



Öruggur staður til að vera á

**Brimborg ehf.
Sustainability Statement**

2022

**Brimborg ehf.
Bíldshöfði 6, 110 Reykjavík
Reg. 7012770239**

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Assessment Statement by Klappir Green Solutions hf.

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

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

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

Confirmation by Klappir

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

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

Klappir Green Solutions hf.

Reykjavik, March 6 2023

The Sustainability Statement is electronically signed by Klappir Green Solutions hf.

Statement by the CEO

Brimborg's sustainability statement for the year 2022 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.

Brimborg 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, 2022, to December 31, 2022.

Reykjavik, March 6 2023

CEO

Egill Jóhannsson

The Sustainability Statement Brimborg is electronically signed by the CEO.

Highlights

Greenhouse Gas Emissions: Brimborg's total emissions accounted for were 1,712.3 (tCO₂e) in 2022. Scope 1 and 2 emissions amounted to 458.7 (tCO₂e).

Energy Usage: Brimborg's total energy usage was 11,455,722 kwh in 2022. Energy usage includes electricity, hot water and fuel usage. Indirect energy usage from hot water and electricity consumption amounted to 9,967,308 kWh.

Key performance indicators: Brimborg's emissions per unit of revenue has decreased by 11.3% between years.

Main emissions: The largest emission source accounted for in the year 2022 was upstream transportation and distribution.

Statement

Operational Parameters

| Operational Parameters | Unit | 2021 | 2022 |
|---|----------------|----------|----------|
| Total Revenue | billion ISK | 22.91 | 29.86 |
| Total Assets | billion ISK | 14.79 | 19.50 |
| Total Equity | billion ISK | 4.08 | 5.53 |
| Number of full time equivalent employees | FTEs | 226.0 | 248.0 |
| Total space for own operation | m ² | 19,026.3 | 21,126.3 |
| Number of sold new and used vehicles and new and used trucks, marine engines and machines | no. | 3,741.0 | 4,135.0 |

| GhG emission intensity | Unit | 2021 | 2022 |
|---|------------------------------------|----------|----------|
| GhG emissions per megawatt-hour consumed | kgCO ₂ e/MWh | 135.48 | 149.47 |
| Emission intensity for sold vehicle and new and used truck, marine engine and machine | kgCO ₂ e/no. | 395.8 | 414.1 |
| GhG emissions per full-time equivalent (FTEe) employee | kgCO ₂ e/FTEs | 6,552.1 | 6,904.2 |
| GHG emissions per assets | kgCO ₂ e/billio | 100,141 | 87,791.4 |
| GhG emissions per unit of revenue | kgCO ₂ e/billio | 64,644.8 | 57,345.7 |
| GhG emissions per unit of equity | kgCO ₂ e/billio | 362,659 | 309,614 |
| GhG emissions per unit of space (m ²) | kgCO ₂ e/m ² | 77.83 | 81.05 |

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

| Energy intensity | Unit | 2021 | 2022 |
|---|--------------------|----------|----------|
| Energy intensity of sold cars and machinery | kWh/no. | 2,921.6 | 2,770.4 |
| Energy per full-time equivalent (FTEe) employee | kWh/FTEs | 48,361.4 | 46,192.6 |
| Energy per unit of revenue | kWh/billion | 477,148 | 383,670 |
| Energy per square meter | kWh/m ² | 574.5 | 542.3 |

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

| Waste intensity | Unit | 2021 | 2022 |
|--|----------------|----------|----------|
| Total waste per full-time equivalent (FTEe) employee | kg/FTEs | 2,206.4 | 2,305.5 |
| Total waste per unit of revenue | kg/billion ISK | 21,769.0 | 19,148.8 |

Emissions

| Greenhouse Gas Emissions | Unit | 2021 | 2022 |
|---------------------------------|--------------------|-------------|-------------|
| Scope 1 | tCO ₂ e | 353.3 | 368.2 |
| Scope 2 (location-based) | tCO ₂ e | 86.5 | 90.5 |
| Scope 2 (market-based) | tCO ₂ e | | |
| Scope 1 and 2 | tCO ₂ e | 439.8 | 458.7 |
| Scope 3 | tCO ₂ e | 1,041.0 | 1,253.6 |
| Total operational GhG emissions | tCO ₂ e | 1,480.8 | 1,712.3 |

