

Reginn

FASTEIGNAFÉLAG

2023

ANNUAL AND SUSTAINABILITY REPORT

REGINN HF.
Hagasmári 1
201 Kópavogur
+354 512 8900
reginn.is



Table of Contents

Letter from the CEO Initiative Drives Progress	3
This is Reginn	7
The Workplace	8
Diverse Portfolio	9
Organisation, Policy and Policy Priorities.....	12
Profit Centres.....	17
The Pillars.....	23
Key Figures	31
Financing	32
Investors	33
Corporate Governance, Board of Directors and Executive Board...34	
Sustainability Report.....	36

Initiative Drives Progress

It is written that at the beginning, the end should be examined. At the end of each year, I have found it useful to ask: what are we working for? What is ultimately the role of a company like ours? Well, the targeted development of office, retail and commercial premises is a key factor in ensuring the continued competitiveness of the Icelandic economy. This is a value-loaded statement that we can back up.

To support the development of society's infrastructure, strong sponsors with a clear strategy and vision are needed. At the same time, showing initiative towards the future needs and wishes of our customers is the driving force of continued social progress.

The company's management and I need to look beyond the next quarter or the next year when we ask ourselves where the next opportunities lie. What is the ideal workplace environment in three years, five years or ten years? What will be the role of lessors and lessees, and will the number of lessees be proportionally greater than today?

“

The changing age structure of the population calls for a real estate company with a large capacity, for example to build serviced housing for older age groups, and the social infrastructure of a growing nation.





Smáralind

The past year was particularly eventful in Reginn's operations, where emphasis was placed on developing, transforming and enhancing the company's portfolio and strengthening its business agreements and financial structure.

There was a lot of growth in the operation and development of Reginn's main cores during the year – whether you look at the full leasing of Höfðatorg, the continued development of Hafnartorg, the development of a healthcare centre in Akureyri or the changes that will occur in Smáralind when a new 3,000-square-metre, high-quality office space is put to use there in 2024.

2023 was characterised by strong income growth. In recent years, Reginn has made significant investments, both in upgrades to the portfolio and new properties. These investments in the portfolio are the basis of the 13.2% income growth, but the increase amounted to more than 4.2% in real value last year.

Optional Takeover Bid for Eik Real Estate Company

Reginn submitted an optional takeover bid in Eik Real Estate Company last year, and it is the company's goal that a broad consensus will be reached among the shareholders of Reginn and Eik, as well as the Competition Authority, regarding the implementation of transactions.

The transaction would create the largest real estate company in Iceland, with the ability to lead the development of sustainable cores and increased specialisation in the field of leasing and property operations to meet the increasing demands of customers. The market value of both companies, Reginn and Eik, is comparable, and the shareholders of both companies would benefit from the transaction. The company is also expected to become a more interesting investment option and among the most valuable in the stock exchange.

If the transaction goes through, it is expected that the merged company's real estate portfolio will be streamlined, taking into account Reginn's strategy of developing strong cores and sustainability.

Sustainability and Refinancing

Reginn is leading the market when it comes to sustainability, and the company's green financing framework is around ISK sixty billion. At the beginning of 2019, decisions were made to start the BREEAM In-use environmental certification of properties in Reginn's

portfolio. By the end of 2023, around 36% of Reginn's portfolio had received the environmental certification BREEAM In-use, while Egilshöll received certification at the beginning of June 2023. The certification is confirmation that the operator follows the most respected standards and requirements for property operation. Reginn's goal is for 50% of the portfolio to be environmentally certified by 2026. Reginn's strong position in this issue will reduce risks and increase profitability in the long term, making the company an ideal choice for investors.

“

Reginn's goal is for 50% of the portfolio to be environmentally certified by 2026.

In 2020, Reginn began a refinancing process on the company's interest-bearing loans; the favourable interest rate environment at that time and good decisions led to the company's indexed interest rate standing at 3.03% at the end of 2023. The company's refinancing needs are limited in the coming years, as no loans and bonds have a maturity date in 2024, and the total refinancing need for 2025 is ISK 1.2bn. It is a strength for the company to be as well financed as it is, especially in the uncertain environment regarding the development of interest rates and price levels that we currently live in.

A clear strategy for the development of core areas

Reginn has presented a clear strategy where the company's long-term priorities are based on three main factors.

Strengthening of Core Areas

About 62% of Reginn's portfolio is located in defined core areas characterised by dense and mixed settlements that are well connected to the main transport axes of the Greater Reykjavík Area and the planned city line, as well as properties in Akureyri. With the rapid expansion of the Greater Reykjavík Area and the densification of settlements, the strengths of diverse core areas become even more apparent. As a countermeasure to increasing distances and increasingly longer commutes, it has become an option for people to live, play and work in a lively and fun area where diverse shops, entertainment, services and offices are within easy reach of modern residential buildings. There are numerous benefits for both the residents and society, e.g. shorter travel times, less driving and shared infrastructure such as parking. Such

an option means an increased quality of life for people who value their time, as well as a positive environmental impact. By far, the largest part of Reginn's investments in recent years has been within the company's core areas. By upgrading properties within core areas, the surrounding area is strengthened and thus increases value for residents, customers and Reginn.

Sustainable Property Operations

Reginn has extensive experience and knowledge in the operation of large and complex structures such as shopping centres, sports and entertainment facilities, schools and office premises. That experience and knowledge is crucial for the expansion of Reginn's portfolio, as well as putting the company in a unique position regarding the company's customers, who increasingly prefer specialised property operations to be in the hands of the lessor. Reginn is in a key position to be a leader in environmentally friendly and sustainable property operations, and the benefits are not only environmental, but also financial for the company's shareholders.

Collaboration with Public Entities

From the beginning, Reginn has emphasised good and solid collaboration with public entities and formed long-term business relationships with them. Reginn's performance in this category has been great; the company has managed to reach agreements in 72% of the tenders and market surveys that the company has participated in since 2015. The profitability of properties in this category is high for Reginn, due to full occupancy, stability and the nature of the clients. 33% of the rental income came from public entities in 2023, but with the continued development of the company, the goal is that about half of the income will come from public entities and registered companies.

“

As a countermeasure to increasing distances and increasingly longer commutes, it has become an option for people to live, play and work in a lively and fun area where diverse shops, entertainment, services and offices are within easy reach of modern residential buildings.



Höfðatorg Tower and Borgartún 8-16

Successful Experience in Portfolio Transformation and Restructuring

Reginn's story is, on the one hand, the story of successful restructuring of diverse real estate portfolios. Reginn is dedicated to being a leader in the development and operation of properties as well as contributing to the well-being of society, improving the quality of life and the environment of the residents. The company has grown rapidly in recent years with the purchase of diverse real estate and real estate portfolios and is now the second largest real estate company in Iceland.

In the decade that has passed since Reginn's registration, the company has bought nine portfolios and 155 properties, totalling around 267,000m². Since 2015, there has been systematic work to process these portfolios in line with the company's strategic goals, i.e. to strengthen defined core areas. The company has sold 85 properties from the portfolio, which total about 47,000m². Reginn therefore has a lot of experience in taking over portfolios, processing them and streamlining them to the company's strategic goals.

Reginn is a respectable investment option for those who want to stand with the Icelandic economy and invest in a company with a combination of index-linked and turnover-related cash flows from a diverse group of tenants, with almost half of the income coming from public entities and registered companies. We look forward to the coming months and see many opportunities for increased value creation for the company's shareholders.



Reginn is a real estate company that invests in, leases and manages commercial premises in Iceland. The company is a public limited company with distributed ownership and is listed on the Iceland Stock Exchange (NASDAQ Iceland hf.).

Reginn's real estate portfolio includes 99 properties, and the total size of the portfolio is 372,000 square metres. The value of the portfolio is ISK 179,446 million. The number of lessees is around 425, and the rental ratio in the portfolio is 97%.

The number of FTEs at Reginn was 67 at year-end 2023. Employees work at five establishments in a variety of jobs, and job satisfaction has never been higher. By emphasising the well-being and safety of employees along with equality, human rights, equal pay between genders, health-welfare and knowledge acquisition

of employees, we believe that Reginn is a good and desirable workplace. Great emphasis has been placed on sustainability and social responsibility, and now 36% of the company's portfolio has received the environmental certification BREEAM In-use.

Reginn considers the sustainability focus of companies to be one of the key factors in their operations and a prerequisite for future success. We believe that with sustainability as a guide, new business opportunities will be created and the company will be more competitive.



No. of properties

99



No. of FTEs

67



Environmentally certified m²

36%



No. of lessees

425



Rental ratio

97%



Gender Division of Employees

43% | 57%
Women | Men

Value

ISK 179 bn

Size of portfolio

372,000m²

Reginn as a Workplace



Health promotion

We believe it is important that the work environment meets the needs of employees and supports health and well-being. We offer grants for health promotion, show support to our employees and promote good morale.



Flexibility

We emphasise a flexible work environment to enable employees to balance work and family responsibilities, for the benefit of the company and better quality of life for employees.



Career Development

A learning culture is an essential part of Reginn's success, and a lot of effort is put into ensuring that people have the opportunity to develop and grow in their work. This helps us dealing with current and new challenges.



Sustainability

In recent years, we have worked systematically to implement sustainability in the company's operations, and social sustainability is a large part of this. Today, we are a pioneer among Icelandic real estate companies on this journey.



Social Life

Reginn's employee association, STAR, enlivens the existence of employees and brings the team together with all kinds of fun events and happenings all year round.



Equal Rights

Reginn has established an Equal Pay and Equality Policy. The goal is to ensure equality when determining wages and to ensure that employees receive equal pay for the same or equally valuable work regardless of gender. We are also an equal pay certified company.



A Dynamic Workplace

Reginn employs a diverse group of employees with different knowledge and experience. The projects are varied and the staff is dynamic. We are able to share information about exciting projects and milestones between divisions.



Good Morale

Working for Reginn is fun. Our employees strive to create a lively social life. We work according to the same values and societal rules, and together, we create a good workplace culture and take good care of each other.

Diverse Portfolio



Diverse Portfolio



Mjólnisholt 12-14
Hotels and tourism
6,742m²



Ofanleiti 2
Office premises
8,012m²



Sóltún 2
Nursing home
6,871m²



Vínlandsleið 1
Retail operations and services
8,427m²



Suðurhraun 1
Industrial and storage housing
7,193m²



Dvergshöfði 2
Office housing
6,389m²

Diverse Portfolio



Future Vision

We are a pioneer in the development and operation of properties



We focus on the client



We are progressive in operations



We create sought-after cores



We develop solutions with public entities

POLICY PRIORITIES



We create attractive places where people want to live, play and work.



We create value for customers, society and investors.

ROLE

VALUES



Responsible



Solution Oriented



Quick

Reginn invests in real estate for the long term, with a special focus on sought-after cores where sustainability is the guiding principle in creating sustainable cores of the future.

