ÞG verktakar ehf.
Sustainability Statement

2024

ÞG verktakar ehf.
Reg. 5811982569

Content

Statement by the board of directors and CEO

ÞG verk’s sustainability statement for the year 2024 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, 2024, to December 31, 2024.

ÞG verktakar ehf.

ÞG verk´s *Sustainability Statement is electronically signed by*

Þorvaldur Gissurarson Gissurarson

20-05-2025

Þorvaldur Gissurarson, CEO

Assessment Statement

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 i nformation, 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.

Klappiris 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.*

Jón Ágúst Þorsteinsson 15-05-2025

Jón Ágústst Þorsteinsson, CEO

Statement

Operational Parameters

Operational Parameters	Notes	Unit	2024	2023	2022	2021
Net revenue (from financial statement)		ISK m	9,636.0	11,441.0	13,642.0	8,987.0
Total assets (balance sheet)		ISK m	5,535.0	5,299.0	6,254.0	4,199.0
Total Equity (unlisted organizations)		ISK m	4,399.0	3,767.0	3,147.0	2,801.0
Number of employees (from financial statement)		FTEs	131.0	127.0	125.0	134.0

GhG emission intensity	Notes	Unit	2024	2023	2022	2021
GHG emissions per megawatt-hour consumed		$kgCO_2e/MWh$	83.2	52.7	88.5	197.4
GHG emissions per full-time equivalent (FTEe) employee		$kgCO_2e/FTEs$	3,169.6	4,656.9	4,946.2	1,626.5
GHG emissions per assets		$kgCO_2e/ISK$	75.02	111.61	98.86	51.91
GhG emissions per unit of revenue		$kgCO_2e/ISK$	43.09	51.69	45.32	24.25
GhG emissions per unit of equity		$kgCO_2e/ISK$	94.4	157.0	196.5	77.8

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

Energy Intensity	Notes	Unit	2024	2023	2022	2021
Energy per full-time equivalent (FTEe) employee		kWh/FTEs	38,078.8	88,389.0	55,882.4	8,237.8
Energy per unit of revenue		kWh/ISK m	517.7	981.2	512.0	122.8

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

Waste intensity	Notes	Unit	2024	2023	2022	2021
Total waste per full-time equivalent (FTEe) employee		kg/FTEs	7,146.6	9,444.5	4,696.8	1,439.3
Total waste per unit of revenue		kg/ISK m	97.2	104.8	43.0	21.5

Environmental

Greenhouse Gas Emissions	Notes	Unit	2024	2023	2022	2021
Scope 1		tCO_2e	211.8	253.9	349.2	125.4
Scope 2 (location-based)		tCO_2e	32.0	92.9	51.4	6.0
Scope 2 (market-based)		tCO_2e	500.6	975.7		
Total Scope 1 and 2 (location based)		tCO_2e	243.8	346.8	400.6	131.4
Total Scope 1 and 2 (market-based)		tCO_2e	715.2	1,229.6		
Scope 3		tCO_2e	171.5	244.5	217.7	86.5
Total Scope 1, 2 & 3 emissions (location-based)		tCO_2e	415.2	591.3	618.3	218.0
Total Scope 1, 2 & 3 emissions (market-based)		tCO_2e	912.3	1,454.7		

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

Carbon offset	Notes	Unit	2024	2023	2022	2021
Total emissions offset		tCO_2e	0.0	0.0	0.0	0.0

Scope 1 - Details	Notes	Unit	2024	2023	2022	2021
Total Scope 1 emissions		tCO_2e	211.8	253.9	349.2	125.4
Stationary fuel combustion		tCO_2e	94.7	144.7	225.1	20.2
Mobile fuel combustion		tCO_2e	117.1	109.2	124.1	105.3
Fugitive emissions		tCO_2e	0.0	0.0	0.0	0.0

ESRS E1-6, AR 52

Scope 2 - Details	Notes	Unit	2024	2023	2022	2021
Total Scope 2 emissions		tCO_2e	32.0	93.0	51.4	6.0
Electricity		tCO_2e	6.8	16.2	12.8	4.3
Heating		tCO_2e	25.2	76.8	38.6	1.7

ESRS E1-6, AR 52

Scope 3 - Upstream emissions	Notes	Unit	2024	2023	2022	2021
Category 3: Fuel- and energy-related activities						
Total emissions		tCO_2e	69.5	87.2	152.1	74.1
Purchased fuels		tCO_2e	52.6	49.5	111.5	55.8
Purchased electricity		tCO_2e	0.0	0.1	0.1	0.1
Transmission and distribution (T&D) losses		tCO_2e	16.9	37.6	40.5	18.2
Generation of purchased electricity that is sold to end users		tCO_2e	0.0	0.0	0.0	0.0
Category 5: Waste generated in operations						
Total emissions		tCO_2e	101.9	157.3	65.6	12.4
Transport, disposal and treatment of waste		tCO_2e	101.9	157.3	65.6	12.4
Wastewater treatment		tCO_2e	0.0	0.0	0.0	0.0

ESRS E1-6, AR 52

Energy consumption	Notes	Unit	2024	2023	2022	2021
Total energy consumption		kWh	4,988,325	11,225,405	6,985,304	1,103,867
Fossil fuels		kWh	825,845	973,704	1,383,962	503,193
Electricity		kWh	800,002	1,576,372	1,242,521	412,654
Heating		kWh	3,362,478	8,675,329	4,358,821	188,020
Direct energy consumption		kWh	825,845	973,704	1,383,962	503,193
Indirect energy consumption		kWh	4,162,481	10,251,701	5,601,342	600,674

