



Sustainability Policy

Ölgerðin's Sustainability Policy outlines the company's commitment to integrating sustainability into its culture, aiming to make sustainability information as accessible as financial data. The company believes that a focus on sustainability will reduce risk in its operations and strengthen its financial profitability for the future. Ölgerðin aims to strengthen its competitiveness by reducing the economic, environmental, and social costs.

Approved by the company's board, the policy is overseen by the CEO. The Sustainability and Improvement Leader manages its implementation. A dedicated sustainability team ensures adherence to the policy, the execution of action plans, and regular reviews. All employees and managers are expected to follow this policy and actively contribute to making Ölgerðin a more sustainable company.

Ölgerðin has identified eight key stakeholder groups: partners, owners, customers, employees, government authorities, consumers, suppliers, and service providers. These eight groups are considered the company's key stakeholders. Ölgerðin also works on sustainability with parties such as the university community, interest groups, and non-profit organizations.

Progress is monitored through monthly performance reviews, and an annual sustainability report is published in both Icelandic and English, detailing developments and made accessible to all stakeholders. The company's status and achievements are presented to employees at least once a year. Efforts are under way to provide real-time data on Ölgerðin's carbon footprint to both internal and external parties.

Ölgerðin focuses on four United Nations Sustainable Development Goals (SDGs):

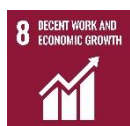
- Decent Work and Economic Growth
- Gender Equality
- Responsible Consumption and Production
- Climate Action

The company operates in line with Global Compact principles, submitting annual progress reports, and contributes to Iceland's climate goals of a 40% reduction in its carbon footprint by 2030.

Ölgerðin has set ambitious, scientifically verifiable targets to limit global warming to below 1.5°C (Science Based Targets) and aims for carbon neutrality by 2040.

Ölgerðin focuses on achieving success in four important areas that fall under the United Nations' global goals: sustainable growth, diversity, circular economy, and carbon neutrality. The policy outlines the objectives in those four key areas.

Sustainable growth



Diversity



Circular economy



Carbon neutrality



Sustainable Growth

Ölgerðin plans to expand efficiently, supporting economic growth and employment through increased productivity, digital development, and with a minimized environmental impact. The goal is to embed sustainability into the company culture, ensuring sustainability information is as accessible as financial data. The company selects partners with comparable sustainability ambitions.

| Goal | Measure |
|---|---|
| Reduce the emission intensity of income | Reduce revenue emissions (Carbon Footprint/Turnover) by 63% in 2030 for scope 1 and 2. |
| Healthier options | Achieve a 50% reduction in sugar per liter sold of produced goods by 2030, compared to 2020 levels. |

Diversity

Recognizing that a diverse workplace is a healthy workplace, Ölgerðin emphasizes attracting employees with varied perspectives, backgrounds, genders, and ages to create a desirable work environment.

| Goal | Measure |
|---|--|
| Equal gender ratio in leadership roles and groups | Achieve no more than 60% representation of any one gender in leadership positions by 2030. |

Circular Economy

Ölgerðin is committed to enhancing processes based on circular economy principles, aiming to lead among Icelandic companies by reducing waste throughout all stages (including raw materials, packaging, design, production, transportation, usage/reuse/repair/sharing services, collection, and recycling).

| Goal | Measure |
|--------------------------------------|--|
| Recycled raw materials for packaging | Ensure that all packaging for in-house production contains 60% recycled materials by 2030. |
| Everything is sorted | Achieve 99% waste sorting rate by 2030. |

Carbon Neutrality

As a leader in sustainability among Icelandic companies, Ölgerðin has set ambitious Science Based Targets aligned with the Paris Agreement to keep global temperature rise below 1.5°C and the company aims for carbon neutrality by 2040.

| Goal | Measure |
|--------------------------------|--|
| Renewable Energy | Utilize 100% renewable energy in operations by 2030. |
| Greener Products | Reduce the carbon footprint of produced goods by 25% by 2030. |
| Carbon Neutral Operations | Achieve a 42% reduction in carbon footprint for scopes 1 and 2 by 2030. Measure and reduce scope 3 emissions by 2030. |
| Carbon Neutral Supply Chain | Conduct annual TCFD risk assessments. |
| TCFD Risk Assessment | Sustainability progress report published annually in Icelandic and English. |
| Sustainability Progress Report | |

Approved by the board of directors of Ölgerðin on April 28, 2023.