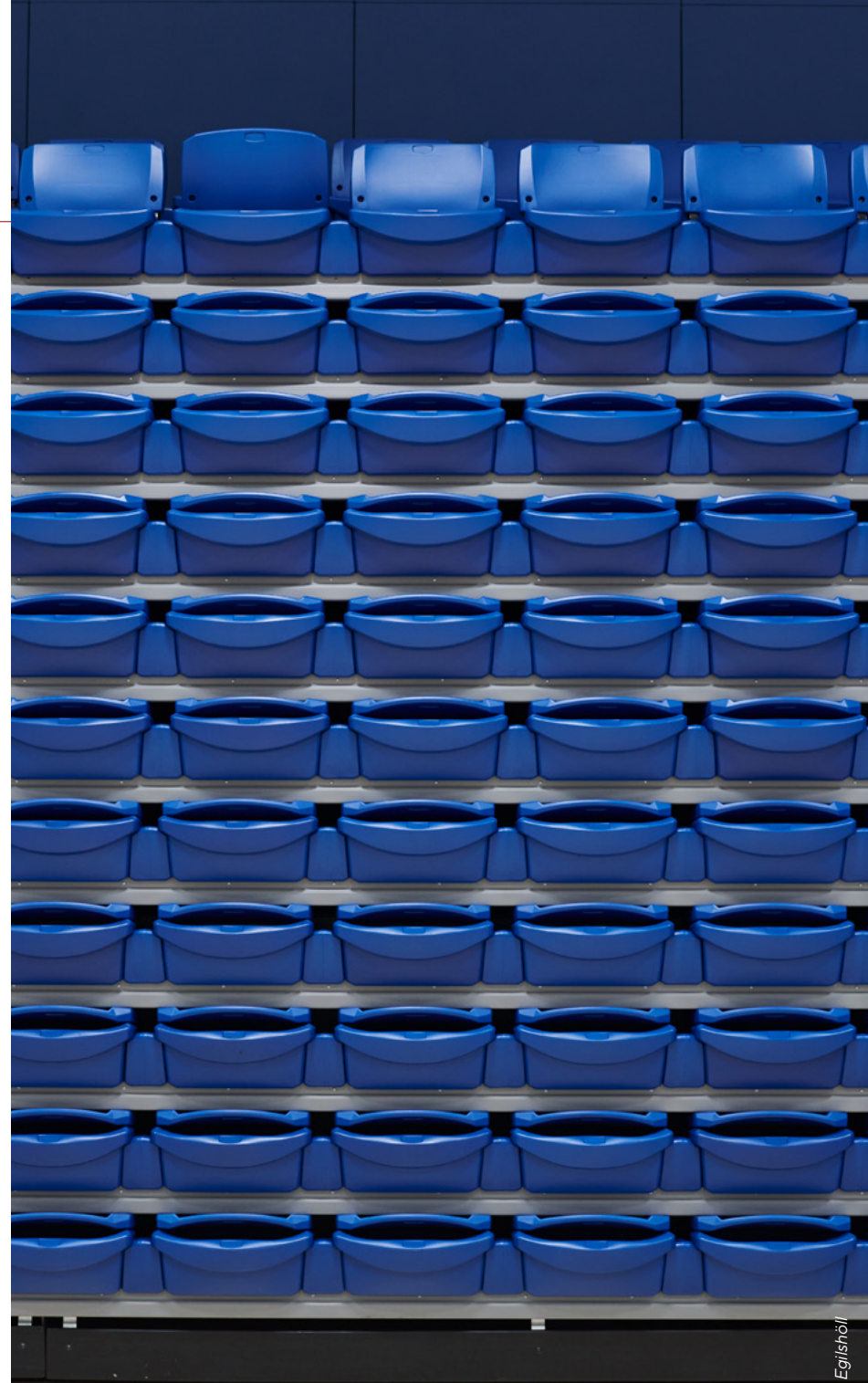
The company has set a policy and goals for dividing the portfolio according to location, business sectors, customers and environmental certification of properties.

Reginn's policy regarding the location and requirements for the company's properties is clear. The company has focused on consolidating and promoting defined core areas which include, among others: The Smáralind area, central Reykjavík, Borgatún and central Garðabær.

Properties that account for around 70% of the value of the company's portfolio are already located in defined cores. In recent years, the company has sold individual properties that do not comply with the policy on investments in cores and invested in properties within cores. The development of the company's portfolio in this direction is designed to meet the changing attitudes of society, the new generation of consumers, the densification of settlements, changing transportation and demands for sustainability to add value to society, customers and investors.

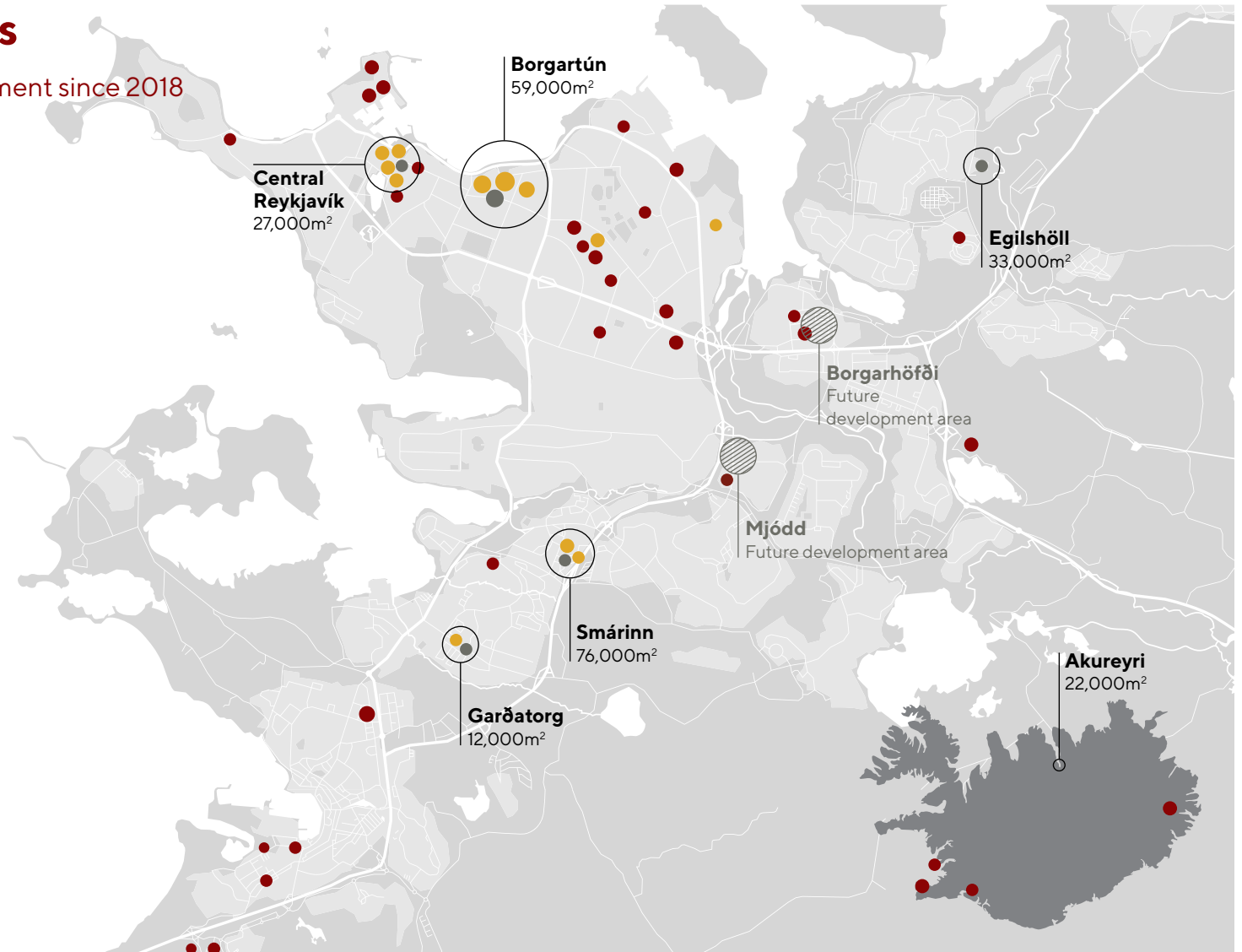
“

Emphasis is placed on creating an attractive environment and a desirable mix within cores for economic activities, services, education, residency and recreation where people can live, play and work.



Reginn's Core Areas

Greater Reykjavík Area – development since 2018



95%
purchased properties
within core areas

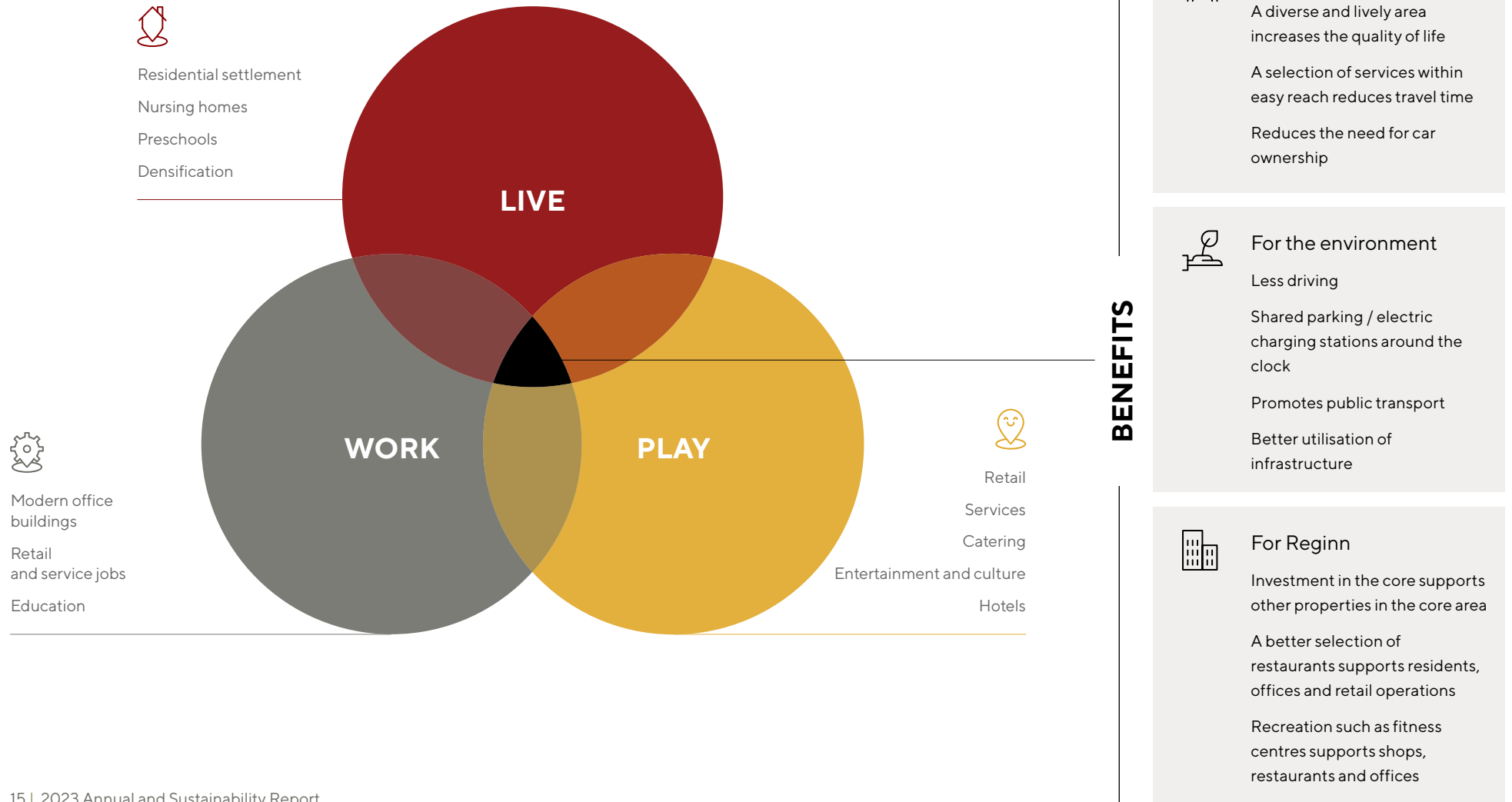


98%
sold properties outside
core areas

- 60,000m² | 13 properties**
Purchased properties from 2018
- 32,000m² | 37 properties**
Sold properties from 2018
- Properties in core areas
purchased/built before 2018

