Appendix: Non-Financial Disclosure

TABLE OF CONTENTS

Sustainability Policy

Brimborg's vision for the future is to meet current needs with sustainability as the guiding principle and to actively participate in the transparent development of Icelandic society for the future, working with the interests of all stakeholders to ensure the company's existence and prosperity.

In line with Brimborg's vision for the future, the company's mission is to offer, for purchase or lease, customized sustainable total solutions in vehicles and industrial equipment, including relevant components, as well as providing consultancy and services to individuals, businesses, and institutions.

Brimborg's sustainability policy is based on its core values aimed at creating a culture of respect, loyalty, and care, where employees are performance- and solution-driven, initiative is highly valued, employees demonstrate passion in their work, and sustainability is considered in every decision regarding environmental, social, and governance (ESG) aspects.

These core values are fundamental and are designed to build trust, and therefore we strive to be:

- **Performance-driven:** We want our customers to achieve their goals and obtain outstanding results, just as we do, through strong collaboration within and between teams.
- **Solution-oriented:** We listen to customers and colleagues and use our talents to find the best solutions quickly and effectively.
- **Pioneers:** We are curious, not afraid of change, courageous, open-minded, learn from mistakes, and celebrate success.
- **Passionate:** We are proud of our work, perform it with joy, respect, and loyalty, guided by transparency and trust.
- **Sustainable:** We consider the future in our decision-making, emphasizing cleanliness and good environmental practices, ensuring our decisions have positive social impacts, and respecting laws, regulations, and good business practices with strong governance.

Principles:

The board, management, and employees of Brimborg must always adhere to certain principles which are:

- Act in accordance with the company's core values.
- Believe that good human interactions create social mobility for people and contribute to their safety and life satisfaction.
- Recognize and appreciate well-executed tasks to help others learn to value quality and usability.
- Obey laws as well as social and professional standards for reliability, accessibility, and usability.
- Strive to define and understand the wishes and needs of each stakeholder to assist them in achieving their mobility goals efficiently.
- Aim to be financially independent and achieve satisfactory profitability for the benefit of stakeholders.
- Employ professionals of both genders whose values align with the company's core values and principles. These individuals should highly value words and actions such as sustainability, passion, responsibility, consideration, tolerance, success, initiative, knowledge-seeking, and cooperation.
- Provide regular and appropriate employee training and excellent working conditions.
- Work with and develop the company's quality management system solely to enhance the quality or usability of Brimborg's services, aiming for stability in interactions with stakeholders.

Key goals of Brimborg:

- To make Brimborg the most sought-after company in the Icelandic car and industrial equipment market, both new and used.
- To achieve outstanding resale performance of Brimborg's brands.
- To make Brimborg the most desirable and safest workplace in the automotive industry, and among the most progressive in occupational safety and equality in Iceland.
- To position Brimborg among the financially top-performing companies in Iceland.
- To be among the most progressive companies in Iceland in consumer protection matters.
- To be among the most progressive companies in Iceland in sustainability matters.
- To be the leading car dealership in Iceland in terms of customer loyalty and satisfaction.

Brimborg's organizational structure is based on six business units and three support units. The business units—"Ford, Volvo, Polestar", "Mazda, Citroën, Peugeot, Opel", " Saga Car Rental", "Brimborg Akureyri", "MAX1 Machinery", and "Veltir – Industrial Equipment"—are revenue units operating in line with Brimborg's mission, with specialized focuses on different suppliers, products, and services. Detailed information about the company and its product and service offerings can be found on the website www.brimborg.is and other company websites accessible from there.

The support units handle central operations such as finance and information technology, human resources, property management, warehousing, and other central activities. Each unit is overseen by a director, with the CEO as their immediate superior. The marketing department, environmental committee, and cybersecurity council report directly to the CEO. The equality committee and two safety committees report to the CHRO. The procurement committee reports to the CFO.

The organizational structure is visually presented on the company's website.

The company manages risk through detailed planning across departments and divisions, with executives responsible for the creation, presentation, execution, and progress of these plans.

The company's objectives must always reflect its values and the organizational promise of being a safe place to be, whether as a workplace or a place for shopping and services.

The company's slogan is**: Brimborg - a safe place to be**.

The sustainability policy is the guiding principle for Brimborg's employees and includes various sub-policies such as the environmental policy, human resources policy which includes the equality policy, equal pay policy, policy against child labour and forced labour, policy and response plan against bullying, harassment and violence (not published on the website), and the whistleblower protection policy. The sustainability policy also encompasses the procurement policy, privacy policy, anti-bribery policy, competition policy, information security policy (not published on the website), corporate governance statement, and board of directors' rules of procedure, in addition to the sustainability policy itself, which includes guidelines for good business practices equivalent to a code of ethics. Relevant policies can be found on the company's website.

United Nations Sustainable Development Goals

Brimborg has decided to align its sustainability policy with the following 13 out of the 17 Sustainable Development Goals (SDGs):

- **No Poverty (1)** - Contribute to eliminating wage gaps through good and well-paid jobs with a clear wage policy and strengthen the position of disadvantaged individuals, with a special focus on children.
- **Good Health and Well-being (3)** - Support employees in leading healthier lifestyles through preventive measures and assist disadvantaged groups, thus improving health and well-being.
- **Quality Education (4)** - Ensure good access to training and education for employees, participate in projects that increase the number of students in vocational and technical education, promote literacy, and work towards the future of the Icelandic language.
- **Gender Equality (5)** - Work towards gender equality in automotive industry jobs, actively combat sexual and gender-based violence, and increase the percentage of fathers taking parental leave.
- **Affordable and Clean Energy (7)** - Increase the proportion of renewable energy sources through energy transitions on land, emphasize energy conservation, efficiency, and local sustainable energy production to reduce the strain on the national energy grid.
- **Decent Work and Economic Growth (8)** - Offer good, well-paid jobs that accommodate people with reduced work capacity, emphasize equal opportunities and equal pay for equal work, and ensure that productivity increases are achieved in harmony with the environment and society.
- **Industry, Innovation, and Infrastructure (9)** - Foster and maintain a culture of innovation within the company, support scientific research in automotive, energy, and tourism sectors, and contribute to enhancing infrastructure in transportation and tourism with a focus on clean energy.
- **Reduced Inequalities (10)** - Promote equality regardless of origin, nationality, religion, beliefs, disability, reduced work capacity, age, sexual orientation, or gender identity, and create opportunities and conditions for immigrants to become active participants in Icelandic society.
- **Sustainable Cities and Communities (11**) - Contribute to sustainable urban development, including transportation, buildings, and other infrastructure.
- **Responsible Consumption and Production (12)** - Implement circular economy principles in Brimborg's operations and assist customers in adopting circular economy practices to ensure resource use does not exceed the natural limits and ensure that Brimborg's operations in the automotive and tourism sectors are in harmony with nature and society.
- **Climate Action (13)** - Work systematically with measurements and goal setting using data-driven management to reduce Brimborg's environmental impact and implement appropriate actions accordingly.
- **Peace, Justice and Strong Institutions (16)** - Always respect laws and regulations, combat organized crime, ensure a violence-free workplace, build trust in media, politics, administration, and the judiciary, and support groups facing violence.
- **Partnerships for the Goals (17)** - Ensure that Brimborg and its managers set a good example and work towards sustainability goals regarding environmental, social, and governance aspects both internally and externally.