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

| Carbon offset | Unit | 2021 | 2022 |
|---|--------------------|-------------|-------------|
| Total emissions offset | tCO ₂ e | 0.0 | 0.0 |
| Of which verified carbon credits | tCO ₂ e | | |
| Of which non-verified offsetting projects | tCO ₂ e | | |

| Scope 1 - Details | Unit | 2021 | 2022 |
|--------------------------|--------------------|-------------|-------------|
| Total emissions | tCO ₂ e | 353.3 | 368.2 |
| Mobile fuel combustion | tCO ₂ e | 353.3 | 368.2 |

| Scope 2 - Details | Unit | 2021 | 2022 |
|--------------------------|--------------------|-------------|-------------|
| Total emissions | tCO ₂ e | 86.5 | 90.5 |
| Electricity | tCO ₂ e | 15.6 | 16.2 |
| Heating | tCO ₂ e | 70.9 | 74.3 |

| Scope 3 - Upstream emissions | Unit | 2021 | 2022 |
|---|--------------------|-------------|-------------|
| <i>Category 3: Fuel- and energy-related activities</i> | | | |
| Total emissions | tCO ₂ e | 116.7 | 126.5 |
| Upstream emissions of purchased fuel | tCO ₂ e | 89.2 | 93.7 |
| Upstream emissions of purchased electricity | tCO ₂ e | 0.1 | 0.1 |
| Transmission and distribution (T&D) losses | tCO ₂ e | 27.4 | 32.7 |
| <i>Category 4: Upstream transportation and distribution</i> | | | |
| Total emissions | tCO ₂ e | 765.7 | 942.8 |
| Air transportation | tCO ₂ e | 398.1 | 463.7 |
| Marine transportation | tCO ₂ e | 367.6 | 479.1 |
| <i>Category 5: Waste generated in operations</i> | | | |
| Total emissions | tCO ₂ e | 38.0 | 49.9 |
| Transport, disposal and treatment of waste | tCO ₂ e | 38.0 | 49.9 |
| <i>Category 6: Business travel</i> | | | |
| Total emissions | tCO ₂ e | 5.4 | 24.0 |
| Air travel | tCO ₂ e | 5.4 | 23.2 |
| Hotel nights | tCO ₂ e | | 0.7 |
| <i>Category 7: Employee commute</i> | | | |
| Total emissions | tCO ₂ e | 115.2 | 107.8 |
| Public transportation | tCO ₂ e | 2.0 | 1.3 |
| Automobile travel | tCO ₂ e | 113.2 | 106.5 |
| Scope 3 - Downstream emissions | | | |
| <i>Category 13: Downstream leased assets</i> | | | |
| Total emissions | tCO ₂ e | | 2.5 [1] |
| Electricity | tCO ₂ e | | 0.3 |
| Heating | tCO ₂ e | | 2.2 |

Emission Sources

| Energy consumption | Unit | 2021 | 2022 |
|-----------------------------|-------------|-------------|---------------|
| Total energy consumption | kWh | 10,929,680 | 11,455,772 |
| Fossil fuels | kWh | 1,434,443 | 1,488,464 [2] |
| Electricity | kWh | 1,484,538 | 1,576,003 [3] |
| Heating | kWh | 8,010,698 | 8,391,305 [4] |
| Direct energy consumption | kWh | 1,434,443 | 1,488,464 |
| Indirect energy consumption | kWh | 9,495,237 | 9,967,308 |

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

| Energy mix | Unit | 2021 | 2022 |
|--------------------------|-------------|-------------|-------------|
| Total energy consumption | kWh | 10,929,680 | 11,455,772 |
| Fossil fuel | % | 13.1% | 13.0% |
| Renewables | % | 86.9% | 87.0% |
| Nuclear | % | 0.0% | 0.0% |

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

| Fuel consumption | Unit | 2021 | 2022 |
|-------------------------|-------------|-------------|-------------|
| Total fuel consumption | kg | 119,475 | 124,025 |
| Petrol | kg | 47,137 | 47,034 |
| Diesel | kg | 72,337 | 76,991 |

| Water consumption | Unit | 2021 | 2022 |
|--------------------------|----------------|-------------|-------------|
| Total water consumption | m ³ | 167,253 | 180,691 |
| Cold water | m ³ | 29,138.0 | 36,013.6 |
| Hot water | m ³ | 138,115 | 144,678 |