Strong Core

Built on diversity and density

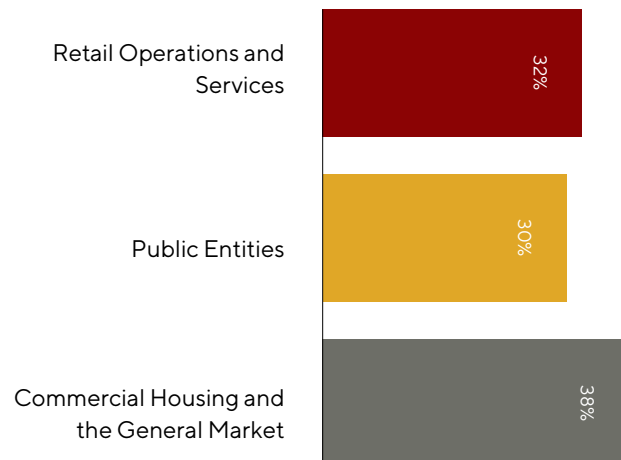


The company's portfolio is divided into three profit centres based on the nature of the customers' activities.

Each profit centre reports to a Managing Director whose role is to build and maintain expertise in the relevant centre.

With the specialisation of employees within these units, a good knowledge of the needs and expectations of our customers is created.

Operating Income by Profit Centres



Profit Centres



Retail Operations and Services

- Shopping centre
- Retail operations in central Reykjavík
- Neighbourhood centres
- Specialised retail and service properties



Public Entities

- Schools and preschools
- Sports facilities
- Nursing homes
- Office and service premises used by public entities



Commercial Premises and the General Market

- Office premises
- Hotels
- Warehouse space
- Industrial housing

Services and Solutions Across Centres

Property operations

- Caretaking
- Smart waste
- Construction

Charging stations

- Green lease agreements
- Bicycle storage
- Business development

Marketing

- Service website
- Rent
- Adjustment of premises

Retail Operations and Services

Reginn has a specialised team in the field of retail operations and services that has significant experience in property development, leasing and property operations, as well as the operation of shops and restaurants. The team's knowledge and close collaboration with the company's customers is important to better understand developments in the retail sector and thus support customers in meeting rapid changes in consumption.

Retail operations have been very successful in recent years, and there has been an interest among strong operators to expand or increase the number of stores in good locations. The significant increase in tourists during the year strengthened retail operations and services at Hafnartorg and in the city centre, where the company has recently invested in a portfolio. The rental ratio in Smáralind is 99%, and there is strong demand for spaces. In 2023, there was a record turnover for operators in Smáralind, and it increased by 3% year-on-year.

The interaction between traditional stores and online stores is becoming clearer and stronger. Some consumers prefer to view and try on products in stores and receive advice from sales staff but still choose to finalise their purchases online. Others prepare for the purchase by gathering information and comparing prices online but prefer to complete the purchase in a store. Increased choice for consumers, improved service and experience in modern stores and competitive product selection and prices are key factors to ensure continued growth in domestic retail.

“

*In 2023, there was a record turnover for operators
in Smáralind and Hafnartorg.*



Profit centres



Smáralind



Garðatorg



Hafnartorg



Litlartún

Public Entities

Reginn has set itself the goal of being a leader in the supply of solutions for public entities. In recent years, the state and municipalities have been a rapidly growing part of the company's customer base.

The company has a lot of knowledge and experience regarding the services and needs of public entities, which has proven beneficial for both parties when negotiating and operating during the lifetime of lease agreements. The company's experience in this field, i.e. leasing, formulating solutions and provision of support services, has resulted in the company being successful in the tenders in which it has participated.

The situation in the financial markets, the labour market and other uncertainties will affect the ability and willingness of these parties to make new commitments next year. However, this can also mean that leasing premises will be preferred over renovation of properties or the purchasing new ones.

“

The company has a lot of knowledge and experience regarding the services and needs of public entities.



Profit centres



Ástamesskóli



Hörðuvellir preschool



Sóltún



Sunnuhölið



Icelandic Road Administration Suðurláun 3



Egils Höll

Commercial Housing and the General Market

The economic sector seems to be doing well in general, and clear signs of this can be seen in the strong demand for commercial premises. There is particularly strong demand for office and industrial premises.

The company's vision is that the demand for high-quality office space, where the emphasis is on flexibility, indoor environmental conditions and staff facilities, will continue to increase. The same can be said for industrial and storage premises in good locations. Reginn emphasises being the first choice when a company is looking for future housing, and Reginn designs, adapts and furnishes thousands of square metres annually for the company's growing customer base. With Reginn's emphasis on developing cores, and now building increased knowledge in so-called smart buildings, the company is meeting increasing customer demand for high-quality commercial premises with good access for customers and staff.

The development of new office and industrial premises has increased in the last years in line with constant demand. Great growth is predicted in the technology and intellectual property industry, and it can be assumed that companies in that sector will need an increased amount of office space in the coming years.

There was growth in tourism last year, and the number of tourists has reached a similar point as it was before the pandemic. The year was the second largest in history for arrivals at Keflavík International Airport, and it looks like the growth in tourism will continue in the coming seasons. There has been a temporary lull in the construction of new hotels, and it can be expected that utilisation of the company's hotels will continue to be good in the coming years.

“

Reginn emphasises being the first choice when a company is looking for future housing.





Office premises in Smáralind

Sustainable Operations

Reginn's specialised operations department handles day-to-day operations in a third of the portfolio, as well as general maintenance of all properties. The department also manages and organises sustainability issues.

The operation and organisation of properties has a significant impact on the environment, customers' activities and people's quality of life, as tens of thousands of people stay in Reginn's properties every day, either for leisure or work.

More than half of the company's employees work in the operations department, in the headquarters and in the various properties. The staff performs various tasks in the company's properties and keeps their daily operations running. Working in the department are, e.g., house and furniture builders; mechanics; service representatives; property managers; janitors; business, engineering and technical experts. Having a department within the company that manages property operations increases the quality of the service and brings the company closer to customers. The proximity also allows the company to encourage and support customers on their green journey.

A wide variety of jobs are carried out in many places every day by Reginn's staff, and the company has a unique position among Icelandic real estate companies with this diverse operation and its daily involvement in it.

In addition to its own staff, the company has entered into agreements with a number of service contractors across the country that help keep the portfolio in good condition.

Work related to sustainability and innovation is a large portion of the work done in the operations department, such as environmental certification of real estate, reuse of building materials and equipment, energy management in properties, installation of electric charging stations, along with ways to reduce the company's carbon footprint.

“

The staff performs various tasks in the company's properties and keeps their daily operations running.

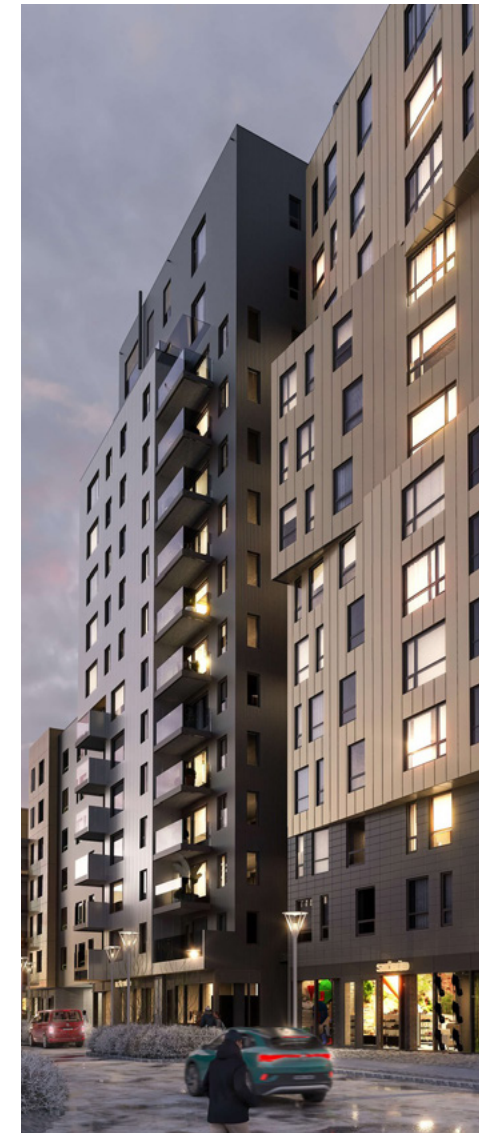
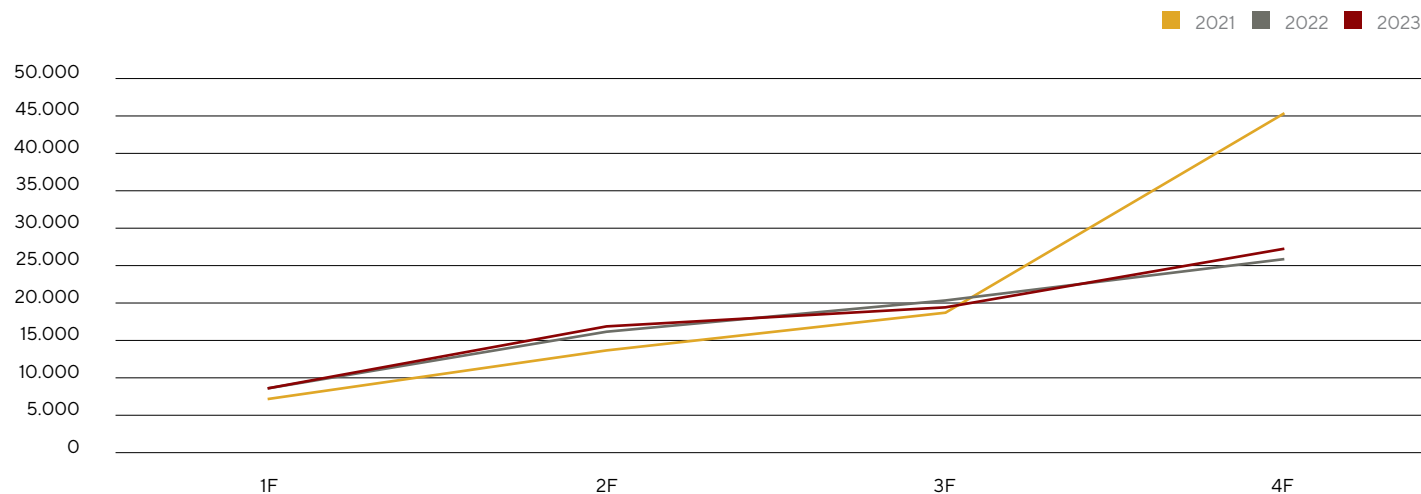
Rent

The company's leasing team consists of a specialised group of employees who are responsible for contract management, leasing and co-ordination of leasing matters in the company's portfolio, which amounts to around 372,000 square metres.

