



PG verktakar ehf.
Sustainability Statement

2025

PG verktakar ehf.
Reg. 5811982569

Content

Statement by the board of directors and CEO	3
Assessment Statement	4
Statement	5
Operational Parameters	5
Environmental	6
Social	9
Governance	10
Organizational and operational boundaries	11
Definitions	12

Statement by the board of directors and CEO

ÞG verk's sustainability statement for the year 2025 reflects the ESG guidelines issued by Nasdaq Iceland and Nasdaq Nordic 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 the Ten Reporting Principles of the UN Global Compact.

ÞG verk uses the Klappir Sustainability Platform to ensure the traceability, transparency, and efficiency in data collection and processing and dissemination of environmental information.

The board and CEO hereby confirm the company's sustainability statement for the period from January 1, 2025, to December 31, 2025.

ÞG verktakar ehf.

Þorvaldur Gissurason, CEO

Þorvaldur Gissurason

28-04-2026

ÞG verk's Sustainability Statement is electronically signed by the CEO

Assessment Statement

Klappir Green Solutions hf. (Klappir) has assisted ÞG verktakar ehf, with its sustainability statement. The sustainability statement contains information on environment, social and governance of ÞG verktakar ehf.

Responsibility of the board of directors and CEO for the sustainability statement

The board of directors and CEO are responsible for reporting non-financial information, including information on environmental, social and governance matters, in accordance with Article 66 d of Act no. 3/2006 (Icelandic companies).

Confirmation by Klappir

We have planned and conducted our work in accordance with the principles of the Greenhouse Gas Protocol standards: Relevance, Accuracy, Completeness, Consistency and Transparency.

By signing below, I hereby confirm that the data provided by ÞG verk and its suppliers for the company's sustainability statement has been reviewed and assessed by Klappir's sustainability specialists and/or partners. Information relating to social and governance matters was not reviewed by Klappir. Klappir is not responsible and bears no liability for any investment decisions made by any party based on the information presented in this statement.

Klappir Green Solutions hf.

Þorsteinn Svanur Jónsson, CEO

Þorsteinn Svanur Jónsson

28-04-2026

The Sustainability Statement of ÞG verktakar ehf. is electronically signed by Klappir Green Solution hf.

Statement

Operational Parameters

Operational Parameters	Notes	Unit	2025	2024	2021
Net revenue (from financial statement)		ISK m	16,292.0	9,636.0	8,987.0
Total assets (balance sheet)		ISK m	10,346.0	5,535.0	4,199.0
Total Equity (unlisted organizations)		ISK m	5,608.0	4,399.0	2,801.0
Number of employees (from financial statement)		FTEs	134.0	131.0	134.0

VSME 24 (e) iii, iv, v

GhG emission intensity	Notes	Unit	2025	2024	2021
GHG emissions per megawatt-hour consumed		kgCO ₂ e/MWh	71.4	88.3	83.8
GHG emissions per full-time equivalent (FTEe) employee		kgCO ₂ e/FTEs	3,071.7	3,365.4	3,693.7
GHG emissions per assets		kgCO ₂ e/ISK	39.78	79.65	117.87
GHG emissions per unit of revenue		kgCO ₂ e/ISK	25.26	45.75	55.07
GHG emissions per unit of equity		kgCO ₂ e/ISK	73.4	100.2	176.7

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

Energy Intensity	Notes	Unit	2025	2024	2021
Energy per full-time equivalent (FTEe) employee		kWh/FTEs	43,038.2	38,121.4	44,058.4
Energy per unit of revenue		kWh/ISK m	354.0	518.3	656.9

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

Waste intensity	Notes	Unit	2025	2024	2021
Total waste per full-time equivalent (FTEe) employee		kg/FTEs	10,474.2	7,772.6	10,460.4
Total waste per unit of revenue		kg/ISK m	86.1	105.7	156.0

Environmental

Greenhouse Gas Emissions	Notes	Unit	2025	2024	2021
Scope 1		tCO ₂ e	247.1	211.8	229.5
Scope 2 (location-based)		tCO ₂ e	43.9	32.0	46.2
Scope 2 (market-based)		tCO ₂ e	315.6	500.6	
Total Scope 1 and 2 (location based)		tCO ₂ e	290.9	243.8	275.7
Total Scope 1 and 2 (market-based)		tCO ₂ e	567.7	715.2	
Scope 3		tCO ₂ e	120.7	197.1	219.2
Total Scope 1, 2 & 3 emissions (location-based)		tCO ₂ e	411.6	440.9	495.0
Total Scope 1, 2 & 3 emissions (market-based)		tCO ₂ e	683.4	912.3	

