



PG verktakar ehf.
Sustainability Statement

2023

PG verktakar ehf.
Lágmúli 7, 108 Reykjavík
Reg. 5811982569

Content

- Assessment Statement by Klappir Green Solutions hf.3
- Statement by the board of directors and CEO 4
- Statement 5
 - Operational Parameters5
 - Emissions 6
 - Emission Sources10
 - Environmental management 13
 - Social14
 - Governance 15
- Organizational and Operational Boundaries16
- Definitions17

Assessment Statement by Klappir Green Solutions hf.

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

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. 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.

ÞG verk's Sustainability Statement is electronically signed by Klappir Green Solutions hf.

Klappir Green Solutions hf.

For Klappir Green Solutions hf.



Jón Ágúst Þorsteinsson, CEO

06-03-2024

Statement by the board of directors and CEO

ÞG verk's sustainability statement for the year 2023 reflects the ESG guidelines issued by NasdaqIceland and NasdaqNordic 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, 2023, to December 31, 2023.

ÞG verktakar ehf.

ÞG verk's Sustainability Statement is electronically signed by ÞG verktakar ehf.

ÞG verktakar ehf

For ÞG verktakar ehf.

Þorvaldur Gissurarson

Þorvaldur Gissurarson, CEO

06-03-2024

Statement

Operational Parameters

Operational Parameters	Unit	2021	2022	2023
Total Revenue	ISK m	8,987.0	13,642.0	11,531.0
Total Assets	ISK m			
Number of full time equivalent employees	FTEs	134.0	125.0	127.0
Total space for own operation	m ²			
Total space for own operation	m ³			

GhG emission intensity	Unit	2021	2022	2023
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	71.35	64.99	50.22
GhG emissions per full-time equivalent (FTEe) employee	kgCO ₂ e/FTEs	3,784.4	7,305.2	4,879.4
GhG emissions per assets	kgCO ₂ e/ISK			
GhG emissions per unit of revenue	kgCO ₂ e/ISK	56.43	66.94	53.74
GhG emissions per unit of space (m ²)	kgCO ₂ e/m ²			
GhG emissions per unit of space (m ³)	kgCO ₂ e/m ³			

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

Energy intensity	Unit	2021	2022	2023
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	53,038.4	112,403	97,158.6
Energy per unit of revenue	kWh/ISK m	790.8	1,029.9	1,070.1
Energy per square meter	kWh/m ²			
Energy per cubic meter	kWh/m ³			

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

Waste intensity	Unit	2021	2022	2023
Total waste per full-time equivalent (FTEe) employee	kg/FTEs	10,506.6	11,949.4	10,226.9
Total waste per unit of revenue	kg/ISK m	156.66	109.49	112.64

Emissions

Greenhouse Gas Emissions	Unit	2021	2022	2023
Scope 1	tCO ₂ e	229.5	463.0	253.9
Percentage of Scope 1 GHG emissions from regulated trading schemes	%			
Scope 2 (location-based)	tCO ₂ e	57.3	110.8	103.1
Scope 2 (market-based)	tCO ₂ e			975.7
Scope 1 and 2	tCO ₂ e	286.8	573.8	357.0
Scope 3	tCO ₂ e	220.3	339.3	262.7
Total operational GhG emissions (market-based scope 2)	tCO ₂ e			1,454.7
Total operational GhG emissions (location-based scope 2)	tCO ₂ e	507.1	913.1	619.7

Nasdaq: E1|UNGC: P7|GRI: 305-1,305-2,305-3|SASB: General Issue / GHG Emissions|TCFD: Metrics & Targets

GHG removal	Unit	2021	2022	2023
Total GHG removals from own operations	tCO ₂ e			
Total GHG removals in the upstream and downstream value chain	tCO ₂ e			
Reversals	tCO ₂ e			

GHG mitigation	Unit	2021	2022	2023
<i>Carbon credits cancelled in the reporting year</i>				
Total amount of carbon credits outside value chain that are verified against recognised quality standards and cancelled	tCO ₂ e			
Share from removal projects	%			
Share from reduction projects	%			
Share from projects within the EU	%			
Share of carbon credits that qualify as corresponding adjustments	%			
<i>Carbon credits planned to be cancelled in the future</i>				
Total amount of carbon credits outside value chain planned to be cancelled in future	tCO ₂ e			

Scope 1 - Details	Unit	2021	2022	2023
Total emissions	tCO ₂ e	229.5	463.0	253.9
Stationary fuel combustion	tCO ₂ e	124.2	339.0	144.7
Mobile fuel combustion	tCO ₂ e	105.3	124.1	109.2
Fugitive emissions	tCO ₂ e			
Industrial processes	tCO ₂ e			

Scope 2 - Details	Unit	2021	2022	2023
Total emissions	tCO ₂ e	57.3	110.8	103.1
Electricity	tCO ₂ e	16.0	18.8	17.8
Heating	tCO ₂ e	41.3	92.0	85.3
Cooling	tCO ₂ e			
Steam	tCO ₂ e			