The demand for housing was stable in 2023, and the company's goals regarding leasing and rental prices during the year were successfully achieved. Lease agreements for over 27,000 square metres were signed during the year, and the occupancy rate at year-end was high, or around 97%. Among the largest agreements of the year are lease agreements with Landsvirkjun in Höfðatorg Tower, Miðbæjarhótel in Þingholtsstræti 2-4 and Vélfaq in Njarðarnes in Akureyri.

There is a high demand for commercial real estate, and demand was steady and strong in all quarters. The company acquired new premises during the year, i.e. ground floors at Silfursmári south of Smáralind; there has been a lot of interest in starting operations there, and the first lease agreements were signed this year. Increased importance has been placed on service issues at the company, and there will be a targeted focus on those issues in accordance with the new Service Policy that was approved this year.

Leased square metres per year



Silfursmári

Construction

In 2023, Reginn invested more than ISK four billion in the portfolio with transformations, special adaptations and solutions for customers

The company has extensive knowledge and experience in the field of project management, construction and real estate development. As in previous years, there was a lot of construction in Reginn's portfolio in 2023. The company's construction team is responsible for the company's construction and development projects.

Major projects were completed during the year, one of which is Sunnuhlíð 12, where the company developed and expanded an old property and delivered a fully equipped healthcare clinic to the North Iceland Healthcare Centre at the beginning of 2024. This year, a physical therapy centre and shops will be added to the building.

Improvements in Höfðatorg Tower continued, and Landsvirkjun moved its headquarters to the building in the second half of the year. A transformation project on the 3rd floor of Smáralind was launched, but this year, it is expected that an updated 3,000-square-metre, high-quality office floor will be put into use. Furthermore, the company also received commercial premises in Silfursmára this year, which is currently being renovated and will be leased once ready.



Overview of All Quarters



First Quarter

- Halldór Benjamin Dorbergsson appointed new CEO to replace Helgi S. Gunnarsson.
- Landsvirkjun signs a lease agreement in Höfðatorg Tower.
- Design in Hafnartorg Gallery receives the FÍT award.
- Smáralind has the most satisfied customers.
- Framework for green financing receives CICERO's independent opinion for the second time.



Second Quarter

- Mikado opens a store in Hafnartorg.
- Reginn and Hafnartorg sponsor Design March.
- Reginn issues two new green bond classes.
- Reginn's Board of Directors' decision to submit a takeover bid for Eik was reported to the Stock Exchange.
- Collage the Shop opens in Hafnartorg.
- Construction begins on Reginn's new offices in Smáralind.



Third Quarter

- Reginn's optional takeover bid to Eik's shareholders published.
- Reconstruction of the church stairs in Akureyri begins.
- Smáralind receives the BREEAM In-use re-certification.
- Egilshöll receives the BREEAM In-use re-certification.
- 36% of portfolio has achieved BREEAM In-Use certification.
- Work on the BREEAM In-Use certification of Áslandsskóli begins.
- Reginn is recognised for good corporate governance.
- Mathilda opens an elegant women's clothing store in Smáralind.
- Reginn rises in Reitun's UFS risk assessment between years.



Fourth Quarter

- 30% of the country's population visit Reginn's cores in one week.
- Authorisation to increase the share capital of Reginn approved.
- The first operators move in to Silfursmári.
- Landsvirkjun moves into Höfðatorg Tower.
- Home & You opens a large housewares and gift shop in Smáralind.
- The first fast-charging stations open at Smáralind, which can serve four cars at a time.
- 12 charging stations added to the 16 already available in Smáralind, two of which are for the disabled.

This Year's Highlights

First Quarter

Halldór Benjamín Þorbergsson appointed new CEO of Reginn to replace Helgi S. Gunnarsson, who resigned after serving as CEO of Reginn hf. since the establishment of the company in 2009.

In May, a green lease agreement was signed with Landsvirkjun for about 4,500 square metres in Höfðatorg Tower, and their operations will be spread over five floors.

Design in Hafnartorg Gallery won a gold prize at the FÍT awards, the Association of Icelandic Illustrators.

Smáralind has the most satisfied customers in 2022 among shopping centre customers for the third year in a row according to the Icelandic Satisfaction Scale.

Framework for green financing receives CICERO's independent opinion for the second time.



Hafnartorg Gallery



Office premises in Smáralind



Landsvirkjun in Höfðatorg Tower

This Year's Highlights



Mikado in Hafnartorg



Collage the Shop in Hafnartorg



Design March in Hafnartorg

Second Quarter

The design and lifestyle store Mikado opens in Hafnartorg with a strong focus on Japanese and Scandinavian aesthetics. One of the store's main brands is French-American perfume brand Le Labo.

Reginn and Hafnartorg participate in Design March as sponsors of the festival, and Hafnartorg is the centre of the festival.

Construction begins on a 3,000 m² office space on the third floor of Smáralind, thereof over 1,000 m² of new rental space, and Reginn's headquarters will move to part of the space.

Reginn's Board sends a notice to the Iceland Stock Exchange where it announced the decision of the company's Board of Directors to submit an optional takeover bid for the entire share capital of Eik Real Estate Company.

Two new green bond classes were issued, one of which is REGINN100740 GB, an indexed bond class that matures in 2040. The bond's nominal interest rate is 3.553%, and the size of the class was ISK 6,340m at nominal value. The other is REGINN25 GB, a non-indexed class which matures in 2025. The bond's nominal interest rate is 9.735%, and the size of the class is ISK 1,240m at nominal value. Both classes are green and are collateralised under Reginn's general insurance scheme.

The luxury store Collage the Shop opens in Hafnartorg. The store offers many of the world's most popular high fashion brands, including Gucci, Bottega Veneta, Burberry, Mulberry, Loewe, Balenciaga, Valentino and Saint Laurent.

This Year's Highlights

Third Quarter

Reginn's optional takeover bid to Eik's shareholders published.

Reconstruction of the church stairs in Akureyri begins. Along with this project, Reginn, in collaboration with AVH, has examined the future use of the old WCs under the stairs. Ideas for interesting retail and service spaces with possible connections to KEA have been considered. Reginn owns the building that houses Hotel KEA.

36% of Reginn's portfolio is BREEAM In-use certified.

Smáralind receives the BREEAM In-use re-certification.

Egilshöll receives the BREEAM In-use re-certification.

Work on the BREEAM In-Use certification of Áslandsskóli begins.

Reginn is recognised for good corporate governance and is named a Model Firm in good governance.

Mathilda opens an elegant women's clothing store in Smáralind.

Reginn rises between years in Reitun's UFS risk assessment in 2023. According to Reitun, Reginn's score was 83 points out of a possible 100, which is an increase of one point between years. The company is therefore in category B1 (Good), where the lower limit is 80 and the upper limit is 85.



The church stairs in Akureyri



Football field in Egilshöll



Mathilda in Smáralind

This Year's Highlights

Home & You in Smáralind



Fourth Quarter

From 30 October to 5 November, there was a lot of activity in some of our most popular venues, with more than 120,000 visitors in total in Smáralind, Hafnartorg, Hafnartorg Gallery and Egilshöll, which corresponds to more than 30% of the population of Iceland.

The first lease agreement with operators in Silfursmári was signed and the space was handed over to the travel agency Verdi Travel.

Landsvirkjun moves into Höfðatorg Tower.

Home & You opens a large housewares and gift shop in Smáralind.

The first fast-charging stations open at Smáralind, which can serve four cars at a time.

12 charging stations added to the 16 already available in Smáralind, two of which are for the disabled.

At the Shareholders' Meeting, authorisation was approved for the company's Board of Directors to increase its share capital by up to ISK 1,670,351,049 in order to settle the optional takeover bid for all the capital in Eik Real Estate Company.

Smáralind dressed up for Christmas



Christmas dinner in Hafnartorg Gallery



Strong Growth in the Year

Rental income and EBITDA increase beyond price increases

Operations



13.2% (10.9%)

Rental income increases between years



12.4% (10.0%)

EBITDA rises between years



72% (73%)

EBITDA as % of rental income



97% (98%)

Utilisation ratio

Profitability



ISK 3.8 bn (ISK 2.9bn)

Post-tax profit



ISK 6.5 bn (ISK 5.9bn)

Valuation changes to investment properties



5.3% (5.0%)

Profitability of investment property



7.1% (5.4%)

Return on equity

Balance Sheet



ISK 179.4

bn (ISK 170.4bn)

Group's investment property



ISK 116.3

bn (ISK 109.1bn)

Interest-bearing liabilities



64.8% (64.0%)

Leverage ratio



30.0% (29.8%)

Equity ratio

Sustainability



↓ 23%

Carbon footprint*



36%

Environmentally certified properties in m²



↓ 7%

Electricity use*



↑ 6.5%

Water use*

* 2023 mW 2019

Financing

The positive results achieved in the refinancing of the company in the years 2020 and until 2022 can be seen in the repayment process of interest-bearing loans.

Reginn took advantage of the favourable interest rate environment to refinance less favourable loans. There are no final maturity dates on the company's loans in 2024. In 2025, the total refinancing need is only ISK 1.2bn following the fact that an agreement was made to move the final maturity date of unsecured loan agreements that were due in 2025. The new due date is 2028. The company's undrawn credit lines stood at ISK 4.7bn at the end of 2023.