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

| Electricity mix | Unit | 2021 | 2022 |
|-------------------------------|-------------|-------------|-------------|
| Total electricity consumption | kWh | 1,484,538 | 1,576,003 |
| Fossil fuels | % | 0.0% | 0.0% |
| Renewables | % | 100.0% | 100.0% |
| Nuclear | % | 0.0% | 0.0% |

| Upstream transportation and distribution | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Total transportation and distribution | tonne | 6,140.0 | 8,174.0 |
| Air transportation | tonne | 130.0 | 150.0 |
| Marine transportation | tonne | 6,010.0 | 8,024.0 |

| Waste treatment | Unit | 2021 | 2022 |
|------------------------------|-------------|-------------|-------------|
| Total waste generation | kg | 498,647 | 571,753 |
| Sorted waste | kg | 443,074 | 505,372 |
| Unsorted waste | kg | 54,033 | 66,381 |
| Recycled waste | kg | 431,597 | 509,159 |
| Disposed waste | kg | 65,510 | 62,594 |
| Percentage of waste sorted | % | 88.9% | 88.4% |
| Percentage of waste recycled | % | 86.6% | 89.1% |

| Business travel | Unit | 2021 | 2022 |
|--------------------------|-------------|-------------|-------------|
| Total distance travelled | km | 62,131.0 | 285,367 |
| Air travel | km | 62,131.0 | 285,367 |

| Hotel nights | Unit | 2021 | 2022 |
|-----------------------|-------------|-------------|-------------|
| Total overnight stays | no. | 41 | 170 |

| Employee commuting | Unit | 2021 | 2022 |
|---------------------------|-------------|-------------|-------------|
| Total distance travelled | km | 774,611 | 961,071 |
| Bus transportation | km | 22,176 | 13,187 |
| Car travel | km | 716,978 | 885,444 |
| On foot / Bicycle | km | 34,917 | 62,440 |

| Paper management | Unit | 2021 | 2022 |
|--------------------------------|-------------|-------------|-------------|
| Total weight of printed papers | kg | 2,742 | 2,457 |
| Total amount of printed paper | pages | 549,500 | 492,500 |

Environmental management

| Environmental management | Unit | 2021 | 2022 |
|--|--------|------|---------|
| Does your company follow a formal Environmental Policy? | yes/no | Yes | Yes [5] |
| Does your company follow specific waste, water, energy, and/or recycling policies? | yes/no | Yes | Yes |
| Does your company use a recognized energy management system? | yes/no | No | No |

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

| Climate oversight | Unit | 2021 | 2022 |
|---|--------|------|------|
| Does your Senior Management Team oversee and/or manage climate-related risks? | yes/no | No | Yes |
| Does your Board of Directors oversee and/or manage climate-related risk? | yes/no | No | Yes |

Nasdaq: E8, E9|GRI: 102-19, 102-20, 102-29, 102-30, 102-31|SASB: General Issue / Business Model Resilience, Systematic Risk Management|TCFD: Governance (Disclosure A/B)

| Climate risk mitigation | Unit | 2021 | 2022 |
|--|-------------|------|------|
| Total annual investment in climate-related infrastructure, resilience, and product development | billion ISK | 0.73 | 1.55 |

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

Social

| CEO Pay Ratio | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| CEO Salary & Bonus (X) to median FTE Salary | X:1 | 7.44 | 8.11 |
| Does your company report this metric in regulatory filings? | yes/no | No | No |

S1|UNGC: P6|GRI 102-38

| Gender Pay Ratio | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Median total compensation for men (X) to median total compensation for women | X:1 | 0.98 | 0.89 |
| Outcome of equal pay certification | % | 3.00% | 0.30% |

S2|UNGC: P6|GRI: 405-2 | SASB: General Issue / Employee Engagement, Diversity & Inclusion