Sustainability Regulatory Framework

In 2014, Directive 2014/95/EU entered into force across the European Union, marking a milestone by requiring certain companies — principally public-interest entities and large undertakings — to disclose, in their management report, information on environmental and social impacts, human resources, human rights and anti-corruption matters. The aim was to enhance transparency regarding the link between sustainability and business operations, and the impact of those operations on society and the environment. Iceland transposed the Directive in 2016, when Act No. 73/2016 inserted a new Article 66 d into the Annual Accounts Act (No. 3/2006). Although the legislation mainly calls for narrative disclosures, market participants have increasingly demanded more granular, quantitative sustainability data. In 2019 Nasdaq therefore issued a voluntary ESG Reporting Guide encouraging both listed and unlisted companies to publish standardised ESG key performance indicators and map them to the global Nasdaq framework. The Directorate of Internal Revenue has since stressed that companies should expressly cite the legal provision in their board report and underpin it with appropriate data. Consequently, many Icelandic companies began publishing standalone sustainability reports with accompanying ESG statements, and Brimborg has issued such a report since the 2021 financial year, including an ESG statement aligned with the Guide.

In recent years, the European Union has enacted additional legislation to channel capital towards sustainability. On 1 June 2023 Iceland implemented the EU Taxonomy Regulation ((EU) 2020/852) through Act No. 25/2023. Brimborg must therefore disclose each year the proportions of revenue, capital expenditure and operating expenditure that are classified as 'eligible' and 'aligned'. From the 2023 financial year Brimborg's sustainability report has contained a dedicated chapter on the Regulation.

In February 2024 the EEA Joint Committee adopted Delegated Regulation (EU) 2023/2486, introducing new technical screening criteria for environmental objectives 3–6, together with updated climate criteria in Delegated Regulation (EU) 2023/2485. These criteria will become binding in Iceland through Regulation No. 1207/2024 from 1 January 2025. For the 2024 financial year it is therefore sufficient to disclose the eligible ratios for objectives 3–6; aligned ratios will become mandatory from the 2025 report, and Brimborg will present them accordingly.

Reflecting the growing focus on sustainability, Brimborg began in 2023 to prepare for the European Union's Corporate Sustainability Reporting Directive (CSRD), which will oblige large and/or listed companies to disclose sustainability information. Preparatory work, including a double-materiality assessment with internal and external stakeholders, continued in 2024. Adopted in 2022, the CSRD replaces the 2014 Non-Financial Reporting Directive and has a far broader scope. It is accompanied by the European Sustainability Reporting Standards (ESRS), which detail the required contents of a sustainability report. In practice, this heralds a new era in which sustainability disclosures will stand alongside financial information in the annual report, consistent with the EU Green Deal and the transition to a more sustainable economy.

The intention was for all EU and EEA States to transpose the Directive by 6 July 2024, with larger companies reporting under the ESRS for the 2025/2026 accounting periods. Owing to delays in many countries — including Iceland — the EU adopted an omnibus 'stop-the-clock' package in April 2025, postponing CSRD reporting by two years (first reports now due in 2027/2028) and extending the transposition deadline to 31 December 2025. Icelandic authorities are currently drafting implementing legislation, scheduled to be tabled in Parliament in autumn 2025.

These developments do not alter Brimborg's obligations under current Icelandic law but have influenced the prioritisation of sustainability work within the company. The initial assumption was that the CSRD would apply to the 2024 financial year and that an ESRS-compliant report would be required in 2025. Throughout 2024 Brimborg therefore undertook a comprehensive review of policies and processes to ensure ESRS compliance, with particular emphasis on the social and governance issues identified as most material in the double-materiality assessment — areas that also correspond to the minimum-safeguard requirements of the Taxonomy Regulation.

Late in 2024, however, Brimborg temporarily paused the most extensive ESRS-related activities owing to uncertainty over the timing of CSRD transposition in Iceland. Nevertheless, the company has continued its preparations.

- Reviewed human-resources, human-rights, equality, and health-and-safety policies and procedures.
- Revised the supplier Code of Conduct and the procurement policy.
- Established the foundations for carrying out human-rights due-diligence (HRDD) in Brimborg's own operations and across its value chain.
- Examined existing ESG data and mapped the additional metrics required under the ESRS.

This work is now well advanced, and within the coming months Brimborg will be able to confirm that it meets the minimum-safeguard requirements mandated by both the CSRD and the EU Taxonomy Regulation.

Uncertainty nevertheless persists as to whether the remaining proposals in the Omnibus simplification package will be adopted unchanged by the European Parliament and, if so, how and when they will be transposed in Iceland. These proposals concern the scope of the Directive; should they enter into force unamended at EU level and in Iceland, Brimborg would probably fall outside the reporting scope of both the CSRD and the Taxonomy Regulation.

Notwithstanding the uncertainty regarding future provisions and the final reporting obligations, Brimborg has decided to continue its comprehensive review and improvement programme, guided by the requirements of the CSRD and the Taxonomy Regulation. The company regards the sustainability regulatory framework as a quality-management system — not merely a compliance task but, above all, a powerful instrument for ongoing improvement and progress across every aspect of its operations.

Sustainability Statement

Brimborg publishes a comprehensive annual sustainability statement that presents all key information on the Company's ESG performance for the relevant financial year and is prepared in accordance with Nasdaq's 2019 ESG Reporting Guide. Looking ahead, Brimborg intends for its sustainability statements to be externally assured.

This year Brimborg issues its fourth sustainability statement, produced with the support of the sustainability-software provider Klappir Green Solutions. The statement is based on data gathered throughout the year by the Company's environmental platform, Klappir EnviroMaster, supplemented by other environmental metrics from Brimborg's information systems and by social and governance data likewise captured in the Company's IT systems.

Brimborg has embarked on setting both short- and long-term science-based targets, including a goal to reduce its carbon footprint by 2030 in support of Iceland's national emission objectives and, over the longer term, to become carbon-neutral. These targets and the associated actions will align with the Paris Agreement objective of limiting global temperature rise to 1.5 °C and will follow the Science Based Targets initiative (SBTi).

Environmental Sustainability

Brimborg operates under its environmental policy, *Vistvæn skref* ("Green Steps"), which focuses on practical measures designed to deliver positive environmental outcomes. This commitment is also embedded in the Company's procurement policy. Both the environmental and procurement policies are implemented through measurable targets and actions, overseen by the Board of Directors and by dedicated environmental and procurement committees. The results are disclosed each year in Brimborg's sustainability statement.

The Company plays an active role in public discourse and initiatives on environmental matters. Brimborg has signed the Climate Declaration of Festa and the City of Reykjavík, is a member of Festa, and complies with all applicable laws and regulations governing the environmental impacts of its operations.

Sustainability Statement

In the 2024 sustainability statement, the Company's carbon footprint is again calculated using the Klappir system, covering Scope 1 (direct emissions), Scope 2 (indirect emissions from electricity and district heating) and six sub-categories of Scope 3 (indirect emissions across the value chain). In 2022 Brimborg began preparing for carbon neutrality in line with the Science Based Targets initiative (SBTi), but the scope of the project proved larger than initially anticipated. Work therefore continues, supported by a comprehensive action plan to reduce greenhouse-gas emissions. The Company is also advancing its ESG strategy, including a materiality assessment and the definition of measurable targets and key performance indicators.

Carbon offsetting

Under the Icelandic Climate Act, carbon offsetting entails individuals or undertakings financing measures that either prevent greenhouse-gas emissions or remove such gases from the atmosphere. When a company decides to offset its emissions, it is essential to select certified projects that deliver a demonstrable climate benefit. The Environmental Agency of Iceland has issued guidance on the purchase of carbon units.