ESRS E1-6, paragraph 44, 48 (a, b), 49 (a, b), 52 (a, b), 51, AR 39, AR 43 - AR 45, AR 47 | VSME 30 (a,b)

Carbon offset	Notes	Unit	2025	2024	2021
Total emissions offset		tCO ₂ e	0.0	0.0	0.0
Of which verified carbon credits		tCO ₂ e			
Of which non-verified offsetting projects		tCO ₂ e			

Scope 1 - Details	Notes	Unit	2025	2024	2021
Total Scope 1 emissions		tCO ₂ e	247.1	211.8	229.5
Stationary fuel combustion		tCO ₂ e	135.0	94.7	124.2
Mobile fuel combustion		tCO ₂ e	112.1	117.1	105.3

ESRS E1-6, AR 52 | VSME 30 (a)

Scope 2 - Details	Notes	Unit	2025	2024	2021
Total Scope 2 emissions		tCO ₂ e	43.9	32.0	46.2
Electricity		tCO ₂ e	4.3	6.9	13.2
Heating		tCO ₂ e	39.6	25.2	33.0

ESRS E1-6, AR 52 | VSME 30 (b)

Scope 3 - Upstream emissions	Notes	Unit	2025	2024	2021
<i>Category 3: Fuel- and energy-related activities</i>					
Total emissions		tCO ₂ e	60.3	69.5	74.1
Purchased fuels		tCO ₂ e	60.2	52.6	55.8
Purchased electricity		tCO ₂ e	0.0	0.0	0.1
Transmission and distribution (T&D) losses		tCO ₂ e	0.1	16.9	18.2
Generation of purchased electricity that is sold to end users		tCO ₂ e	0.0	0.0	0.0

Category 5: Waste generated in operations

Total emissions		tCO ₂ e	60.4	127.5	145.1
Transport, disposal and treatment of waste		tCO ₂ e	60.4	127.5	145.1
Wastewater treatment		tCO ₂ e	0.0	0.0	0.0

ESRS E1-6, AR 52

Energy consumption	Notes	Unit	2025	2024	2021
Total energy consumption		kWh	5,767,110	4,993,938	5,903,830
Fossil fuels		kWh	956,665	825,845	913,363
Electricity		kWh	559,604	805,615	1,259,017
Heating		kWh	4,250,841	3,362,478	3,731,449
Direct energy consumption		kWh	956,665	825,845	913,363
Indirect energy consumption		kWh	4,810,445	4,168,093	4,990,466

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

Energy mix	Notes	Unit	2025	2024	2021
Total energy consumption		kWh	5,767,110	4,993,938	5,903,830
Fossil fuel		%	23.5%	28.0%	15.5%
Renewables		%	74.7%	69.0%	84.5%
Nuclear		%	1.8%	2.9%	0.0%
Unknown		%	0.0%	0.0%	0.0%

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

Fuel consumption	Notes	Unit	2025	2024	2021
Total fuel consumption		kg	80,246.3	69,283.7	76,655.1
Diesel fuel off road		kg	38,901.3	30,464.7	0.0
Gasoline or Petrol		kg	12,315.9	12,201.6	8,439.2
Diesel fuel		kg	29,029.0	26,617.4	68,216.0

Water consumption	Notes	Unit	2025	2024	2021
Total water withdrawal		m ³	73,294.9	58,008.5	64,360.9
Cold water		m ³	4.5	34.8	25.6
Hot water		m ³	73,290.4	57,973.8	64,335.3

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

Electricity mix	Notes	Unit	2025	2024	2021
Total electricity consumption		kWh	559,604	805,615	1,259,017
Fossil fuels		%		0.0%	0.0%
Renewables		%		100.0%	100.0%
Nuclear		%		0.0%	0.0%

Waste treatment	Notes	Unit	2025	2024	2021
Total waste generation		kg	1,403,543	1,018,210	1,401,690
Sorted waste		kg	1,049,967	778,879	1,108,429
Unsorted waste		kg	353,576	239,331	293,261
Recovered waste		kg	1,273,488	674,627	1,026,878
Disposed waste		kg	130,055	343,583	374,812
Percentage of waste sorted		%	74.8%	76.5%	79.1%
Percentage of waste recovered		%	90.7%	66.3%	73.3%

Environmental management	Notes	Unit	2025	2024	2021
Does your company follow a formal Climate Management Plan?		yes/no	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?		yes/no	Yes	Yes	No
Does your company use a recognized energy management system?		yes/no	No	No	No

Nasdaq: E7|GRI: 103-2|SASB: General Issue / Waste & Hazardous Materials Management