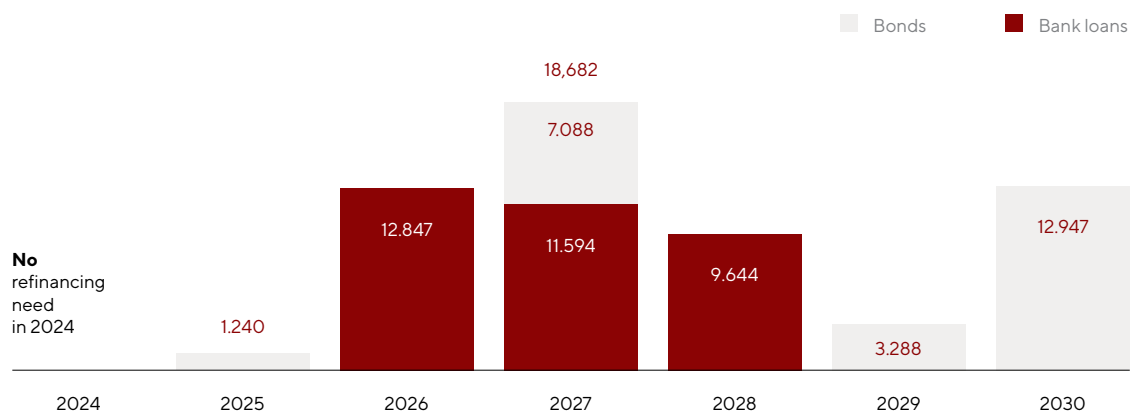
About 90% of the company's interest-bearing loans are index-linked, and the average index-linked interest rate dropped significantly during the period, or from 3.84% at the end of 2019 to 2.80% at the end of 2022. The average index-linked interest rate increased in 2023, which is explained by the rising interest rate in Iceland. About 23% of index-linked loans have variable interest rates.

The company is a pioneer of domestic real estate companies when it comes to green financing. The company has set a long-term goal for the percentage of green financing in the company's total financing.

All financing in 2023 was under the framework of green financing.

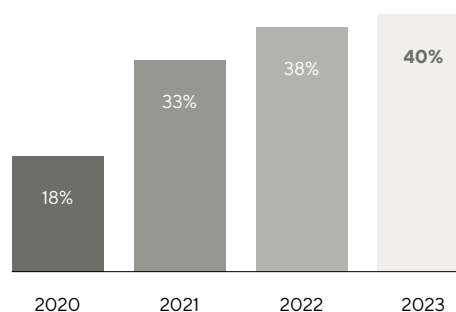
The total scope for green financing at the end of 2023 was about ISK 16bn.

Refinancing need for the coming years | ISK millions

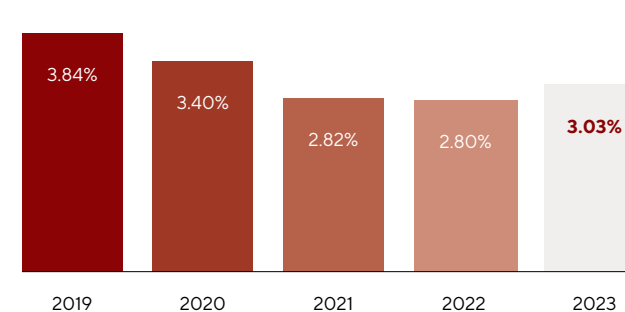


Around 30% of interest-bearing loans are bank loans, and their loan term is 5–7 years. Refinancing in the years 2026–2028 mainly concerns financing from banks. The average interest rate on indexed loans was 3.03% at the end of December 2023.

Proportion of green financing



Indexed average interest



At year-end, Reginn hf. had 638 shareholders

Three largest shareholders in the company

The state employees' pension fund has a 12.51% share in the company's total share capital. Brú, the pension fund of the state employees, is the second largest shareholder, with 11.32%, and Lífeyrissjóður verzlunarmanna is the third largest shareholder, with 10.68% of the total share capital.

Distribution of shareholders according to share ownership

The share of pension funds within the group of shareholders at the company is further strengthened, from 70% to 74%. Their share has increased by 20% since 2019. The share of banks increases from 4% to 6% between years, while the share of investment funds decreases from 7% to 4%. The ratio between other categories remains constant between years.

The reduction of the company's share capital by the amount of ISK 13,605,127, by way of cancellation of 13,605,127 own shares, was approved at the company's

Annual General Meeting (AGM) on 7 March 2023. The reduction applies to the company's own shares that the company acquired by purchase in accordance with the repurchase programme of the Board. The company paid ISK 499,999,971 for these shares in 2022.

At the AGM on 7 March 2023, an authorisation was approved for the Board to purchase own shares so that the company will own, along with its subsidiaries, other lawful conditions being satisfied, up to 10% of its share capital. This authorisation is valid for a period of 18 months from the date of its approval.

At the company's AGM on 7 March 2023, it was agreed that no dividends would be paid out to shareholders for the next operating year, the year 2022.

At the company's Shareholders' Meeting on 12 October 2023, it was agreed to authorise the company's Board to increase the company's share capital by up to ISK 1,670,351,049 in nominal value with the subscription of new shares in order to settle the optional takeover bid for all the capital in Eik Real Estate Company.

No.	Name	Share	%
1	The Pension Fund for State Employees (LSR)	226,300,000	12.51%
2	Brú Pension Fund	204,907,018	11.32%
3	The Commercial Workers' Pension Fund (LV)	193,251,119	10.68%
4	Birta Pension Fund	165,537,253	9.15%
5	Gildi Pension Fund	142,088,488	7.85%
6	Festa - Pension Fund	78,794,234	4.35%
7	Arion Bank	76,812,509	4.24%
8	Stapi Pension Fund	73,018,724	4.04%
9	The Free Pension Fund	65,850,898	3.64%
10	Sigla ehf.	65,000,000	3.59%
11	Söfnunarsjóður lífeyrisréttinda	46,367,779	2.56%
12	Lífsverk Pension Fund	45,467,650	2.51%
13	Brimgarðar ehf.	33,569,349	1.86%
14	Íslandssjóðir hf.	33,565,362	1.85%
15	FM eignir 1 ehf.	25,771,241	1.42%
16	FM eignir 2 ehf.	25,771,240	1.42%
17	Íslandsbanki hf.	25,033,638	1.38%
18	The Icelandic Pension Fund	24,305,650	1.34%
19	Stefnir hf.	22,683,481	1.25%
20	Landsbréf hf.	17,977,698	0.99%

Stock price development

The number of securities transactions in the company was 1,380, and the total turnover for the year was ISK 10,754m, compared to ISK 14,048m the previous year. The year-end price of Reginn's shares on the stock exchange was 24 ISK per share but was 27.4 at the end of 2022. The company's share price fell by 12.4% during the year. The total number of shares in the company at the end of 2023 was 1,809,546,970, and the market value was ISK 43,429m.

Reginn's Board of Directors



Tómas Kristjánsson

Chairman of the Board since March 2017
Board member since April 2014



Bryndís Hrafnkelsdóttir

Vice Chairman of the Board
since March 2022
Board member since April 2014



Benedikt Olgeirsson

Board member since March 2022



Guðrún Tinna Ólafsdóttir

Board member since March 2018



Heiðrún Emilía Jónsdóttir

Board member since March 2019



The company's Board considers good governance to be a useful tool to clarify the roles of the Board and CEO at all times, while keeping the interests of the company's shareholders in mind.

It is the opinion of the company's Board and management that compliance with good governance promotes transparency and reliable communication between shareholders, the Board, management, employees and other stakeholders. With this, the foundation is laid for responsible management where roles are properly defined.

The Board and management of the company have set themselves the goal of maintaining and promoting exemplary governance.

In 2023, the company was recognised as a Model Firm in good governance by Stjórnvísir. The company has also been recognised as an Outstanding Company according to Creditinfo's analysis consecutively since 2014 and has been at the forefront there.

[Further information about the Board of Directors](#)

Reginn's Executive Committee



Halldór Benjamín Þorbergsson
CEO of Reginn



Baldur Már Helgason
Managing Director of retail and service and substitute of CEO



Dagbjört Erla Einarsdóttir
Head Lawyer



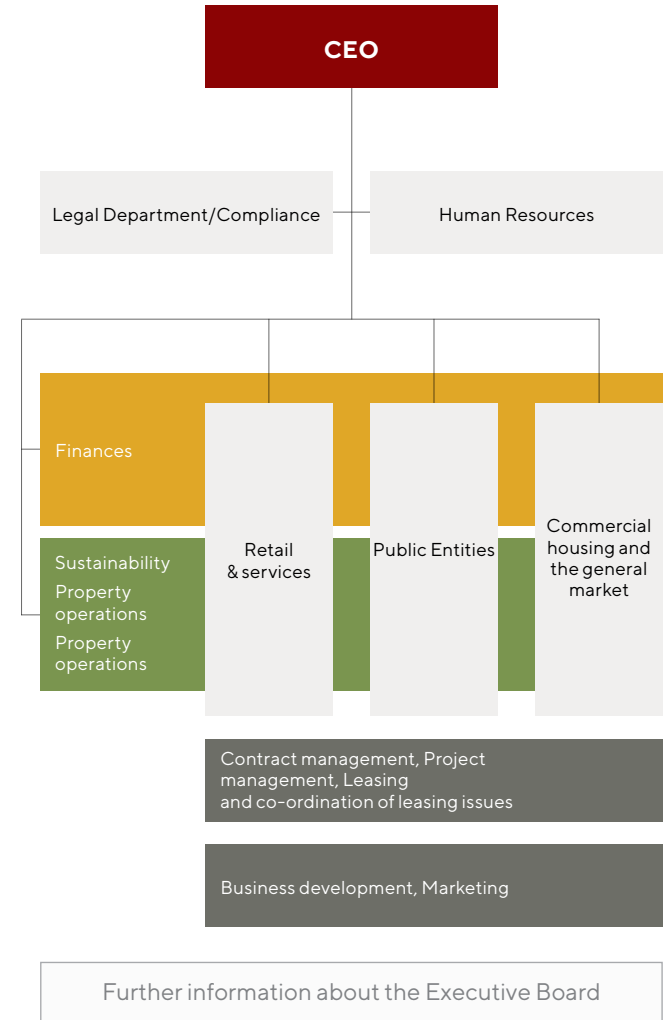
Páll V. Bjarnason
Managing Director of commercial housing and the general market



Rósa Guðmundsdóttir
Chief Financial Officer



Sunna Hrönn Sigmarsdóttir
Manager of sustainability, property operations and operations in properties



Reginn

FASTEIGNAFÉLAG

2023

**SUSTAINABILITY
REPORT**





Table of Contents

Reginn and Sustainability	38
Reginn's Sustainability Journey in Recent Years	39
Sustainability Report	40
Governance	41
Sustainability Regulations	42
Stakeholders and Stakeholder Communication	43
Double Materiality Assessment	44
Risk Factors	45
Sustainability	46
Goals	49
The Environment	50
The Carbon Footprint	51
Sustainability in a Picture	53
The Projects	54
Goals, Results and Long-Term Goals	59
The People	60
Social Sustainability and Corporate Governance	64
Balance Sheet	65
Sustainability in Numbers	67

Increasing the sustainability of companies' operations is a journey that involves all departments and all company staff, as the journey involves participation, work and funds.