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

Energy mix	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Total energy consumption		kWh	4,988,325	11,225,405	6,985,304	1,103,867
Fossil fuel		%	16.6%	8.7%	19.8%	45.6%
Renewables		%	83.4%	91.3%	80.2%	54.4%
Nuclear		%	0.0%	0.0%	0.0%	0.0%
Unknown		%	0.0%	0.0%	0.0%	0.0%

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

Fuel consumption	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Total fuel consumption		kg	69,283.7	81,576.4	116,220	42,129.0
Diesel fuel off road		kg	30,464.7	47,021.0	0.0	0.0
Gasoline or Petrol		kg	12,201.6	9,894.4	10,213.1	8,439.2
Diesel fuel		kg	26,617.4	24,660.9	106,007	33,689.8

Water consumption	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Total water withdrawal		m^3	58,008.5	154,368	75,279.8	3,267.3
Cold water		m^3	34.8	4,793.6	127.8	25.6
Hot water		m^3	57,973.8	149,575	75,152.1	3,241.7

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

Electricity mix	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Total electricity consumption		kWh	800,002	1,567,386	1,242,521	412,654
Fossil fuels		%	0.0%	0.0%	0.0%	0.0%
Renewables		%	100.0%	100.0%	100.0%	100.0%
Nuclear		%	0.0%	0.0%	0.0%	0.0%

Waste treatment	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Total waste generation		kg	936,200	1,199,450	587,103	192,870
Sorted waste		kg	906,379	1,082,870	555,451	189,329
Unsorted waste		kg	29,821	116,580	31,652	3,541
Recovered waste		kg	663,367	717,593	415,369	170,768
Disposed waste		kg	272,833	481,857	171,734	22,102
Percentage of waste sorted		%	96.8%	90.3%	94.6%	98.2%
Percentage of waste recovered		%	70.9%	59.8%	70.7%	88.5%

Environmental management	**Notes**	**Unit**	**2024**	**2023**	**2022**	**2021**
Does your company follow a formal Climate Management Plan?		yes/no	Yes	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?		yes/no	Yes	No	No	No
Does your company use a recognized energy management system?		yes/no	No	No	No	No

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

Climate oversight	Notes	Unit	2024	2023	2022	2021
Does your Senior Management manage climate-related risks?		yes/no	-	No	No	No
Does your Board of Directors oversee 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	Notes	Unit	2024	2023	2022	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

Employee Turnover	Notes	Unit	2024	2023	2022	2021
Full-time Employees						
Year-over-year change for full-time employees		%	14.3%	4.5%	21.9%	15.9%
Gender						
Men		%	93.2%			
Women		%	6.8%			
Age						
<20		%	3.0%			
20-29		%	18.0%			
30-39		%	20.0%			
40-49		%	22.0%			
50-59		%	19.0%			
60-69		%	18.0%			
70+		%	1.0%			

S3|UNGC: P6|GRI: 401-1b|SDG: 12|SASB: General Issue / Labor Practices

Gender Diversity	Notes	Unit	2024	2023	2022	2021
Enterprise Headcount						
Percentage of women in enterprise		%	6.8%			
Women		no.	9			
Men		no.	122			

S4|UNGC: P6|GRI: 102-8, 405-1|SASB: General Issue / Employee Engagement, Diversity & Inclusion

Non-Discrimination	Notes	Unit	2024	2023	2022	2021
Does your company follow a sexual harrassment and/or non-discriminatory policy?		yes/no	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	2024	2023	2022	2021
Total number of injuries and fatalities, relative to the total workforce		%	5.3%			

S7|GRI: 403-9|SDG: 3|SASB: General Issue / Employee Health & Safety

Governance

ESG Reporting	Notes	Unit	2024	2023	2022	2021
Does your organization publish a sustainability report?		yes/no	Yes	-	-	-
If Yes: does the Sustainability Report disclose environmental, social and governance matters?		yes/no	Yes	-	-	-
Is sustainability data included in your regulatory filings?		yes/no	-	-	-	-

G8|UNGC: P8

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
JDZCQ-DG6HU-JZ5UG-IB4QR

DOCUMENT COMPLETED BY ALL PARTIES ON
20 MAY 2025 11:24:12 UTC

SIGNER	TIMESTAMP	SIGNATURE
JÓN ÁGÚST ÞORSTEINSSON EMAIL JAT@KLAPPIR.COM	SENT 15 MAY 2025 09:45:49 UTC VIEWED 15 MAY 2025 10:01:42 UTC SIGNED 15 MAY 2025 10:02:05 UTC	*Jón Ágúst Þorsteinsson* IP ADDRESS 85.220.93.35 LOCATION KOPAVOGUR, ICELAND
RECIPIENT VERIFICATION	EMAIL VERIFIED 15 MAY 2025 10:01:42 UTC	
ÞORVALDUR GISSURARSON GISSURARSON EMAIL THOR@TGVERK.IS	SENT 15 MAY 2025 09:45:49 UTC VIEWED 20 MAY 2025 11:23:42 UTC SIGNED 20 MAY 2025 11:24:12 UTC	*Þorvaldur Gissurarson Gissurarson* IP ADDRESS 157.157.20.231 LOCATION HELLISSANDUR, ICELAND
RECIPIENT VERIFICATION	EMAIL VERIFIED 20 MAY 2025 11:23:42 UTC	