Brimborg undertakes small-scale afforestation at Esjumelar, where employees plant trees each year; however, the Company makes no claims regarding carbon sequestration and does not purchase carbon units in connection with this activity. Experts have noted that carbon offsetting can be unreliable over the long term and therefore recommend that funding be directed towards direct emission reductions until every viable mitigation option has been fully exploited.

Waste Management

During the year, work continued on waste-management processes with the aim of providing employees with clearer guidance on waste segregation and recycling. This resulted in a variety of improvements, including enhanced training and better organisation of waste containers. In 2023 a medium-sized in-house composting unit was installed at Brimborg's premises serving the capital area, and a smaller unit was added at the Reykjanesbær site. Over the period the collection of organic waste was extended to eight of the Company's nine locations, with the material now channelled into the composters. Excellent performance was achieved in both the waste-sorting rate and the overall recycling rate, meaning that, despite a slight increase in total waste generated, the associated carbon footprint fell for the second consecutive year.

General Actions

Setbacks in government incentives during 2024 slowed the uptake of electric vehicles (EVs). New registrations of battery-electric passenger cars fell by 69.7 per cent year on year. Brimborg's sales declined by a smaller margin, increasing the Company's share of the electric-passenger-car market from 13.5 per cent to 19.7 per cent. Battery-electric cars accounted for 47.3 per cent of Brimborg's total passenger-car sales, compared with only 26.0 per cent of the overall market.

The market for battery-electric vans contracted by 51.5 per cent. Brimborg achieved a 47.1 per cent share in this segment, with electric vans making up 51.2 per cent of the Company's overall van sales, versus 10.1 per cent in the national van market.

Several electric lorries supplied by Brimborg were newly registered in 2024, adding to those introduced in 2023. By year-end the combined electric-lorry fleet had clocked more than half a million kilometres. Additional electric construction machines were also brought into service nationwide.

Brimborg continued to expand its rapid-charging network under the Bílorka brand: 14 sites were in operation at year-end. The rooftop solar plant on the Polestar showroom, brought online in 2022, continued to generate electricity as planned, and the heat-pump system installed in 2023 kept supplying hot water for under-floor heating in the showroom.

Further AC chargers and smaller DC fast chargers were installed at Brimborg sites to meet the growing number of EVs in the fleet, the increase in electric demonstration and test-drive vehicles, and the higher service demand at the Company's workshops.

Brimborg's van-rental business was fully converted to a 100 per cent electric-van fleet during the year. A concerted drive to offer long-term EV leasing led to a significant rise in the number of electric cars in Brimborg's rental fleet, boosting the Company's market share, increasing the national EV park and reducing fossil-fuel consumption and Scope 3 emissions. Saga Car Rental, Brimborg's car-hire subsidiary, continued to rent EVs to foreign tourists following a successful trial in summer 2023, despite modest demand; the initiative further enlarged the national EV fleet and cut emissions in Scope 3 (customers) and in Scopes 1 and 2 at Brimborg.

Brimborg also renewed the vehicle fleet used in its own operations (excluding rentals). At end-2024 pure battery-electric vehicles represented 66.5 per cent of that fleet and plug-in hybrids 10 per cent. Including rental vehicles, the proportions were 30 per cent and 7 per cent respectively. This resulted in a substantial reduction in fossil-fuel consumption and therefore in greenhouse-gas emissions.

Environmental sustainability actions linked to the UN Sustainable Development Goals

Affordable and clean energy (SDG 7)

EV numbers increased in both core operations and rental activities. Imports of electric lorries and construction machinery continued, raising the share of EVs in Brimborg's total vehicle imports. These measures raised the share of renewable energy in Icelandic road transport and delivered energy savings, as EVs are highly efficient. Expansion of the rapid-charging network further supported nationwide EV adoption.

Closer monitoring of snow-melting systems, improved temperature control and better insulation of older buildings reduced hot-water use. Solar-power generation and the heat pump continued to operate, while the roof of the Bíldshöfði 6 workshop was renewed and insulation upgraded, yielding additional energy savings.

Industry, Innovation and Infrastructure (SDG 9)

Substantial effort went into developing the rapid-charging network, fostering an innovation culture in the Company and strengthening national energy infrastructure, especially for heavy transport, coaches and tourism. Output from the solar plant (operational since June 2022) and the heat pump (mid-2023) is continually monitored. Building upgrades focused on improved insulation and LED lighting, and development began on Brimborg's plots in Höfði as part of a new city district at Ártúnshöfði, with the aim of constructing buildings that set new standards for innovation.

Sustainable Cities and Communities (SDG 11)

All actions noted under SDGs 7 and 9 also support SDG 11. Particular attention was given to property renovations to improve energy efficiency, reduce consumption and enhance indoor comfort. The Ártúnshöfði development project explicitly incorporates this goal.

Responsible Consumption and Production (SDG 12)

Employee training in waste segregation was intensified, sorting facilities upgraded, signage clarified, and composting units installed to process kitchen waste. Almost all organic waste is now composted, and waste-sorting and recycling rates reached record highs. The Company also prioritises importing vehicles with long service lives and high recyclability.

Climate Action (SDG 13)

Fossil-fuel use, and emissions have been measured for four consecutive years, and Brimborg is systematically increasing the proportion of EVs in both its operational and rental fleets to curb fuel consumption and emissions. Marketing and delivery of electric lorries and construction machinery to customers supported further reductions. The share of EVs in Brimborg's imports rose again. The 2023 heat pump, improved snow-melting controls and enhanced insulation lowered hot-water consumption. Even better waste segregation and higher recycling further reduced the Company's carbon footprint.

Social Sustainability

Brimborg pursues social sustainability in accordance with the core values set out in its sustainability policy. Work is also guided by a human-resources policy, an equality policy, an equal-pay policy, a human-rights policy, a policy against child labour and forced labour, a policy and response plan on bullying, harassment and violence (not published online), a safety policy and a whistle-blower-protection policy. Additional policies—such as the procurement policy, the privacy policy, the information-security policy, the anti-bribery policy, the corporate-governance statement, the rules of procedure for the board and the code of conduct for the board, management and staff—further support the Company's social-sustainability work.

Performance in these areas is monitored by the board of directors, the equality committee, two safety committees and the data-protection officer, and employee-satisfaction surveys are carried out on a regular basis.

No employee is discriminated against on the grounds of gender, race, nationality, sexual orientation, age, religion, opinions or any other factor, and the Company complies fully with the policies mentioned above. Brimborg operates in a dynamic competitive environment that places high demands on employees and requires constant change. It is therefore essential to maintain a workplace culture that responds well to change and supports staff through training, career development and continuing education.

The Company expects contractors and subcontractors to comply with labour legislation, whether they employ wage earners or independent contractors, and to meet the requirements of Brimborg's procurement policy.

Violence or harassment, whether mental or physical, is not tolerated and may result in dismissal. Employees who experience such behaviour are encouraged to contact their immediate manager, the HR director or one of the Company's union representatives.

Brimborg's remuneration policy aims to attract and retain qualified employees. It stipulates that gender or other personal characteristics unrelated to the job or performance may not influence pay or pay development. The Company has introduced equal-pay certification to secure fairness and consistency in remuneration, and managers have access to central benchmarks on pay structures and market developments.