Scope 3 - Upstream emissions	Unit	2021	2022	2023
<i>Category 1: Purchased goods and services</i>				
Total emissions	tCO ₂ e			
Production-related procurement	tCO ₂ e			
Non-production-related procurement	tCO ₂ e			
<i>Category 2: Capital goods</i>				
Total emissions	tCO ₂ e			
Structures	tCO ₂ e			
Vehicles	tCO ₂ e			
Machinery	tCO ₂ e			
<i>Category 3: Fuel- and energy-related activities</i>				
Total emissions	tCO ₂ e	74.1	152.1	87.2
Upstream emissions of purchased fuel	tCO ₂ e	55.8	111.5	49.5
Upstream emissions of purchased electricity	tCO ₂ e	0.1	0.1	0.1
Transmission and distribution (T&D) losses	tCO ₂ e	18.2	40.5	37.6
Generation of purchased electricity that is sold to end users	tCO ₂ e			
<i>Category 4: Upstream transportation and distribution</i>				
Total emissions	tCO ₂ e			
Air transportation	tCO ₂ e			
Marine transportation	tCO ₂ e			
Road transportation	tCO ₂ e			
Rail transportation	tCO ₂ e			
Storage of purchased goods	tCO ₂ e			
<i>Category 5: Waste generated in operations</i>				
Total emissions	tCO ₂ e	146.2	187.2	175.5
Transport, disposal and treatment of waste	tCO ₂ e	146.2	187.2	175.5
Wastewater treatment	tCO ₂ e			
<i>Category 6: Business travel</i>				
Total emissions	tCO ₂ e			
Air travel	tCO ₂ e			
Rail travel	tCO ₂ e			
Bus travel	tCO ₂ e			
Car travel	tCO ₂ e			
Marine travel	tCO ₂ e			
Hotel nights	tCO ₂ e			
<i>Category 7: Employee commute</i>				
Total emissions	tCO ₂ e			
Air travel	tCO ₂ e			
Rail travel	tCO ₂ e			
Public transportation	tCO ₂ e			
Automobile travel	tCO ₂ e			
Marine travel	tCO ₂ e			
Remote working	tCO ₂ e			
<i>Category 8: Upstream leased assets</i>				
Total emissions	tCO ₂ e			
Mobile fuel combustion	tCO ₂ e			
Stationary fuel combustion	tCO ₂ e			
Electricity	tCO ₂ e			
Heating	tCO ₂ e			
Fugitive emissions	tCO ₂ e			

Scope 3 - Downstream emissions	Unit	2021	2022	2023
<i>Category 9: Downstream transportation and distribution</i>				
Total emissions	tCO ₂ e			
Air transportation	tCO ₂ e			
Ground transportation	tCO ₂ e			
Marine transportation	tCO ₂ e			
Storage of sold products in warehouses and distribution centers	tCO ₂ e			
Storage of sold products in retail facilities	tCO ₂ e			
<i>Category 10: Processing of sold products</i>				
Total emissions	tCO ₂ e			
<i>Category 11: Use of sold products</i>				
Total emissions	tCO ₂ e			
Direct use-phase emissions	tCO ₂ e			
Indirect use-phase emissions	tCO ₂ e			
<i>Category 12: End-of-life treatment of sold products</i>				
Total emissions	tCO ₂ e			
<i>Category 13: Downstream leased assets</i>				
Total emissions	tCO ₂ e			
Mobile fuel combustion	tCO ₂ e			
Stationary fuel combustion	tCO ₂ e			
Electricity	tCO ₂ e			
Heating	tCO ₂ e			
Fugitive emissions	tCO ₂ e			
<i>Category 14: Franchises</i>				
Total emission	tCO ₂ e			
<i>Category 15: Investments</i>				
Total emissions	tCO ₂ e			
Listed equity and bonds	tCO ₂ e			
Business loans and unlisted equity	tCO ₂ e			
Project finance	tCO ₂ e			
Commercial real estate	tCO ₂ e			
Mortgages	tCO ₂ e			
Motor vehicle loans	tCO ₂ e			

Emission Sources

Energy consumption	Unit	2021	2022	2023
Total energy consumption	kWh	7,107,152	14,050,408	12,339,148
Fossil fuels	kWh	913,363	1,832,445	973,704
Bio fuels	kWh			
Electricity	kWh	1,527,623	1,823,151	1,730,285
Heating	kWh	4,666,166	10,394,813	9,635,160
Cooling	kWh			
Steam	kWh			
Direct energy consumption	kWh	913,363	1,832,445	973,704
Indirect energy consumption	kWh	6,193,789	12,217,964	11,365,444

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

Energy mix	Unit	2021	2022	2023
Total energy consumption	kWh	7,107,152	14,050,408	12,339,148
Fossil fuel	%	12.9%	13.0%	7.9%
Renewables	%	87.1%	87.0%	92.1%
Nuclear	%	0.0%	0.0%	0.0%
Unknown	%	0.0%	0.0%	0.0%