| Employee Turnover | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| <i>Full-time Employees</i> | | | |
| Year-over-year change for full-time employees | % | 15.1% | 13.0% [6] |
| Dismissal | % | 2.9% | 3.0% |
| Retirement | % | 0.0% | 0.0% |
| Job transition | % | 11.9% | 10.0% |
| Death | % | 0.4% | 0.0% |
| <i>Part-time Employees</i> | | | |
| Year-over-year change for part-time employees | % | 0.0% | 33.0% |
| Dismissal | % | 0.0% | 0.0% |
| Retirement | % | 0.0% | 17.0% |
| Job transition | % | 0.0% | 17.0% |
| Death | % | 0.0% | 0.0% |
| <i>Contractors and/or consultants</i> | | | |
| Year-over-year change for contractors and/or consultants | % | 0.0% | 0.0% |
| Dismissal | % | 0.0% | 0.0% |
| Retirement | % | 0.0% | 0.0% |
| Job transition | % | 0.0% | 0.0% |
| Death | % | 0.0% | 0.0% |
| <i>Gender</i> | | | |
| Men | % | 9.9% | 14.0% |
| Women | % | 10.3% | 9.0% |
| <i>Age</i> | | | |
| <20 | % | 66.7% | 71.0% |
| 20-29 | % | 64.6% | 15.0% |
| 30-39 | % | 13.2% | 18.0% |
| 40-49 | % | 18.7% | 8.0% |
| 50-59 | % | 8.5% | 13.0% |
| 60-69 | % | 1.8% | 6.0% |
| 70+ | % | 0.0% | 0.0% |

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

| Gender Diversity | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| <i>Enterprise Headcount</i> | | | |
| Percentage of women in enterprise | % | 12.0% | 12.0% |
| Women | no. | 29 | 32 |
| Men | no. | 218 | 240 |
| <i>Entry- and Mid-level Positions</i> | | | |
| Percentage of women in entry- and mid-level position | % | 11.0% | 11.0% |
| Women | no. | 22 | 23 |
| Men | no. | 174 | 186 |
| <i>Senior- and Executive-level Positions</i> | | | |
| Percentage of women in senior- and executive-level positions | % | 14.0% | 15.0% |
| Women | no. | 7 | 9 |
| Men | no. | 44 | 54 |

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

| Temporary Worker Ratio | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Total enterprise headcount held by part-time employees | % | 1.6% | 2.2% |
| Total enterprise headcount held by contractors and/or consultants | % | 0.0% | 0.0% |

S5|GRI: 102-8|UNGC: P6

| Non-Discrimination | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Does your company follow a sexual harassment and/or non-discriminatory policy? | yes/no | Yes | Yes [7] |

S6|UNGC: P6|GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016)|SASB: General Issue / Employee Engagement, Diversity & Inclusion

| Injury Rate | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Total number of injuries and fatalities, relative to the total workforce | % | 1.2% | 2.0% |

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

| Global Health & Safety | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Does your Company publish and follow an occupational health and/or global health & safety policy | yes/no | Yes | Yes [8] |
| Total absence from work (X) to total working hours of all employees | X:1 | 0.186 | 0.220 |
| Absence from work due to long-term illness (X) to total working hours of all employees | X:1 | 0.006 | 0.001 |
| Absence from work due to short-term illness (X) to total working hours of all employees | X:1 | 0.043 | 0.058 |

S8|GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018)|SDG: 3|SASB: General Issue / Employee Health & Safety

| Child & Forced Labor | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Does your company follow a child labor policy? | yes/no | No | Yes [9] |
| Does your company follow a forced labor policy? | yes/no | No | Yes |
| If yes, do your child and/or forced labor policy cover suppliers and vendors? | yes/no | - | Yes [10] |

S9|GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414: Supplier Social Assessment 2016)|UNGC: P4, P5|SDG: 8|SASB: General Issue / Labor Practices

| Human Rights | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Does your company publish and follow a human rights policy? | yes/no | Yes | Yes [11] |
| If yes, does your human rights policy cover suppliers and vendors? | yes/no | No | No |

S10|GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016)|UNGC: P1, P2|SDG: 4, 10, 16| SASB: General Issue / Human Rights & Community Relations

Governance

| Board Diversity | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Total board seats occupied by women (as compared to men) | % | 40.0% | 40.0% |
| Committee chairs occupied by women (as compared to men) | % | 77.0% | 81.0% |

G1|GRI 405-1|SDG: 10|SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)

| Board Independence | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Does the company prohibit CEO from serving as board chair? | yes/no | No | No |
| Total board seats occupied by independents | % | 20% | 20% |

G2|GRI: 102-23, 102-22

| Incentivized Pay | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Are executives formally incentivized to perform on sustainability | yes/no | No | No |

G3|GRI: 102-35

| Collective Bargaining | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population | % | 98.7% | 98.8% |

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

| Supplier Code of Conduct | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Are your vendors or suppliers required to follow a Code of Conduct | yes/no | No | Yes [12] |
| If yes, what percentage of your suppliers have formally certified their compliance with the code | % | 0.0% | 0.0% |