Brimborg takes corporate social responsibility seriously and seeks to embed it in the corporate culture, as reflected in the Company's guiding principles. It is vital that employees comply with all laws and regulations, that good governance practices are observed and that competition and data-protection legislation is followed. Employee rights are safeguarded through written employment contracts, the equality policy and the equal-pay certification granted on 12 April 2021. The Company also attaches great importance to participating actively in community projects and in 2024 focused on the energy transition, climate issues and the circular economy.

The proportion of employees of foreign origin remained like the previous year, at around 19 per cent of the workforce and representing 19 nationalities. Greater emphasis was placed on disseminating information in English as well as Icelandic. Employee-satisfaction surveys are conducted regularly, with increased emphasis on implementing improvements based on the findings and on keeping staff systematically informed of progress.

Various actions

During 2024 all Brimborg's social policies were reviewed with a view to meeting the requirements of the ESRS and the minimum-safeguard provisions. At the same time, consideration was given to how existing processes and tools could be improved, updated and used to meet those requirements, in line with the UN guiding principles. Significant uncertainty and changes in the sustainability regulatory framework delayed the work and made it clear that more time would be needed to complete the project. As part of Brimborg's introduction of artificial intelligence into various tasks, a pilot project was launched to use AI in the policy- and process-improvement work. The project is well advanced and is expected to be completed in 2025, although by its nature continuous improvement will always be necessary in this rapidly changing environment, as is clearly illustrated by the human-rights due-diligence process, which is presented as an endless circle.

Social sustainability actions linked to the UN Sustainable Development Goals

No Poverty (SDG 1) – The equal-pay policy is actively applied, and the remuneration policy is clear, with the aim of eliminating unexplained pay gaps. All employees have written contracts; wages are always above the minimum, and average pay is among the highest in the sector compared with similar companies. Emphasis is placed on ensuring that employees can progress based on performance, measured in various ways. The number of employees of foreign origin has risen, and staff now come from 19 countries, accounting for about 19 per cent of employees. The Company works actively with charities to provide refugees and asylum seekers with opportunities in the labour market. Special attention is paid to ensuring that employees of foreign origin and other minority groups integrate quickly and well into the workplace.

Good Health and Well-being (SDG 3) – Health examinations have been strengthened, and employees are encouraged to adopt a healthy lifestyle through transport grants, fitness subsidies and other health-promotion measures, as well as participation in events such as "Bike to Work".

Quality Education (SDG 4) – Brimborg places particular emphasis on continuous education, both in collaboration with suppliers and through in-house training related to the Company's products and services; employees are also supported in attending courses that enhance their skills, both general and specialised. A new post of Training and Education Manager has improved the organisation of lifelong learning and training. Special attention is paid to welcoming apprentices, and the Company received a "Model Company" award from Nemastofa and celebrated an Icelandic championship in automotive technology among its staff.

Gender Equality (SDG 5) – The Company operates under a clear equality policy and ensures equal pay for work of equal value and competence. A specific policy addresses all forms of harassment, sexual or gender-based violence, and efforts are made to balance gender ratios in a male-dominated sector by actively encouraging women to apply. Although the overall proportion of women in the industry has changed little, positive developments are evident in individual departments where few or no women were employed previously.

Decent Work and Economic Growth (SDG 8) – Brimborg is a leader in average pay within the automotive sector compared with similar companies. There is a strong focus on equal pay and equal opportunities for all employees, and staff are given the chance to progress. The Company offers good, well-paid jobs in which people with reduced work capacity can find their place. Growth and productivity are managed with social and environmental considerations in mind, including a high proportion of zero-emission vehicles in the product range, specialised services for electric vehicles and excellent waste management.

Reduced Inequalities (SDG 10) – By emphasising equality and equal pay, and by welcoming staff regardless of origin, nationality, religion, life stance, disability, reduced work capacity, age, sexual orientation or gender identity, the Company promotes greater equality. This is reflected in the increase in employees of foreign origin, who accounted for 19 nationalities, or about 19 per cent of staff, during the year. Particular attention is paid to giving everyone equal opportunities for career development so that employees of foreign origin can participate fully in Icelandic society.

Peace, Justice and Strong Institutions (SDG 16) – The Company places great emphasis on complying with laws and regulations in all its business dealings. It combats organised crime through careful selection of suppliers and carries out enhanced due diligence on customers purchasing vehicles that are subject to registration under anti-terrorism and anti-money-laundering legislation. Brimborg has established robust systems and provides extensive staff training in these matters. It emphasises maintaining a workplace free of bullying or any kind of violence and has clear response plans should such cases arise.

Sustainable Governance

Brimborg works systematically to ensure sound governance through a clear organisational structure and an integrated sustainability policy. The policy sets out rules on good business ethics, includes a corporate-governance statement, rules of procedure for the board, an anti-corruption and anti-bribery policy, a competition policy and an information-security policy, in addition to the policies already noted under environmental and social sustainability. Performance is assessed through surveys of employees, suppliers and customers, the work of active committees and regular monitoring of media coverage, rulings and court cases concerning the Company.

In this area particular emphasis is placed on Brimborg's core values and on ensuring that all employees and managers comply with the law, observe sound business practice and maintain high ethical standards towards every stakeholder. Employees must report to their immediate superior or senior management if they become aware of any breach of the law or incident that borders on poor business practice or ethics. Confidentiality is respected if the employee so requests, and no adverse consequences may follow. The Company has introduced written procedures for receiving funds from customers, and staff in relevant roles have signed guidelines on handling cash payments and the related disclosures required under anti-money-laundering and counter-terrorism-financing rules.

Brimborg's code of conduct and policy stipulate that managers and other employees must not accept gifts, hospitality, entertainment or personal favours that could reasonably be perceived as influencing business decisions. Invitations to entertainment may be accepted only within the limits of normal business courtesy. Staff must also report immediately to their manager any offers or threats connected with their work.

The Company respects human rights, freedom of association and collective-bargaining rights and operates in accordance with its privacy policy. It emphasises that its operations align with the UN Sustainable Development Goals to which Brimborg has committed under its sustainability policy.

General actions

In 2024 Brimborg's governance-related policies were reviewed with the aim of meeting the requirements of the ESRS and the minimum-safeguard provisions. The review also considered how existing processes and tools could be improved, updated and applied to satisfy those requirements, in line with UN guiding principles. Significant uncertainty and changes in the sustainability regulatory framework delayed the work and showed that more time would be needed to complete the project. As part of Brimborg's wider introduction of artificial intelligence, a pilot project was launched to employ AI in the policy- and process-improvement work. The project is well advanced and is expected to be finalised in 2025, though by nature this work requires continual refinement in a constantly evolving environment, as the human-rights due-diligence process—conceived as an ongoing loop—demonstrates.

Sustainable governance actions linked to the UN Sustainable Development Goals

Partnerships for the Goals (SDG 17)

This Goal is addressed here because it applies across all pillars of sustainability: environmental, social and governance. Great emphasis was placed on collaboration with internal and external stakeholders to achieve the objectives set. Information flows to staff on project progress are regular and structured. Brimborg holds numerous annual presentations both internally and for external audiences—individuals and companies alike. Topics include the construction of the solar plant and the heat pump, the Company's own electrification and that of Iceland's vehicle fleet in general, the electrification of lorries and construction machinery, the development of charging infrastructure and waste management.

The Company has also published many articles on sustainability issues: environmental topics such as the energy transition, energy production, energy efficiency and waste management; social issues such as the Taxonomy Regulation; and governance matters, especially information security. Following a cyber-attack, Brimborg publicly disclosed the incident, the Company's response and the subsequent measures taken, with the aim of raising general awareness of the importance of information security in Iceland.