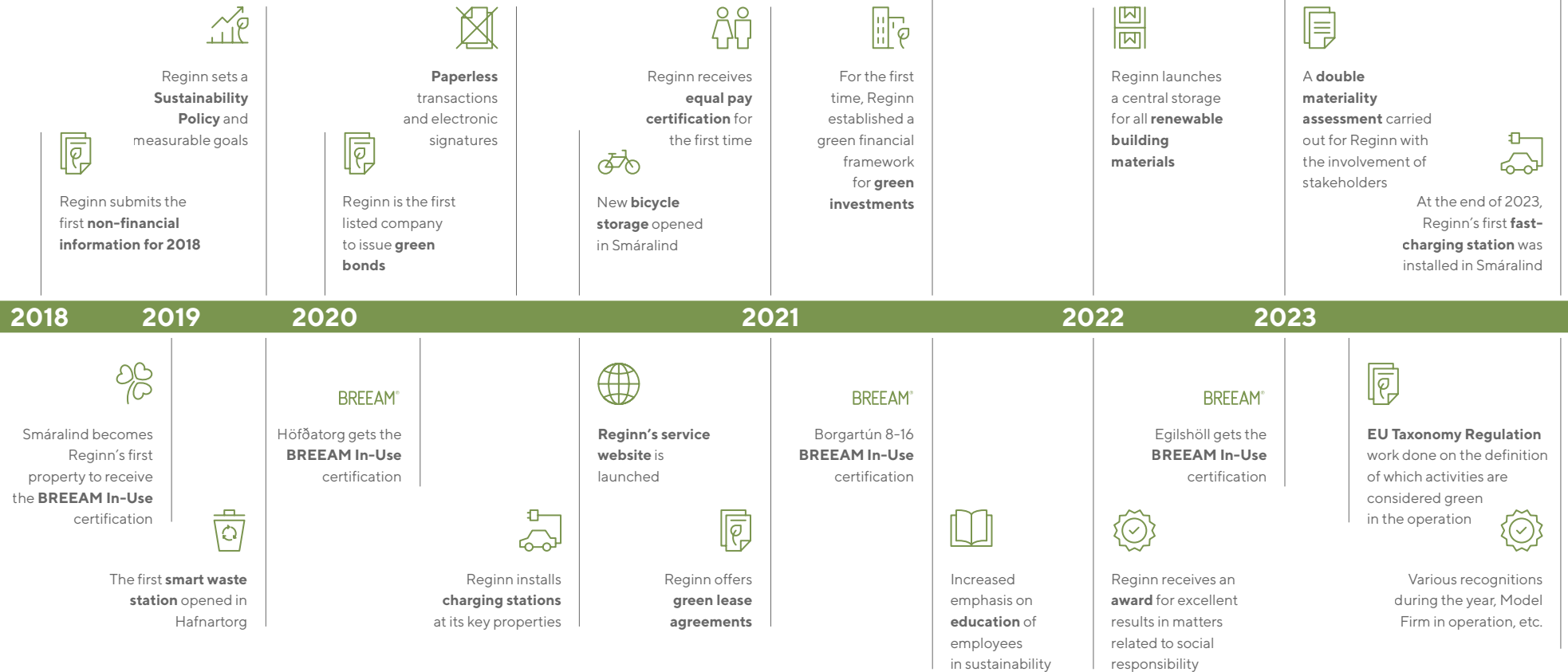
In recent years, Reginn has placed great emphasis on sustainability in operations and believes that this increased focus is one of the key factors in operations and a prerequisite for the company's success in the future.

It is the company's belief that a focus on sustainability reduces risk and strengthens financial profitability in the long term. With sustainability as a guiding principle, social and environmental aspects are considered, as is maintaining good governance and economic sustainability. The company's sustainability policy addresses these factors and is related to the goals that the company emphasises. Along with formulating a Sustainability Policy, the company has set measurable goals that are reviewed regularly with experience and results in mind.

Reginn's CEO is responsible for the company's Sustainability Policy, and Managing Directors are responsible for implementing the policy in daily operations and the continuing education of staff related to sustainability. The management and organisation of sustainability issues takes place in the company's operations department according to the organisational chart, while the company's staff works on projects and goals related to sustainability, and this work touches all the company's departments and work units. Supervision is in the hands of Reginn's Board according to the statutory role of the Board.



In the six years since Reginn started to work systematically on increased sustainability, various milestones have been reached in sustainability issues.



The report discusses Reginn's Sustainability Policy, the company's goals and achievements in those matters and the sustainability work that Reginn has worked on in 2023. The Sustainability Report is prepared based on data that is considered reliable, and emphasis has been placed on clear presentation.

Since 2018, Reginn has prepared a sustainability settlement for a third of the portfolio in accordance with UFS guidelines issued by Nasdaq in Iceland and the Nordic countries. Reginn manages operations in one-third of the portfolio and publishes quarterly environmental reports for the six properties therein. These properties are Smáralind, Egilshöll, Katrínartún 2, Áslandsskóli and the preschools Tjarnarvellir and Hörðuvellir.

As in previous years, Scope 1: fuel consumption of vehicles, Scope 2: electricity consumption and heating supply and Scope 3: waste from operations as well as employee transport to and from work are accounted for. All use of these properties has been specified, regardless of whether it is the use of customers in private properties or in common spaces where the use is managed by Reginn. The aim is to change this presentation in 2024, when preparations for the new EU Directive on sustainability information will be more advanced. In the Directive, emphasis is placed on reporting Scope 3 in business operations, and therefore considerable use will be

transferred between scopes. This will better account for the use of customers in private properties and distinguish it from the use managed by Reginn in common spaces and the company's office.

As in previous years, information related to social sustainability and governance applies to Reginn and subsidiaries as a whole. In other properties, the company does not manage the day-to-day operations, but rather it is in the hands of the lessee.

[See the endorsement of the verifier](#)



Reginn is a company with listed shares on the Iceland Stock Exchange that rents commercial premises and provides services to different customers.

Good governance is important to the company in order to create trust, and Reginn's governance is in accordance with the laws and regulations that apply to its operations. The main aspects regarding corporate governance are disclosed in the Annual Corporate Governance Statement, which is published in the Financial Statements and on Reginn's website. During the year, the company was recognised as a Model Firm in governance, which involves evaluating the practices of the Board and management.



FYRIRMYNDARFYRIRTÆKI
Í STJÓRNARHÁTTUM

The company's Sustainability Policy also affects the company's Governance Policy, where it is emphasised that all Reginn's contractual partners show efforts towards social responsibility and consider environmental issues in their operations.

The company's Sustainability Policy emphasises that any kind of corruption, bribery of any kind or other illegal activities will not be tolerated under any circumstances. Reginn's Rules of Procedure and Code of Ethics apply to all activities, employees and managers of the Group, and upon hiring, staff confirm that they have read, understood and will work according to the Rules, which are intended to promote good practices within the company. The company emphasises

the well-being of employees and has a policy and action plan against bullying, sexual and gender-based harassment and violence (EKKO).

During the year, various training sessions were held for Reginn's staff, e.g. on competition issues, data protection and security issues. Reginn stores personal information securely in accordance with the applicable laws and regulations on data protection, and the company has established a Privacy Policy to ensure the security of personal information. The company has a three-person Nomination Committee whose main task is to nominate individuals for seats on the Board of Directors.



Sumna Hrönn Sigmarsdóttir receives recognition for Model Firm in Corporate Governance 2023

The European Union's new Directive on the sustainability reporting of large and/or registered companies, the Corporate Sustainability Reporting Directive (CSRD), will presumably enter into force in Iceland in the near future and replace Article 66(d) of the Act on Annual Accounts on non-financial disclosure.

The Directive comes with a conditional standard, the ESRS (European Sustainability Reporting Standard), which is based on the same elements of non-financial information that Reginn has disclosed in recent years: environmental, social and governance (ESG).

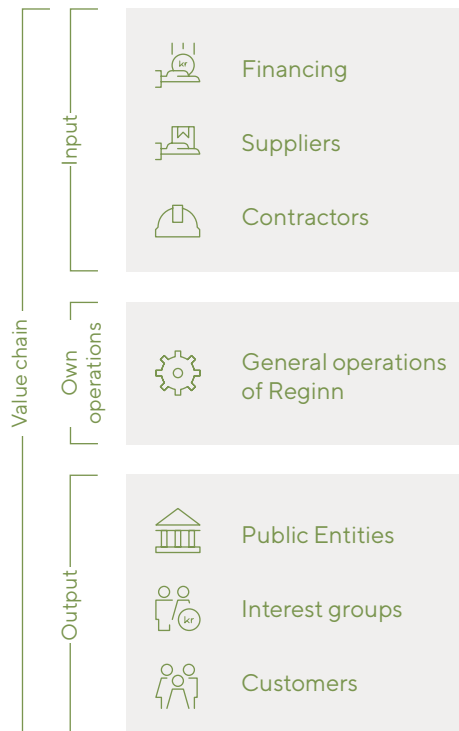
According to this directive, within a few years, companies will have to publish sustainability information according to the aforementioned ESRS standards. The CSRD directive also includes the provision of information according to the EU Taxonomy Regulation, which entered into force in Iceland on 1 June 2023. It is intended to increase transparency in terms of green activities in business operations based on income, investments and operating costs. Thus, companies will publish comparable information that the auditor will have to confirm, and therefore, it will be easier to compare their performance in this area.

Reginn has already begun to adapt its operations to this new regulation and prepare for the expected changes. As part of that work, Reginn, in collaboration with a consultant, has drawn up an implementation plan for the CSRD/ESRS journey and divided it into several phases. In the first phase, a double materiality assessment was carried out with internal and external stakeholders, the results of which were presented to the Board and summarised in a manual. That manual will be used as a guide and foundation for the company's sustainability journey in the future and lay the foundation for goal setting based on opportunities, risks and effects in the area of the most important ESG elements. In 2024, work on the implementation of practices and disclosure in accordance with the ESRS standard will continue.

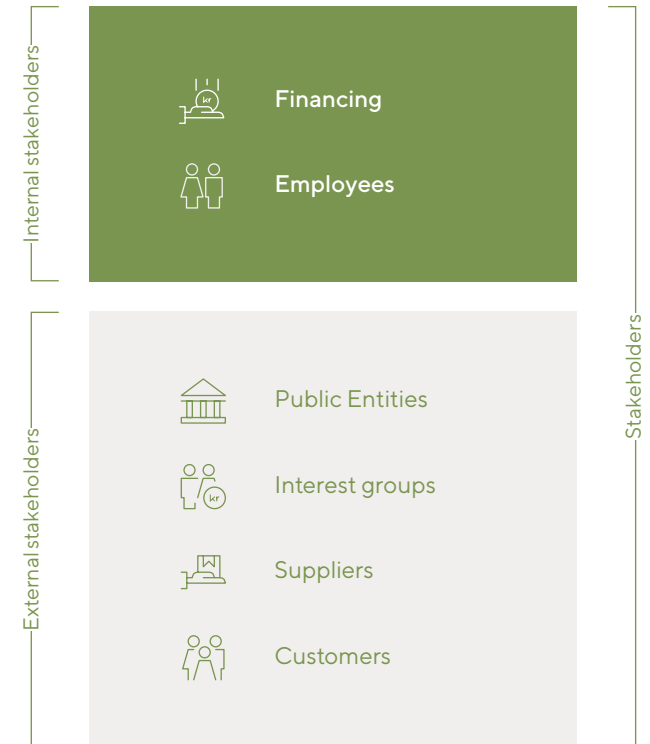


Reginn's operations affect many stakeholders in one way or another, but the company's stakeholders are the parties that can be affected by its operations based on its entire value chain.