Climate oversight	Notes	Unit	2025	2024	2021
Does your Senior Management manage climate-related risks?		yes/no	No	-	No
Does your Board of Directors oversee climate-related risk?		yes/no	No	-	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	Notes	Unit	2025	2024	2021
Total annual investment in climate-related infrastructure, resilience, and product development		ISK m			

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

Social

Gender Pay Ratio	Notes	Unit	2025	2024	2021
Median total compensation for men (X) to median total compensation for women		X:1			
Outcome of equal pay certification		%	99.0%	99.2%	
S2 UNGC: P6 GRI: 405-2 SASB: General Issue / Employee Engagement, Diversity & Inclusion					

Employee Turnover	Notes	Unit	2025	2024	2021
<i>Full-time Employees</i>					
Year-over-year change for full-time employees		%	12.2%	14.5%	15.9%
<i>Gender</i>					
Men		%	93.3%	93.2%	
Women		%	6.7%	6.8%	
<i>Age</i>					
<20		%	4.0%	3.0%	
20-29		%	18.0%	18.0%	
30-39		%	20.0%	20.0%	
40-49		%	19.0%	22.0%	
50-59		%	21.0%	19.0%	
60-69		%	17.0%	18.0%	
70+		%	1.0%	1.0%	
S3 UNGC: P6 GRI: 401-1b SDG: 12 SASB: General Issue / Labor Practices					

Gender Diversity	Notes	Unit	2025	2024	2021
<i>Enterprise Headcount</i>					
Percentage of women in enterprise		%	6.7%	6.8%	
Women		no.	9	9	
Men		no.	125	122	
S4 UNGC: P6 GRI: 102-8, 405-1 SASB: General Issue / Employee Engagement, Diversity & Inclusion					

Non-Discrimination	Notes	Unit	2025	2024	2021
Does your company follow a sexual harassment and/or non-discriminatory policy?		yes/no	Yes	Yes	-
S6 UNGC: P6 GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016) SASB: General Issue / Employee Engagement, Diversity & Inclusion					

Injury Rate	Notes	Unit	2025	2024	2021
Total number of injuries and fatalities, relative to the total workforce		%	9.0%	5.3%	
S7 GRI: 403-9 SDG: 3 SASB: General Issue / Employee Health & Safety					

Child & Forced Labor	Notes	Unit	2025	2024	2021
Does your company follow a child labor policy?		yes/no	Yes	-	-
Does your company follow a forced labor policy?		yes/no	Yes	-	-
If yes, do your child and/or forced labor policy cover suppliers and vendors?		yes/no	Yes	-	-
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					

Human Rights	Notes	Unit	2025	2024	2021
Does your company publish and follow a human rights policy?		yes/no	Yes	-	-
If yes, does your human rights policy cover suppliers and vendors?		yes/no	Yes	-	-
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					

Governance

Incentivized Pay	Notes	Unit	2025	2024	2021
Are executives formally incentivized to perform on sustainability		yes/no	No	No	-

G3|GRI: 102-35

Collective Bargaining	Notes	Unit	2025	2024	2021
Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population		%	100.0%	100.0%	

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

Ethics & Anti-Corruption	Notes	Unit	2025	2024	2021
Does your company follow an Ethics and/or Anti-Corruption policy?		yes/no	Yes	-	-
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)

ESG Reporting	Notes	Unit	2025	2024	2021
Does your organization publish a sustainability report?		yes/no	Yes	Yes	-
If Yes: does the Sustainability Report disclose environmental, social and governance matters?		yes/no	Yes	Yes	-
Is sustainability data included in your regulatory filings?		yes/no	-	-	-

G8|UNGC: P8

External Assurance	Notes	Unit	2025	2024	2021
Are your sustainability disclosures assured or validated by a third party?		yes/no	Yes	Yes	-

G10|UNGC: P8|GRI: 102-56

Organizational and operational boundaries

Organizational boundaries

The "Operational Control" methodology has been chosen in order to define the organizational scope of ÞG verk's emission accounting. According to the "Operational Control" methodology, companies should account for 100 percent of greenhouse gas emissions from operations under their control. They should not account for greenhouse gas emissions from operations that it has no control over, even though it has a vested interest in their operations. The following companies are covered in the statement:

- ÞG verktakar ehf.
- ÞG Hús ehf. (100 % ownership)
- ÞG Íbúðir ehf. (100 % ownership)
- ÞG Smári ehf. (100 % ownership)
- ÞG Stálhöfði ehf. (100 % ownership)
- ÞG Hnoðraholt ehf. (100 % ownership)
- ÞG Baughamar ehf. (100 % ownership)
- Reys 3 ehf. (100 % ownership)