INFORMATION DISCLOSURE UNDER THE EU TAXONOMY REGULATION

The purpose of the Taxonomy Regulation is to define which economic activities are environmentally sustainable, according to technical screening criteria, and to ensure transparency in sustainability reporting. An activity must

1. **contribute substantially to** one or more of the Regulation's six environmental objectives,
2. **do no significant harm** (DNSH) to the other objectives, and
3. be carried out in accordance with the **minimum-safeguard requirements** set out in Article 18.

Environmental objectives

4. Climate-change mitigation
5. Climate-change adaptation
6. Sustainable use and protection of water and marine resources
7. Transition to a circular economy
8. Pollution prevention and control
9. Protection and restoration of biodiversity and ecosystems

As noted above, amendments to the framework were adopted in 2024, but the new requirements will not take effect until the 2025 financial year. The continuing uncertainty surrounding the European and Icelandic sustainability rulebook has further complicated the prioritisation of tasks, and the obstacles linked to the lack of government guidance highlighted in last year's report remain. For that reason, additional work underpinning the DNSH analysis—both for existing and for new environmental objectives—was postponed, as it was still impossible to assert compliance with certainty. Consequently, Brimborg's Taxonomy disclosures will not change materially year on year.

Brimborg nevertheless initiated a comprehensive review and improvement programme aligned with the ESRS, with particular focus on social and governance aspects because of their clear synergy with the Taxonomy Regulation's minimum safeguards. This work is now well advanced, and within the next few months Brimborg will be able to confirm that it meets the minimum-safeguard requirements demanded by both the CSRD and the Taxonomy Regulation. The status will be outlined briefly later in this chapter.

The disclosure obligations laid down in Icelandic Act No. 25/2023 regarding the publication of eligible and aligned activities remain in force, so Brimborg's reporting duty under the Taxonomy Regulation still applies. The following section therefore describes the Company's eligible activities, summarises alignment with the Regulation's technical screening criteria and notes the remaining obstacles to confirming full alignment and thus environmental sustainability. Finally, the proportions of turnover, capital expenditure and operating expenditure attributable to eligible activities for the 2024 financial year are presented.

Eligible activities within the meaning of the Regulation

Eligible activity is any part of the Company's operations that matches the activity descriptions defined in the Regulation. Brimborg focused on its core operations and those whose main purpose is climate-change mitigation. Following analysis, the Company concluded that its eligible activities fall under the following categories:

CATEGORY 3.3 MANUFACTURE OF LOW-CARBON TECHNOLOGIES FOR TRANSPORT

This category covers repair, maintenance, refurbishment and retrofitting of low-emission vehicles. It includes all workshop activities at Brimborg—service workshops for passenger and light-commercial vehicles, the MAX1 quick-service centre, general repairs for all vehicle types at Vélaland, and the heavy-vehicle and coach workshop at Velti—all of which service fully or partly electric passenger cars (M1), vans (N1) and lorries and coaches (N2, N3, M2, M3) with zero or low tailpipe emissions.

CATEGORY 4.1 ELECTRICITY GENERATION USING SOLAR PHOTOVOLTAIC TECHNOLOGY

In 2022 Brimborg installed a solar power plant on the roof of the Polestar showroom. The electricity produced powers the showroom and the heat pump. At peak production, surplus electricity can be used to supply other Brimborg operations on the same site.

CATEGORY 4.16 INSTALLATION AND OPERATION OF ELECTRIC HEAT PUMPS

In 2023 an air-to-water heat pump was installed on the roof of the Polestar showroom. The pump extracts heat from outdoor air to warm water, which passes through a heat exchanger in the HVAC system, thus supplying fresh, heated air to the space and reducing geothermal energy demand for under-floor heating.

CATEGORY 6.5 PASSENGER AND COMMERCIAL TRANSPORT BY MOTORBIKES, PASS. CARS AND LIGHT COMMERCIAL VEHICLES

Brimborg offers long-term leasing and van rental under the Brimborg brand and conventional short-term car rental under the Saga Car Rental brand. Brimborg workshops also provide courtesy vehicles for customers, and the Company uses its own vehicles for daily operations in workshops, warehouses, offices and management.

CATEGORY 6.15 INFRASTRUCTURE ENABLING LOW-CARBON ROAD TRANSPORT AND PUBLIC TRANSPORT

Brimborg operates fast-charging stations for electric vehicles under the Bílorka brand. Stations open to the public are in the capital area and Reykjanesbær, with additional smaller units elsewhere in the country; they also serve Brimborg's own operations. Such infrastructure is essential for zero-emission road transport in urban areas. Last year Brimborg classified this activity under Category 4.9, but it is now deemed more appropriate to use Category 6.15 and will be reported as such in future.

CATEGORY 7.4 INSTALLATION, MAINTENANCE AND REPAIR OF ELECTRIC-VEHICLE CHARGING STATIONS IN BUILDINGS

Charging points have been installed in the car parks of all Brimborg buildings for use by sales departments, workshops, the rental fleet, employees and customers.

CATEGORY 7.7 ACQUISITION AND OWNERSHIP OF BUILDINGS

This category covers property investment, ownership, leasing and operation. Brimborg owns and operates properties at eight locations for its own activities and partly for letting.

Brimborg also examined the following categories in 2023 but decided to defer detailed analysis for the time being:

CATEGORY 7.1 CONSTRUCTION OF NEW BUILDINGS –

likely applicable where Brimborg has constructed premises for its own operations, part of which may be leased to, or used by, external parties.

CATEGORY 7.2 RENOVATION OF EXISTING BUILDINGS –

Likely applicable to refurbishment projects on buildings that house Brimborg's operations.

CATEGORY 5.5 COLLECTION AND TRANSPORT OF NON-HAZARDOUS WASTE IN SOURCE-SEGREGATED FRACTIONS –

potentially relevant given the variety and volume of reusable or recyclable waste generated by Brimborg, such as metals, tyres, paper and packaging timber. Waste disposal follows Brimborg's segregation procedures, and appropriate sorting facilities are in place at several Company sites.

Environmentally sustainable activity

For eligible activity to qualify as environmentally sustainable, it must meet the technical screening criteria showing (1) a substantial contribution to one or more of the six environmental objectives set out in the Regulation, (2) compliance with the do-no-significant-harm (DNSH) criteria for the remaining objectives, supported by evidence, and (3) alignment with the minimum-safeguard requirements of Article 18 of the Taxonomy Regulation.

Substantial contribution to climate-change mitigation

Brimborg focuses primarily on the environmental objective climate-change mitigation and assesses whether its eligible activity contributes substantially to that goal.

CATEGORY 3.3 – Manufacture of low-carbon technologies for transport This category covers the manufacture, repair, maintenance, refurbishment, repurposing or retrofitting of f) M1 and N1 vehicles with specific CO_2 emissions below 50 g CO_2/km, and i) N2 and N3 vehicles (not intended for transporting fossil fuels) with a technically permissible maximum laden mass above 7.5 tonnes, classified as zero-emission or low-emission heavy-duty vehicles. Where such activity exists, it is deemed to make a substantial contribution.

CATEGORY 4.1 – Electricity generation using solar photovoltaic technology. Electricity must be produced using PV technology. Brimborg meets this condition.

Charging-station activities fall under two categories. Brimborg distinguishes them as follows: CATEGORY 7.4 – Installation, maintenance and repair of EV charging stations in buildings (chargers on Brimborg premises) and CATEGORY 6.15 – Infrastructure enabling low-carbon road transport and public transport (public fast-charging network).