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

Fuel consumption	Unit	2021	2022	2023
Total fuel consumption	kg	76,655	153,971	81,576
Biomethane	kg			
Petrol	kg	8,439	10,213	9,894
DM fuel	kg			
Natural gas	kg			
Diesel	kg	68,216	143,758	71,682

Fugitive emissions	Unit	2021	2022	2023
Total fugitive emissions	kg			
Carbon dioxide (CO2)	kg			
Methane (CH4)	kg			
Nitrous oxide (N2O)	kg			
Sulfur hexafluoride (SF6)	kg			
Nitrogen trifluoride (NF3)	kg			
F-gases	kg			
Ammonium	kg			

Water consumption	Unit	2021	2022	2023
Total water consumption	m ³	80,476.7	179,349	170,917
Cold water	m ³	25.6	127.8	4,793.6
Hot water	m ³	80,451.1	179,221	166,123
Reused water (if applicable)	m ³			
Reclaimed water (if applicable)	m ³			

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

Electricity mix	Unit	2021	2022	2023
Total electricity consumption	kWh	1,527,623	1,823,151	1,730,285
Fossil fuels	%	0.0%	0.0%	0.0%
Renewables	%	100.0%	100.0%	100.0%
Nuclear	%	0.0%	0.0%	0.0%

Upstream transportation and distribution	Unit	2021	2022	2023
Total transportation and distribution	tonne			
Air transportation	tonne			
Marine transportation	tonne			
Ground transportation	tonne			

Waste treatment	Unit	2021	2022	2023
Total waste generation	kg	1,407,880	1,493,673	1,298,810
Sorted waste	kg	1,129,600	1,072,913	919,077
Unsorted waste	kg	278,280	420,760	379,013
Recycled waste	kg	1,029,138	912,539	759,123
Disposed waste	kg	378,742	581,134	538,967
Percentage of waste sorted	%	80.2%	71.8%	70.8%
Percentage of waste recycled	%	73.1%	61.1%	58.4%

Business travel	Unit	2021	2022	2023
Total distance travelled	km			
Air travel	km			
Rail travel	km			
Bus travel	km			
Car travel	km			
Marine travel	km			

Hotel nights	Unit	2021	2022	2023
Total overnight stays	no.			

Employee commuting	Unit	2021	2022	2023
Total distance travelled	km			
Air transportation	km			
Rail transportation	km			
Bus transportation	km			
Car travel	km			
Marine transportation	km			
On foot / Bicycle	km			

Remote working	Unit	2021	2022	2023
Total remote working days	no.			

Downstream transportation and distribution	Unit	2021	2022	2023
Total transportation and distribution	tonne			
Air transportation	tonne			
Marine transportation	tonne			
Ground transportation	tonne			

Downstream storage of products	Unit	2021	2022	2023
Total stored product	tonne			
Storage of products in warehouses	tonne			
Storage of product in retail facilities	tonne			

Investment survey data quality	Unit	2021	2022	2023
Total portfolio	Ø data quality			
Listed equity and bonds	Ø data quality			
Business loans and unlisted equity	Ø data quality			
Project finance	Ø data quality			
Commercial real estate	Ø data quality			
Mortgages	Ø data quality			
Motor vehicle loans	Ø data quality			

Investment asset classes	Unit	2021	2022	2023
Listed equity and bonds	%			
Business loans and unlisted equity	%			
Project finance	%			
Commercial real estate	%			
Mortgages	%			
Motor vehicle loans	%			

Paper management	Unit	2021	2022	2023
Total weight of printed papers	kg	0	0	0
Total amount of printed paper	pages			
of which color print	pages			
of which black/white print	pages			
Duplex	pages			
Color print	%			
Black/white print	%			

Environmental management

Environmental management	Unit	2021	2022	2023
Does your company follow a formal Environmental Policy?	yes/no	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	No	No	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	Unit	2021	2022	2023
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	No	No	No
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	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	Unit	2021	2022	2023
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)

Governance

Incidents of corruption or bribery	Unit	2021	2022	2023
Number of convictions for violation of anti-corruption and anti- bribery laws	Count	0	0	0
Amount of fines for violation of anti-corruption and anti- bribery laws	ISK m	0	0	0

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 Smári ehf. (100% ownership)
- ÞG Íbúðir ehf. (100% ownership)
- ÞG Asparskógar 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 included
Category 10: Processing of sold products: Not applicable
Category 11: Use of sold products: Not included
Category 12: End-of-life treatment of sold products: Not included
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.

Signature Certificate

Reference number: 8BDLP-BFKHB-MSFBR-53VMY

Signer

Timestamp

Signature

Þorvaldur Gissurarson

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Sent: 06 Mar 2024 15:26:47 UTC
Viewed: 06 Mar 2024 15:54:40 UTC
Signed: 06 Mar 2024 15:55:16 UTC



Recipient Verification:

✓ Email verified 06 Mar 2024 15:54:40 UTC

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Recipient Verification:

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Location: Reykjavik, Iceland

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