Operational boundaries

Scope 1

Mobile fuel consumption: Fully included
Stationary fuel combustion: Fully included
Fugitive emissions: Not applicable
Industrial processes: Not applicable

Scope 2

Electricity: Fully included
Heating: Fully included
Cooling: Not applicable
Steam: Not applicable

Scope 3

Category 1: Purchased goods and services: Not included
Category 2: Capital goods: Not included
Category 3: Fuel and energy related activities: Fully included
Category 4: Upstream transportation and distribution: Not included
Category 5: Waste from operations: Fully included
Category 6: Business travel: Not included
Category 7: Employee commute: Not included
Category 8: Upstream leased assets: Not applicable
Category 9: Downstream transportation and distribution: Not applicable
Category 10: Processing of sold products: Not applicable
Category 11: Use of sold products: Not applicable
Category 12: End-of-life treatment of sold products: Not applicable
Category 13: Downstream leased assets: Not included
Category 14: Franchises: Not applicable
Category 15: Investments: Not applicable

Definitions

Carbon credits

A carbon credit is a convertible and transferable instrument representing GHG emissions that have been reduced, avoided or removed through projects that are verified according to recognised quality standards. Carbon credits can be issued from projects within (sometimes referred to as insets) or outside the undertaking's value chain (sometimes referred to as offsets).

Non-verified offsetting projects

Non-verified offsetting projects are defined as offsetting projects that do not generate carbon credits in accordance with the definition above.

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 and indirect energy consumption

Total energy consumption includes all energy consumed by the company including combustion of fuels by the company (direct energy) and energy consumed through electricity and heating (indirect energy). The energy consumption is reported 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 is calculated by dividing the total amount of waste generated by a selected operational parameter unit, and is reported as kg per unit (such as kg per full-time equivalent employee (FTEe)).

Scope 2 (location-based)

Emissions in scope 2 (location-based) are indirect emissions from generation of consumed energy, where emissions from energy consumption is estimated based on the average emissions from generation onto the energy network.

Scope 2 (market-based)

Market-based scope 2 emissions reflect the emissions from the electricity that a company is purchasing (often spelled out in contracts or instruments) which may be different from the electricity that is generated locally.

Fugitive emissions

Emissions resulting from intentional or unintentional releases, e.g., equipment leaks from joints, seals, packing, and gaskets; methane emissions from coal mines and venting; hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment; and methane leakages from gas transport.

Purchased goods and services

Extraction, production, and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not otherwise included in Categories 2 - 8

Capital goods

Extraction, production, and transportation of capital goods purchased or acquired by the reporting company in the reporting year.

Fuel- and energy related activities

Includes emissions related to the production of fuels and energy purchased and consumed by the reporting company in the reporting year that are not included in scope 1 or scope 2.

Upstream transportation and distribution

Transportation and distribution of products purchased in the reporting year, between a company. Third party transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics and third-party transportation and distribution between a company's own facilities.

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.

Employee commuting

Emissions from the transportation of employees between their homes and their worksites.

Upstream leased assets

Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee.

Downstream transportation and distribution

Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the end consumer (if not paid for by the reporting company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting company).

Processing of sold products

Processing of intermediate products sold in the reporting year by downstream companies (e.g., manufacturers)

Use of sold products

End use of goods and services sold by the reporting company in the reporting year.

End-of-life treatment of sold products

Waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life.

Downstream leased assets

Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.

Franchises

Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.

Investments

Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2.

Energy management system

Energy management systems such as ISO 50001.

CERTIFICATE *of* SIGNATURE

REF. NUMBER
DYTTD-Y6TYH-XXUR3-YJ4PO

DOCUMENT COMPLETED BY ALL PARTIES ON
28 APR 2026 15:16:10
UTC

SIGNER

PORVALDUR GISSURARSON

EMAIL
THOR@TGVERK.IS

TIMESTAMP

SENT
28 APR 2026 15:01:27
VIEWED
28 APR 2026 15:11:50
SIGNED
28 APR 2026 15:12:29

SIGNATURE

porvaldur Gissurarsou

IP ADDRESS
157.157.20.231

RECIPIENT VERIFICATION

EMAIL VERIFIED
28 APR 2026 15:11:50

PORSTEINN SVANUR JÓNSSON

EMAIL
TSJ@KLAPPIR.COM

SENT
28 APR 2026 15:01:27
VIEWED
28 APR 2026 15:15:49
SIGNED
28 APR 2026 15:16:10

porsteinn Svanur Jónsson

IP ADDRESS
85.220.78.147

LOCATION
KOPAVOGUR, ICELAND

RECIPIENT VERIFICATION

EMAIL VERIFIED
28 APR 2026 15:15:49