For CATEGORY 7.4 the sole requirement is that the activity is present. CATEGORY 6.15 additionally requires that the chargers are not intended for the transport or storage of fossil fuels and serve vehicles with zero tailpipe CO_2 emissions; Brimborg's network meets these conditions.

CATEGORY 4.16 – Installation and operation of electric heat pumps. Two criteria apply: energy-efficiency requirements (met) and a refrigerant global-warming potential ≤ 675 (not met). The activity therefore does not qualify as making a substantial contribution.

CATEGORY 6.5 – Passenger and commercial transport by motorbikes, passenger cars and light commercial vehicles. Specific CO_2 emissions for M1 and N1 vehicles must be below 50 g CO_2/km (0 g CO_2/km from 1 January 2026).

CATEGORY 7.7 – Acquisition and ownership of buildings. Buildings must be in energy-performance class A, evidenced by an Energy Performance Certificate under Directive 2010/31/EU. Iceland is exempt from that Directive; no certificates exist, so compliance cannot currently be demonstrated. Activities in these three categories are therefore regarded as non-aligned for the time being.

Last year Brimborg analysed whether its eligible activities for 2023 made a substantial contribution to mitigation and whether minimum safeguards and DNSH criteria were met. Further analysis was postponed and improvement work delayed for various reasons. To avoid repetition, this chapter therefore summarises last year's findings and reports the status.

Minimum safeguards

Article 18 of the Taxonomy Regulation lays down minimum safeguards. These are based on the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the eight fundamental conventions referenced in the ILO Declaration on Fundamental Principles and Rights at Work. The Platform on Sustainable Finance has identified the core topics of the minimum safeguards: human rights, corruption and bribery, taxation and fair competition.

Following an in-depth review of the minimum safeguards in 2023, Brimborg considered that it could not yet declare full compliance, although a solid foundation had been established through relevant policies and procedures. Notably, a human-rights due-diligence (HRDD) process in line with Article 18 had not been carried out. Brimborg therefore launched work in 2024 to meet all minimum-safeguard requirements but as noted above, this work has unfortunately not yet been completed.

Human rights

Brimborg has made formal public commitments to respect human rights and workers' rights in its own operations and throughout the value chain. A comprehensive review of the human-resources policy and other social policies is well advanced. The requirements of the ESRS were used as the basis for improved structure and content, while re-using wording from the existing policies wherever possible. Drafts of a revised procurement policy and supplier code of conduct that meet ESRS requirements have been prepared and await review. All current policies are available on the company website, and staff receive and sign them on recruitment and whenever they are updated. Work to strengthen these processes continued in 2024 and will do so in 2025.

The company already has various procedures in place to safeguard employees, including regarding gender-based violence and harassment. The safety committee carries out an annual risk assessment covering preparedness and physical security, as well as social conditions. An employee-satisfaction survey, issued in three languages to reflect Brimborg's multinational workforce, allows staff to submit anonymous comments. A similar survey addressing suspected serious misconduct is under development. A response plan for any form of violence, harassment or bullying exists and is set out in the equality policy. Work is under way to extend this plan to cover additional types of misconduct and align it with recent Labour Inspectorate guidance on whistle-blowing procedures. External stakeholders and employees can also submit praise, suggestions or complaints via a general-purpose button on the company website; if a human-rights or other breach is reported, the response plan can be activated. Further improvements are being developed to handle whistle-blower reports, should offences involving managers or other serious breaches arise.

No court rulings have been issued against Brimborg for labour- or human-rights violations, and maintaining this record is a priority. Work therefore continues to enhance policies, procedures and follow-up, and to introduce a formal HRDD process in line with Article 18 of the Taxonomy Regulation to prevent human-rights breaches in Brimborg's own operations and those of its suppliers and partners.

Corruption and bribery

Brimborg has a clear public policy on preventing bribery and corruption and has implemented procedures and rules to prevent money-laundering and terrorist financing, which the relevant employees have signed. This is reflected both in the anti-corruption policy and in the company's quality policy, which also emphasises business ethics, full legal compliance and prompt reporting of any potential breaches. All employees sign the anti-corruption policy, which outlines rules on gifts and potential bribes, identifies responsible persons and records a risk assessment. When entering contracts with new suppliers or business partners, it is stipulated that all dealings must be sound. The procurement policy addresses this and states that partners must operate in accordance with Brimborg's policies and are selected partly on sustainability grounds. No corruption cases have arisen, and according to the HR department only three gifts exceeding ISK 15,000 have been reported.

Taxation

The company operates in compliance with tax laws and in the spirit of tax regulations, using internal processes and IT systems to monitor tax filings, complemented by an annual external audit conducted by Deloitte.

Fair competition

No competition-law infringements have occurred in the company's activities. Job descriptions and employment contracts emphasise the importance of full compliance with competition law by managers and staff alike.

Do no significant harm

An activity that is deemed eligible and makes a substantial contribution to one environmental objective must also meet the technical screening criteria for do no significant harm (DNSH) to the Regulation's other environmental objectives; otherwise, it cannot be considered aligned.

The summary contained in the tables covers those categories that were assessed as eligible, i.e. considered to meet the substantial-contribution requirement:

- Category 4.1 – electricity generation using solar photovoltaic technology
- Category 6.15 – infrastructure enabling low-emission road transport and public transport
- Category 7.4 – installation, maintenance and repair of charging points for electric vehicles in buildings
- Category 6.5 – transport by motorcycles, passenger cars and light commercial vehicles
- Category 3.3 was likewise deemed to meet the substantial-contribution requirement but was added late in 2023, and further analysis has again been deferred.

The first table summarises whether Brimborg complies with the DNSH technical screening criteria, while the second table reproduces the technical screening criteria exactly as set out in the Regulation.

Table 1: Summary of DNSH analysis:

Alignment with technical criteria for Do no significant harm for the other environmental goals.

Category (activity) / Environmental objectives 2–6	**Climate change adaptation**	**Sustainable use and protection of water and marine resources**	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	**DNSH outcome**
4.1 Electricity generation – solar photovoltaic panels	Risk assessment deferred	Not applicable	Solar photovoltaic panels with a 25-year manufacturer's warranty. The manufacturer guarantees that no hazardous substances are used in production. At end of life, panels are sorted and recycled in accordance with Brimborg's classification scheme and procedures.	Not applicable	No environmental-impact assessment required by the authorities. Other conditions not applicable owing to rooftop location in a built-up area.	Alignment cannot be asserted
6.15 Infrastructure enabling low-emission transport	Risk assessment deferred	Water Framework Directive not transposed ⇒ obstacle	Installation does not entail any demolition as such. All waste generated by the works is sorted and recycled in accordance with Brimborg's classification scheme and procedures.	General procedures during installation: 1. Location chosen as close as possible to electricity intake / sub-station to minimise ground disturbance and dust emissions 2. Emphasis on using electric machinery and electric vehicles whenever feasible.	No requirement for an environmental-impact assessment from the authorities. No wild habitats; invasive species not an issue for the individual businesses.	Alignment cannot be asserted
7.4 Installation / maintenance of charging points in buildings	Risk assessment deferred	Not applicable	Not applicable	Not applicable	Not applicable	Alignment cannot be asserted
6.5 Transport – operation & leasing of electric vehicles, etc.	Risk assessment deferred	Not applicable	Recyclability ≥ 95 % ensured by EU Directive 2000/53, applicable to all vehicles produced from 1 January 2015.	Considerable obstacles; see the dedicated obstacles section for further details.	Not applicable	Alignment cannot be asserted

Table 2: Technical Criteria DNSH.