G5|UNGC: P2, P3, P4, P8|GRI: 102-16, 103-2 (See also: GRI 308: Supplier Environmental Assessment 2016 & GRI 414: Supplier Social Assessment 2016)|SDG: 12|SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)

| Ethics & Anti-Corruption | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Does your company follow an Ethics and/or Anti-Corruption policy? | yes/no | No | Yes [13] |
| If yes, what percentage of your workforce has formally certified its compliance with the policy? | % | 0.0% | 0.0% |

G6|UNGC: P10|SDG: 16|GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)

| Data Privacy | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Does your company follow a Data Privacy policy? | yes/no | Yes | Yes [14] |
| Has your company taken steps to comply with GDPR rules? | yes/no | Yes | Yes |

G7|GRI: 418 Customer Privacy 2016|SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)

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

G8|UNGC: P8

| Disclosure Practices | Unit | 2021 | 2022 |
|---|-------------|-------------|-------------|
| Does your company provide sustainability data to sustainability reporting frameworks? | yes/no | Yes | Yes |
| Does your company focus on specific UN Sustainable Development Goals (SDGs)? | yes/no | No | Yes [15] |
| Does your company set targets and report progress on the UN SDGs? | yes/no | No | No |

G9|UNGC: P8

| External Assurance | Unit | 2021 | 2022 |
|--|-------------|-------------|-------------|
| Are your sustainability disclosures assured or validated by a third party? | yes/no | No | No |

G10|UNGC: P8|GRI: 102-56

Organizational and Operational Boundaries

Organizational boundaries

The “Operational Control” methodology has been chosen in order to define the organizational scope of Brimborg’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:

- Brimborg ehf.
- Veltir ehf.
- Saga Car Rental ehf.
- Íslensk bílorka ehf.

Operational boundaries

Scope 1

Mobile fuel consumption: Fully included
Stationary fuel combustion: Not applicable
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: Fully included
Category 5: Waste from operations: Partially included
Category 6: Business travel: Partially included
Category 7: Employee commute: Fully included
Category 8: Upstream leased assets: Not applicable
Category 9: Downstream transportation and distribution: Not included
Category 10: Processing of sold products: Not applicable
Category 11: Use of sold products: Not included
Category 12: End-of-life treatment of sold products: Not included
Category 13: Downstream leased assets: Partially 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. The category applies to both waste and wastewater.

Business travel

Emissions from the transportation of employees for business related activities in the reporting year. Examples of business travel include business flights, rail travel, bus travel, car travel, marine travel and hotel nights.

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. Examples include buildings and vehicles that the company leases out.

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.

Notes

- [1] Brimborg leases a part of its site at Hádegismóar 8 which is included in this category for the first time in 2022.
- [2] Fuel consumption also includes Brimborg's fueling of downstream leased vehicles and sold vehicles.
- [3] Electricity consumption is partially estimated based on data from previous periods, due to unavailability of data for the whole year of 2022. Estimated amounts equal 0,07% of the company's total reported electricity consumption.
- [4] Heating consumption is partially estimated based on data from previous periods, due to unavailability of data for the whole year of 2022. Estimated amounts equal 1,95% of the company's total reported heating consumption.
- [5] See Brimborg's environmental policy on its website (<https://www.brimborg.is/is/brimborgbilaumbod/brimborg-bilaumbod/umhverfisstefna>).
- [6] Employee turnover is calculated as the percentage of those who leave their jobs compared to the average number of employees over the year in each category. Temporary employees are not included in the calculations, as it is in the nature of such employment relationships that termination of employment occurs.
- [7] See Brimborg's equal opportunities policy on its website (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborg-bilaumbod/mannaudstefna/jafnrettisstefna>). Gender-based violence, gender-based harassment, sexual harassment and bullying. Violence or harassment, whether psychological or physical, is not tolerated and can result in termination of employment. Any employees who are subjected to harassment should consult their immediate supervisor, Human Resource Management, their shop steward or union representative to place the matter in a proper course.
- See also quality policy published on website (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborg-bilaumbod/gaedastefna-brimborgar>). Brimborg's main goal is i.a. that Brimborg will be the most desirable and safest place to work in the automotive industry and among the most progressive in terms of occupational health and safety and equality in Iceland.
- [8] See Brimborg's equal opportunity policy.
Well-being of employees. Emphasis is placed on the well-being of employees and that the available facilities are good, that the corporate culture is positive and motivating and that employees enjoy coming to work. Systematic efforts should be undertaken to promote and protect workers' health, e.g. with lectures, participation in corporate competitions such as Cycling to Work on behalf of ÍSÍ, flu shots and more activities that relate to health. It is also strongly recommended that employees participate in any improvements in the company's operations.
- [9] See Brimborg's human resource policy (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborgbilaumbod/mannaudstefna>). Brimborg respects the United Nations Convention on the Rights of the Child with regard to the rights of children and young people, follows the law and does not accept child slavery or forced labour.
- [10] See Brimborg's human resource policy (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborgbilaumbod/mannaudstefna>). Whether it concerns human rights, child slavery or forced labour, Brimborg makes the same demands on suppliers, and it is not compatible with Brimborg's policy to do business with parties who are exposed to forced labour, child slavery or human rights violations.