When performing a dual materiality assessment, the company's value chain was drawn up to define the scope of the analysis.

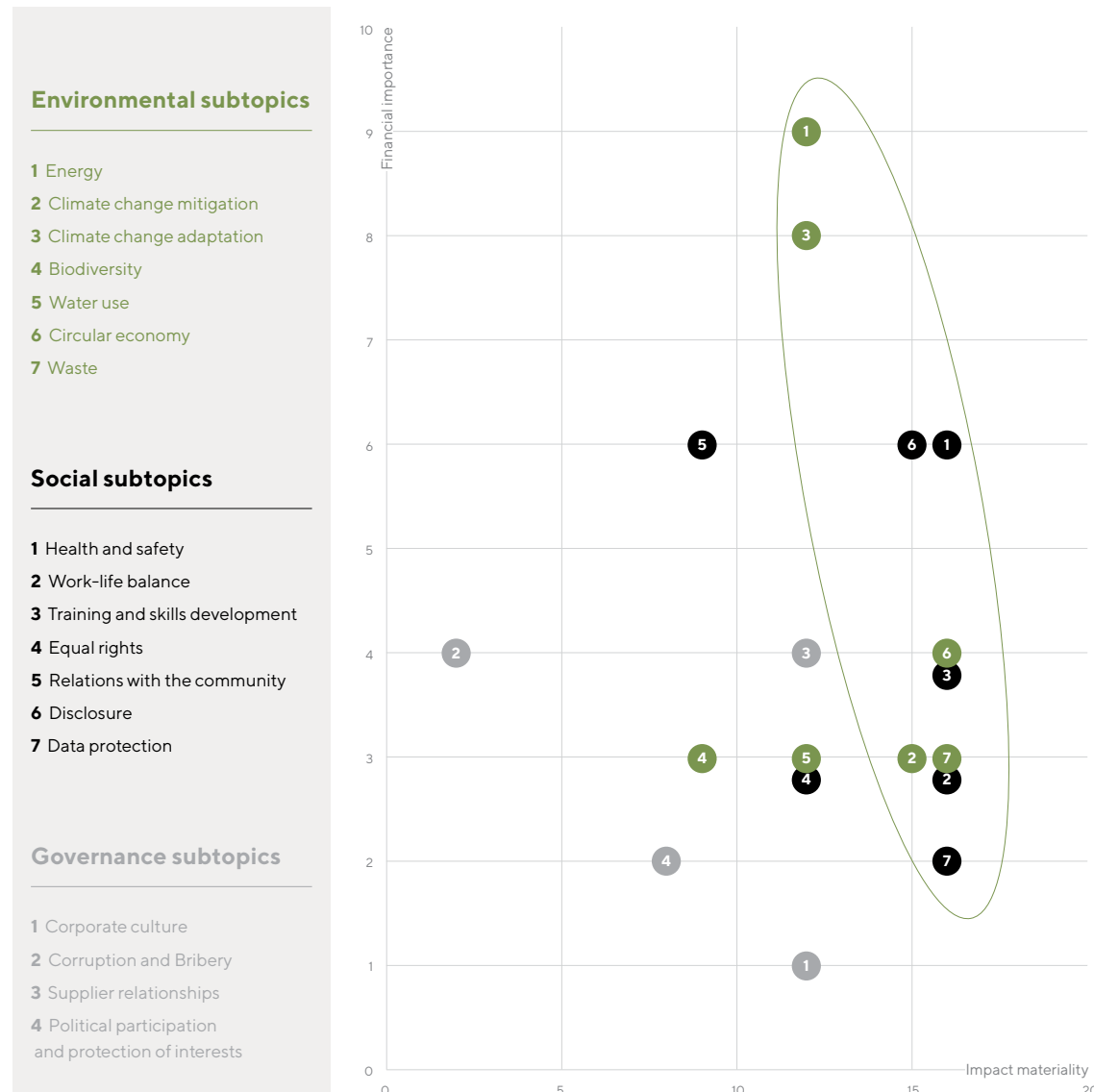


Office premises in Smáralind



Reginn has defined its main stakeholders, with the company's value chain in mind, and divided them into external and internal stakeholders. The goal is to be able to better identify the priorities that are important to stakeholders and to better understand their relationship with the company and how they can influence its operations. Communication with Reginn's stakeholders takes place in a variety of ways, in a systematic way, at meetings, through conversations, in collaborative projects and through service surveys.

Double Materiality Assessment



During the year, emphasis was placed on work on a dual materiality assessment in collaboration with shareholders, and that work was completed at the end of the year.

In the upcoming Corporate Sustainability Reporting Directive (CSRD) which is based on a new European Sustainability Reporting Standard (ESRS), a double materiality assessment is required which forms the basis for Reginn’s sustainability reporting and action plan.

The assessment is conducted to identify the risks and opportunities that affect the company’s sustainability issues and therefore the result will affect the company’s long-term priorities and strategy in sustainability. A materiality assessment is conducted to identify the most important sustainability issues for the company. A sustainability issue is then considered important when it has either an impact materiality or a financial materiality. The assessment examines both the company’s impact on the environment, people and society, and how different sustainability issues have a financial impact on the company and therefore has a double emphasis, hence the title double materiality assessment. The assessment is reviewed regularly and adapted as needed and if there are changes in the company’s operations.

Reginn invests in real estate for the long term, so it is important that the company monitors the main risk factors that the company can impact in the long term.

According to Reginn's Risk Policy, emphasis shall be put on, amongst other things, goals for environmental, social and economic sustainability being set and reviewed regularly. The company also prepares a risk assessment where risks in the company's operations are described, controls are defined, preventive measures are presented and the measures to be taken to reduce risks if necessary. The monitoring of these factors is part of the company's risk assessment, which is updated at least annually, but more often if necessary.

The risk assessment is carried out in the workshops of employees within the company's departments, and the probability and impact of each factor is assessed. The items assessed as having the highest risk are dealt with and tasks are presented for follow-up with the aim of reducing outstanding risks.

In the double materiality analysis that was conducted for Reginn, the purpose was, amongst other things, to ensure that all possible risks were taken into account when assessing which sustainability issues should be disclosed in the company's sustainability disclosure.

Climate change adaptation

Energy

Circular Economy

Health and safety

Training and skills development

Personal data protection

Disclosure

2023 was characterised by the company's preparation for the publication of sustainability information according to the new directive on corporate sustainability disclosure.

In that work, considerable time was spent on a double materiality assessment and the company's adaptation to the EU Taxonomy Regulation. Work began on further analysis of Reginn's carbon footprint during the year. That work will be useful in setting climate goals for Reginn based on the SBTi methodology, and work on that project began in the second half of the year.



Reginn continued to focus on integrating sustainability into the operations in all departments of the company. Reginn's smart waste was put into use in Katrínartún 2, and in the second half of the year, construction began on a new waste storage facility at Egilshöll, where the smart waste solution will be used. In accordance with the company's policy and goals, work was done on the BREEAM In-use certification for Egilshöll, which was certified during the year, and an application for re-certification was submitted for Katrínartún 2. Emphasis was placed on informing staff about projects related to the company's focus on sustainability at regular meetings, as well as holding a green week where lectures were given on sustainability in general and the company's sustainability projects. Employees also participated in working groups related to ecological construction with other companies, non-profit organisations and institutions and attended workshops and meetings of non-profit organisations focused on the circular economy. Work continued on the analysis of energy use in the portfolio, more electric charging stations were installed at the company's properties, and Reginn's first fast-charging station was installed in Smáralind, which will be useful to visitors and the local environment.

Reginn continued to perform well on various fronts.

The company was recognised by Viðskiptablaðið and Keldan as a Model Firm in operations in 2023. It also received recognition as a Model Firm in governance for the operating year 2022–2023 and recognition from Creditinfo for being an Outstanding Company in 2023, a recognition the company has received annually since 2014.



Dagbjört Erla Einarsdóttir accepts the recognition for Outstanding Company 2023

Every year, Reitun prepares a risk assessment of the company's ESG aspects.

The assessment is carried out on behalf of investors and is done on issuers of securities. It assesses how the company faces the risks related to environmental and social aspects, as well as governance.

The company's rating increased by one point between years and is in category B1, as in the previous year with 83 points, but every year the requirements of the assessment have increased.

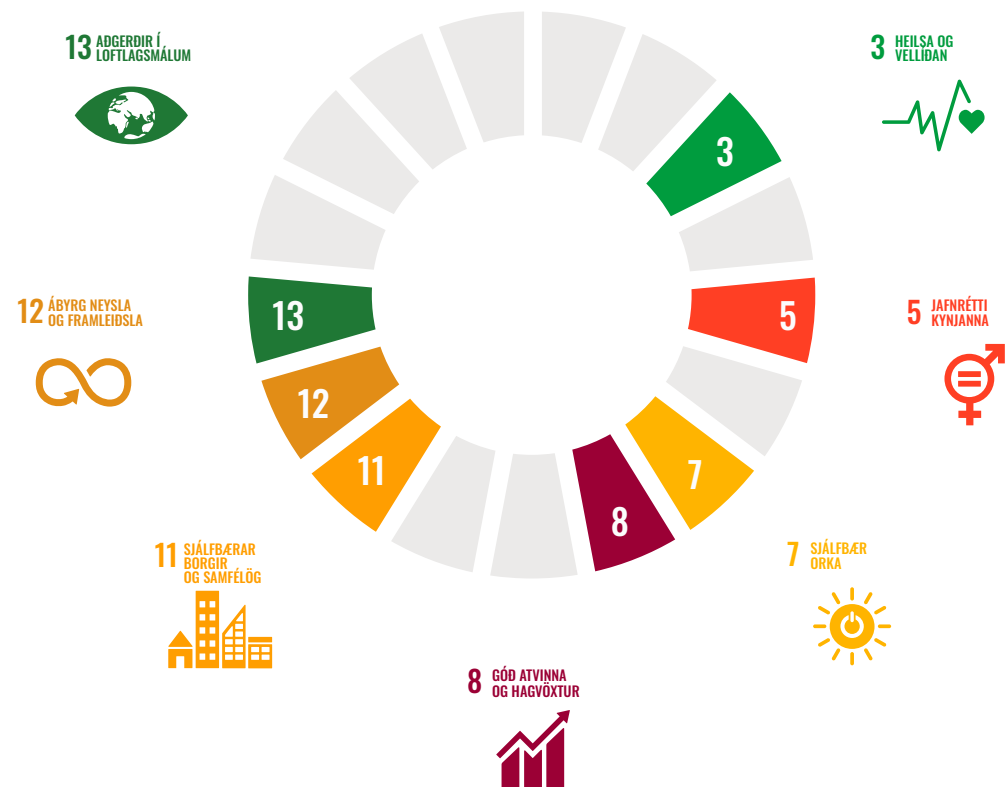


Hafnarborg Gallery

Reginn sets measurable goals every year in order to objectively evaluate success in sustainability. Investors, staff and customers are informed about the main goals and the results achieved at regular settlement presentations and in Reginn's Annual Financial Statements and Sustainability Report. The information is also made available on Reginn's website.

