
Heimar hf.	493.333.333	560.000.000	1,20%	-	-	-	-	1.718	-	-	-	-	-	-	-
Íslandsbanki hf.	545.000.000	520.000.000	2,18%	271	33,8	3,5	-	1.718	98	-	-	-	11,0	0,5	72
Lánasjóður sveitarfélaga	300.000.000	300.000.000	3,29%	-	-	-	-	-	-	-	-	-	-	-	-
Brim hf.	200.000.000	200.000.000	4,00%	0,1	-	-	-	-	-	-	-	-	-	0,0	0
Ljósleiðarinn ehf.	160.000.000	160.000.000	1,95%	-	-	-	-	-	3	-	-	-	-	-	-
Arion banki hf.	220.000.000	220.000.000	0,16%	16	-	0,03	-	-	-	-	-	-	-	0,1	10
Gróska	80.000.000	80.000.000	1,92%	-	-	-	-	no data	-	-	-	-	-	-	-
				1.487,7	34,5	5,2	3,3	3.435,9	101,0	32,3	3,0	1,4	11,0		
Sustainable assets⁴ (market value)		2.646.992.776	82%												
Other assets (market value)		585.148.210	18%												
Total assets (market value)		3.232.140.987												0,46	66

1. Share of funding is calculated by dividing the average amount invested in an issuer's bonds in 2024 by the average amount outstanding of all sustainable bonds by the issuer in 2024.

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

3. EUR/ISK=143,9 on 31.12.2024

4. Sustainable assets refers to Sustainable Debt listed on Nasdaq Iceland, and does not refer to sustainable investments as defined in SFDR (regulation (EU) 2019/2088).