Do no significant harm (DNSH) environmental goals 2-6

Category (activity) / Environmental objectives 2–6	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems
4.1 Electricity generation – solar photovoltaic panels	A climate-risk and vulnerability assessment in accordance with Annex A must be carried out.	Not applicable	Equipment and components must be highly durable, recyclable and easy to disassemble and refurbish.	Not applicable	Requirements set out in Annex D apply, i.e. the activity must meet environmental-impact-assessment requirements where these are triggered.
6.15 Infrastructure enabling low-emission transport	A climate-risk and vulnerability assessment in accordance with Annex A must be carried out.	The activity must comply with the EU Water Framework Directive, as specified in Annex B.	In line with the EU methodology for the management of construction and demolition waste: 1. At least 70 % by mass of non-hazardous waste (excluding natural material) generated on the construction site is prepared for re-use, recycling or other material recovery, including backfilling operations in which waste substitutes other materials, and in accordance with the waste hierarchy. 2. Operators shall minimise waste generation in processes, applying best available techniques and selective demolition to enable the safe removal and treatment of hazardous substances and to facilitate high-quality re-use and recycling by selectively removing materials and using available waste-sorting systems.	Where relevant, noise and vibration from the use of the infrastructure shall be mitigated by open trenches, noise barriers or other measures in accordance with Directive 2002/49/EC. Measures shall be taken to reduce noise, dust and pollutant emissions during construction or maintenance works.	Requirements set out in Annex D apply, i.e. the activity must meet environmental-impact-assessment requirements where these are triggered. Where relevant, vegetation alongside transport infrastructure must be maintained to prevent the spread of invasive species, and mitigation measures must already be in place to avoid collisions with wildlife.
7.4 Installation / maintenance of charging points in buildings	A climate-risk and vulnerability assessment in accordance with Annex A must be carried out.	Not applicable	Not applicable	Not applicable	Not applicable
6.5 Transport – operation & leasing of electric vehicles, etc.	A climate-risk and vulnerability assessment in accordance with Annex A must be carried out.	Not applicable	Vehicles in categories M1 and N1 must meet recyclability and waste-management requirements: Recyclability a) it must be possible to re-use or recycle at least 85 % by mass. b) it must be possible to re-use or recover at least 95 % by mass. Waste management Measures are in place, both during the use phase (maintenance) and at end of life, including re-use and recycling of batteries and electronic equipment (notably critical raw materials), in accordance with the waste hierarchy.	Vehicles must comply with: 1. The latest applicable Euro 6 type-approval stage on emissions from light vehicles. 2. The pollutant-emission thresholds for clean and energy-efficient light vehicles, promoting the uptake of such vehicles. 3. Requirements that the in-use tyre external rolling noise falls in the top performance class and that the in-use tyre rolling-resistance coefficient is within one of the two highest performance classes. 4. Requirements under the Regulation on vehicle noise levels and replacement silencing systems.	Not applicable

Obstacles arising from insufficient implementation, guidance and regulatory interpretation

Brimborg continues to face several external obstacles that limit the company's ability to demonstrate unequivocal alignment with the technical screening criteria of the EU Taxonomy Regulation.

SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES (OBJECTIVE 6)

Only the first river-basin management plan for 2022 – 2027 has entered into force, and the next planning cycle (2028 – 2033) is still under preparation. Clear rules and procedures for verifying alignment with the screening criteria are therefore still lacking, preventing Brimborg from asserting alignment for the relevant activity.

DATA GAPS FOR VEHICLES (CATEGORY 6.5)

To demonstrate that the fleet causes neither significant harm nor breaches the minimum safeguards, Brimborg must collect CO_2, noise, pollutant-emission and technical data for each vehicle. Given the fleet's size, this data collection needs to be automated, but the Icelandic Transport Authority has not yet established an electronic database containing such data. Although new Implementing Regulation (EU) 2024/1061 has formally enabled electronic transmission of COC data through the EUCARIS system, a shared electronic repository for CO_2, noise and pollutant information has not yet been set up nationally. This delays Brimborg's automated assessment of whether individual vehicles meet the Taxonomy Regulation's requirements.

ENERGY PERFORMANCE OF BUILDINGS (CATEGORY 7.7)

Iceland still benefits from a blanket exemption from the EU Energy Performance of Buildings Directive (EPBD), so energy performance certificates (EPCs) and energy classes A–G do not yet exist. A methodology for building energy classes is under development and new life-cycle-assessment requirements will enter into force on 1 September 2025, but a formal EPC system and legal basis are still absent; Brimborg can therefore not confirm class A for its properties.

STUDDED TYRES AND TYRE REQUIREMENTS (CATEGORY 6.5)

Regulation (EU) 2020/740 on tyre labelling exempts tyres "equipped with additional devices to enhance traction", such as studded tyres, from all requirements on rolling resistance and noise. Because the taxonomy's technical screening criteria refer directly to this regulation, vehicles fitted with studded tyres do not meet the relevant tyre conditions for part of the year. The Commission has issued neither specific guidance nor exemptions, and the stakeholder consultation forum has so far provided few solutions to similar issues. In view of this, and because the benefits of submitting a formal request were uncertain relative to the workload, Brimborg has decided to prioritise other tasks and has not lodged a formal request at this stage.

Key performance indicators

The European Union has issued guidelines for the calculation of key performance indicators in Commission Delegated Regulation (EU) 2021/2178. The turnover, capital expenditure and operating expenditure ratios are calculated in accordance with Article 8 of the Taxonomy Regulation. However, the requirements or methodology may change as the regulation is updated, which could affect the company's future calculations. Following further consideration, it has been decided to transfer the figures previously disclosed under category 4.9 to category 6.15. This change has been made because it better reflects the nature of the relevant activity, and the figures will henceforth be reported there.

Turnover

The turnover ratio as defined in the Taxonomy Regulation covers revenue recognised in accordance with point (a) of paragraph 82 of International Accounting Standard (IAS) 1. Total turnover under the definition is consistent with the Group's total turnover for 2024 as presented in the income statement of the annual financial statements. The turnover ratio covered by the taxonomy and deemed to arise from eligible activity is 7.06 %; however, the activity is not considered environmentally sustainable for the purposes of the regulation. This includes revenue from charging stations invested in during 2023 that are generating income for the company this year, amounting to ISK 7,374,009 from activity in category 6.15 in 2024. See the other ratios in the turnover table on page 32.

Capital expenditure

We have allocated capital expenditure to eligible activity in accordance with the Taxonomy Regulation. Capital expenditure under Article 8 of the Taxonomy Regulation comprises additions to tangible and intangible assets during the financial year before depreciation, amortisation and revaluations, excluding fair-value changes. Total capital expenditure amounted to ISK 2,973,367,442 in 2024, in line with the additions disclosed in note 7 to the annual financial statements. Capital expenditure relating to eligible activity in 2024 represents 90.17 % of total capital expenditure, but no activity is yet fully aligned and therefore environmentally sustainable within the meaning of the regulation. See the other ratios in the capital expenditure table on page 33.

Operating expenditure

The Taxonomy Regulation defines operating expenditure more narrowly than is generally the case in accounting terms. Operating expenditure shall include direct costs that are not capitalised, relating to research and development, building refurbishment measures, short-term leases, maintenance and repairs, and other direct expenditure on the day-to-day servicing of the company's property, plant and equipment or of third-party assets to which operations are outsourced, which are required to ensure the continued efficient operation of such assets. Operating expenditure for all the company's activities in 2024 under this definition amounted to ISK 481,411,957. Of this, 86.63 % of all operating expenditure was incurred in respect of eligible activity as defined in the Taxonomy Regulation, but nowhere was full alignment confirmed. See the ratios in the operating expenditure table on page 34.