[11] See Brimborg's equal opportunity policy.

2. Recruitment and jobs: For new recruits or transfers, an equal gender ratio within the division and in the various jobs within the division shall be strived for, as far as practicable with respect to availability. However, the individual who is considered the most qualified, irrespective of gender, shall always be employed, unless the purpose is to promote equal representation of the genders within that division, in accordance with Article 12 of Act No. 150/2020.

3. Vocational training and retraining: All genders shall enjoy the same opportunities for retraining, continuing education and vocational training, in accordance with Article 12 of Act No. 150/2020.

4. Participation in committees and working groups: When appointing members to committees and working groups, members shall be selected on their specialist knowledge, and wherever possible, an equal representation of the genders shall be aimed for.

6. Reconciliation of work and family life: Emphasis is placed on meeting the needs of employees in regards to flexible working hours, to the extent that it is possible, in such a way as to take account of both employees' family circumstances and the needs of the labour market. Consideration shall be made for women during pregnancy, parental care of infants and uncontrollable and acute family circumstances, in accordance with Article 13 of Act No. 150/2020.

See also Brimborg's equal pay policy on website (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborg-bilaumbod/mannaudstefna/jafnlaunastefna-brimborgar>).

Finally, see the following from Brimborg's annual report.

In accordance with its core values regarding respect, integrity and care, and its goals of good human relations, Brimborg takes care to ensure that equal rights are observed in all respects. There is no discrimination among employees with regard to gender, race, nationality, sexual orientation, age, religion, opinions or other personal characteristics. Brimborg operates in a dynamic competitive environment, which places great demands on our employees and calls for continuous changes in our operation; this requires a workplace culture that embraces change. In order to support this culture, an emphasis is placed on possibilities for all employees to develop their careers through work, training and other continuous education.

The company stresses the importance of compliance by all contractors and subcontractors with legislation on employees' rights, whether permanent employees or contracted workers. Violence or harassment, whether psychological or physical, is not tolerated and can result in termination of employment. Any employees w

ho are subjected to harassment should consult their immediate supervisor, Human Resource Management, their shop steward or union representative to place the matter in a proper course.

The company's remuneration policy regarding the employment terms of management and employees has the objective of attracting and retaining exceptionally qualified employees. The policy states that gender and other personal characteristics which are unrelated to the tasks involved in the work or performance at work shall not have any influence on wages or wage trends. In order to ensure fairness and consistency in wage matters, management has access to central criteria on the company's wage structure at any time and wage trends in the external market."

[12] See Brimborg's purchasing policy on its website (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborgbilaumbod/innkaupastefna>). Brimborg's purchasing policy is based in general on the company's quality policy, sub-policies and values that are reflected in the motto "A safe place to be", and the choice of suppliers, contractors and other partners depends on how well they comply with the aforementioned factors.

- [13] Anti-Bribery Policy. Brimborg's purpose with the 'Strategy against bribery' is to prevent bribery in all respects. The directors and staff of Brimborg are strictly prohibited from bribing others or accepting bribes. It is not permitted to bribe through others such as agents, consultants or distributors.
- [14] See Brimborg's privacy policy on its website (<https://www.brimborg.is/is/brimborgbilaumbod/brimborg-bilaumbod/personuvernd>).
- [15] See Brimborg's human resource policy (<https://www.brimborg.is/is/brimborg-bilaumbod/brimborgbilaumbod/mannaudstefna>). United Nations Global Goals. The goals of Brimborg's human resources policy are already linked to the United Nations' global goals, but Brimborg is working on the detailed formalization of that connection, and that work has come a long way with a focus on goals where Brimborg's actions can make a significant difference.