Turnover

				Substantial contribution criteria						Do-no-significant-harm criteria ("Does not cause significant harm")									
Economic activity (1)	Number (2)	Total turnover (3)	Share of turnover (4)	Climate change mitigation (5)*	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of taxonomy-aligned turnover, year N-1 (19)	Category (enabling activity facilitating other activity's contribution to environmental objectives) (20)	Category ("transitional activity") (21)
Text		*ISK*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*E*	*T*
A. ACTIVITIES COVERED BY THE TAXONOMY			**7,06%**																
A.1 Environmentally sustainable activity (taxonomy-aligned)																			
			0,00%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
Velta frá umhverfissjálfbærri starfsemi (sem fellur að flokkunarkerfinu) (A.1)		**0**	**0,00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**0%**
A.2 Activity covered by the taxonomy but not environmentally sustainable (non-aligned)																			
Manufacture of low-carbon technology for transport	3.3	161.182.844	0,63%																
Electricity generation using solar photovoltaic technology	4.1	0	0,00%																
Installation and operation of electric heat pumps	4.16	0	0,00%																
Infrastructure enabling road and public transport with low emissions	6.15	7.374.009	0,03%																
Transport by motorcycles, passenger cars and light commercial vehicles — leasing and operation of vehicles in categories M1, N1 and L	6.5	1.609.903.712	6,25%																
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking areas attached to buildings)	7.4	0	0,00%																
Acquisition and ownership of buildings	7.7	40.412.494	0,16%																
Turnover from activity covered by the taxonomy but not environmentally sustainable (non-aligned) (A.2)		**1.818.873.059**	**7,06%**																
Total (A.1+A.2)		**1.818.873.059**	**7,06%**																
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Turnover from activities not covered by the taxonomy (B)		**23.947.901.265**	**92,94%**																
Total (A+B)		**25.766.774.324**	**100,00%**																

Capital expenditure

Economic activity (1)	Number (2)	Total capital expenditure (3)	Share of capital expenditure (4)	Substantial contribution criteria: Climate change mitigation (5)*	Substantial contribution criteria: Climate change adaptation (6)	Substantial contribution criteria: Water and marine resources (7)	Substantial contribution criteria: Circular economy (8)	Substantial contribution criteria: Pollution (9)	Substantial contribution criteria: Biodiversity and ecosystems (10)	Do-no-significant-harm criteria ("Does not cause significant harm"): Climate change mitigation (11)	Do-no-significant-harm criteria ("Does not cause significant harm"): Climate change adaptation (12)	Do-no-significant-harm criteria ("Does not cause significant harm"): Water and marine resources (13)	Do-no-significant-harm criteria ("Does not cause significant harm"): Circular economy (14)	Do-no-significant-harm criteria ("Does not cause significant harm"): Pollution (15)	Do-no-significant-harm criteria ("Does not cause significant harm"): Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of taxonomy-aligned capital expenditure, year N-1 (19)	Category (enabling activity facilitating other activity's contribution to environmental objectives) (20)	Category ("transitional activity") (21)
Text		*ISK*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*E*	*T*
A. ACTIVITIES COVERED BY THE TAXONOMY			**90,17%**																
A.1 Environmentally sustainable activity (taxonomy-aligned)																			
			0,00%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
Capital expenditure from environmentally sustainable activity (taxonomy-aligned) (A.1)		**0**	**0,00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**0%**
A.2 Activity covered by the taxonomy but not environmentally sustainable (non-aligned)																			
Manufacture of low-carbon technology for transport	3.3	0	0,00%																
Electricity generation using solar photovoltaic technology	4.1	0	0,00%																
Installation and operation of electric heat pumps	4.16	0	0,00%																
Infrastructure enabling road and public transport with low emissions	6.15	272.805	0,01%																
Transport by motorcycles, passenger cars and light commercial vehicles — leasing and operation of vehicles in categories M1, N1 and L	6.5	2.665.951.053	89,66%																
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking areas attached to buildings)	7.4	0	0,00%																
Acquisition and ownership of buildings	7.7	14.732.540	0,50%																
Capital expenditure from activity covered by the taxonomy but not environmentally sustainable (non-aligned) (A.2)		**2.680.956.398**	**90,17%**																
Total (A.1+A.2)		**2.680.956.398**	**90,17%**																
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Capital expenditure from activities not covered by the taxonomy (B)		**292.411.044**	**9,83%**																
Total (A+B)		**2.973.367.442**	**100,00%**																

Operating expenditure

Economic activity (1)	Number (2)	Total operating expenditure (3)	Share of operating expenditure (4)	Substantial contribution criteria: Climate change mitigation (5)*	Substantial contribution criteria: Climate change adaptation (6)	Substantial contribution criteria: Water and marine resources (7)	Substantial contribution criteria: Circular economy (8)	Substantial contribution criteria: Pollution (9)	Substantial contribution criteria: Biodiversity and ecosystems (10)	Do-no-significant-harm criteria ("Does not cause significant harm"): Climate change mitigation (11)	Do-no-significant-harm criteria ("Does not cause significant harm"): Climate change adaptation (12)	Do-no-significant-harm criteria ("Does not cause significant harm"): Water and marine resources (13)	Do-no-significant-harm criteria ("Does not cause significant harm"): Circular economy (14)	Do-no-significant-harm criteria ("Does not cause significant harm"): Pollution (15)	Do-no-significant-harm criteria ("Does not cause significant harm"): Biodiversity and ecosystems (16)	Minimum safeguards (17)	Share of taxonomy-aligned operating expenditure, year N-1 (19)	Category (enabling activity facilitating other activity's contribution to environmental objectives) (20)	Category ("transitional activity") (21)
Text		*ISK*	*%*	*%*	*%*	*%*	*%*	*%*	*%*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*E*	*T*
A. ACTIVITIES COVERED BY THE TAXONOMY			**86,63%**																
A.1 Environmentally sustainable activity (taxonomy-aligned)																			
			0,00%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0%	-	-
Operating expenditure from environmentally sustainable activity (taxonomy-aligned) (A.1)		**0**	**0,00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**0%**	**0%**	**0%**
A.2 Activity covered by the taxonomy but not environmentally sustainable (non-aligned)																			
Manufacture of low-carbon technology for transport	3.3	0	0,00%																
Electricity generation using solar photovoltaic technology	4.1	0	0,00%																
Installation and operation of electric heat pumps	4.16	0	0,00%																
Infrastructure enabling road and public transport with low emissions	6.15	8.371.555	1,74%																
Transport by motorcycles, passenger cars and light commercial vehicles — leasing and operation of vehicles in categories M1, N1 and L	6.5	202.398.025	42,04%																
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking areas attached to buildings)	7.4	4.442.489	0,92%																
Acquisition and ownership of buildings	7.7	201.831.931	41,92%																
Operating expenditure from activity covered by the taxonomy but not environmentally sustainable (non-aligned) (A.2)		**417.044.000**	**86,63%**																
Total (A.1+A.2)		**417.044.000**	**86,63%**																
B. ACTIVITIES NOT COVERED BY THE TAXONOMY																			
Operating expenditure from activities not covered by the taxonomy (B)		**64.367.957**	**13,37%**																
Total (A+B)		**481.411.957**	**100,00%**																