The company places emphasis on integrating the United Nations' Global Goals for Sustainable Development into the company's operations.

Emphasis is placed on the Global Goals that day-to-day operations can have the greatest impact on and that contribute to increased sustainability in the portfolio. Therefore, the company mainly focuses on seven Global Goals: health and well-being, gender equality, sustainable energy, decent work and economic growth, sustainable cities and communities, responsible consumption and production and climate action. The goals and their sub-goals are numerous and varied, and so are the projects. According to Reginn's Sustainability Policy, the goals are divided into environmental, social and economic goals.



Our Incentive

Reginn manages one-third of its portfolio and is therefore in a key position to be a leader in environmentally friendly and sustainable property operations, as real estate is responsible for one-third of global greenhouse gas emissions.

With sustainability as a guiding principle in the company's operations, the benefits are not only environmental but also financial for the company and its customers. The company is aware of this responsibility and wants to promote sustainability in its portfolio and operations and encourage its customers to do the same.

Our Approach

Reginn has undertaken various measures to reduce the emission of greenhouse gases from operations and during construction, as well as to offset carbon emissions. These actions are one part of promoting environmental sustainability.

Environmental certification of properties is one of the important factors that promotes this as well as simultaneously increasing the quality of the properties in the portfolio. The company strives to use natural resources in a responsible way and look for ways to reduce their use, as well as to as well as reusing incidental materials. Emphasis is placed on reducing the amount of waste and increasing its sorting ratio, which benefits not only Reginn, but society as a whole. The company has made an effort to work on new solutions and innovation for increased sustainability in operations and has participated in projects related to sustainability with companies, non-profit organisations and universities.



Bicycle storage at Höfðafatorg



Energy

Energy use and greenhouse gas emissions related to its production weigh the most in the company's carbon accounting.

Work continued to improve energy management in Reginn's properties with the installation of meters and improved house management systems. Innovations are being explored, e.g. energy production at certain properties of the company, where the goal is to improve operations and reduce carbon footprint. Purchases of larger electrical, heating and sanitary equipment are also monitored so that efficiency is the guiding principle without compromising customer service.

Waste

In recent years, a lot of emphasis has been placed on waste sorting at the company's properties and support for lessees in that regard.

This is part of the company's green journey, which consists, amongst other things, of educating lessees about the importance of sorting, installing smart waste at more properties and continuing to develop the smart waste system. A considerable part of Reginn's carbon footprint comes from waste, and the company is there for happy to oblige in considering solutions and progress in that regard.

Vehicle Fuel Use

It is important for the company to curb the fuel use of vehicles owned by the company, as it forms part of its carbon footprint.

Reginn has increased the importance of electric and plug-in hybrid cars in recent years, and that journey was continued in 2023. One factor in reducing the company's carbon footprint is to offer employees a transport grant, where their transport to and from work is included in the carbon footprint.

Greenhouse Gas Emissions

Emissions of greenhouse gases from properties over the period of their operation are the company's main negative impact on the environment, and energy consumption from various aspects of the operation has the greatest weight. Greenhouse gas emissions from operations in 2023 were carbon offset through the United Nations Carbon offset platform), which offers certified carbon offset units.

By purchasing carbon units, projects are being supported that reduce the emission of greenhouse gases elsewhere and thereby balance out the emission of greenhouse gases that comes from the company's activities. Projects selected for carbon offsets by 2023 were in India and South Korea, where the projects focus on reducing the use of fossil fuels by installing solar power plants.



Charging stations by Smáralind

Carbon Footprint

In 2023, work was done on a gap analysis of the company's carbon footprint, and the Science Based Target initiative (SBTi) methodology was used for that analysis.

In 2024, the aim is to submit an application to SBTi and continue with that work. As part of the journey to get a better handle on the company's carbon footprint and to report on Scopes 1, 2 and 3 as a whole, detailed mapping of Scopes 2 and 3 has begun. This will make it possible to better account for the carbon footprint of the company's operations, customer usage and the carbon footprint of usage managed by Reginn. The preliminary results of that work indicate that almost 60% of the energy accounted for in Scope 2 should rightfully be in Scope 3.

Reginn's Main Projects



Smart Waste

Smart waste is available in several properties and waste is sorted and measured.



Measurements

The use of electricity is monitored and continuous efforts are being made to improve utilisation without affecting service.



Building Management System

The property is managed by a building management system that ensures comfortable living spaces for lessees.

Charging Stations

Reginn owns and operates a number of charging stations for electric cars. All our service cars are electric cars.



BREEAM

BREEAM certification

Reginn has spent considerable time and money certifying its buildings.



Measurements

The use of hot and cold water is monitored and continuous efforts are being made to improve utilisation without affecting service.



Carbon Offset

The purchase of carbon offset units reduces the emission of greenhouse gases and offsets the emissions from the company's activities.

Bicycles

Access for cyclists and pedestrians is very good.



Education

Reginn holds regular educational meetings, e.g. on sustainability.



Human Resources

Reginn works diligently on human resources issues, sends out job satisfaction surveys and has equal pay certification.

Green Capital

Regin makes an effort to meet the requirements that provide access to green capital.



Green Lease Agreements

Reginn offers green lease agreements, information and consultation related to sustainability issues.

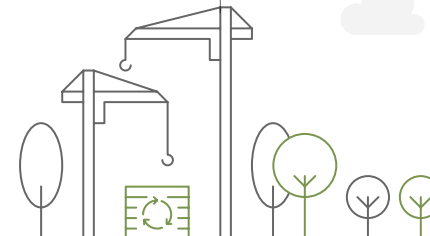


Green Financial Framework

marks the company's policy in green investments such as electric charging stations and bicycle solutions, environmental certificates for properties, solutions for waste, etc.

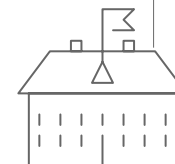
Building Materials

Reginn has several construction projects and tries to reuse and recycle building materials.



Sustainability

There are continuous new requirements from the authorities in terms of sustainability. Reginn responds to those requirements quickly and thoroughly.



Environmental Certifications

Properties' environmental certifications play a major role in reducing the negative environmental impact of the company's properties. Since 2019, when the first BREEAM In-use certification was obtained for the company's largest property, Smáralind, continuous work has been done on the certification of Reginn's portfolio. Currently about 36 percent of the company's total portfolio is certified.



With the environmental certification of properties it is, for example, possible to identify the risks that each building creates for the environment, as well as being a confirmation by a third party that the operator follows the best standards and requirements in the operation of properties. The certification facilitates the provision of information to lessees about operational aspects such as energy consumption and waste sorting, which are increasingly in demand.

In 2023, Egilshöll received certification, an application for certification was submitted for Áslandsskóli in Hafnarfjörður and an application was made for re-certification of Katrínartún 2. The certification body is still very busy due to the increase in certification on a global level, which has an undeniable effect on the processing time of all applications sent to the body, and there seems to be no end in sight. As a general rule, one new property is certified per year for the company and one is re-certified, but it is necessary to re-certify the properties every three years.



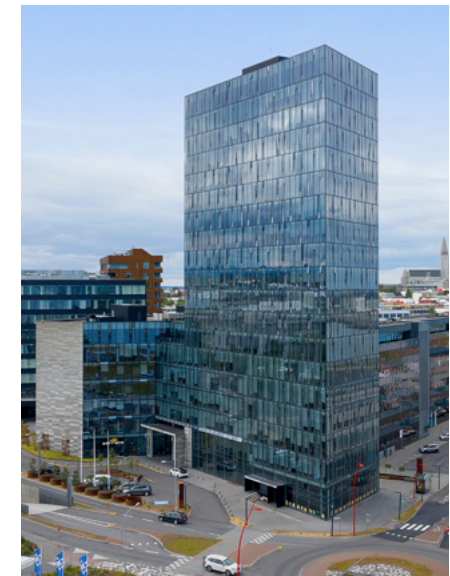
Borgartún 8-16



Smáralind



Egilshöll



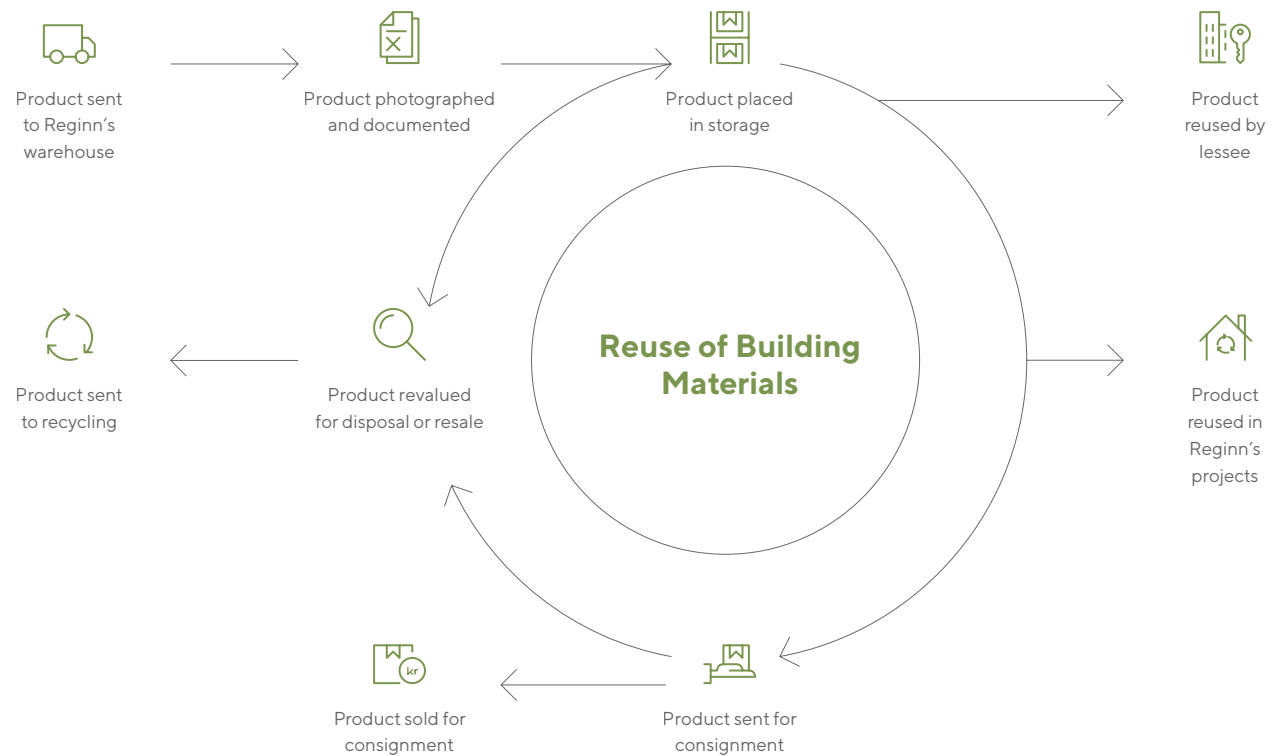
Höfðaborg Tower Katrínartún 2

Reuse of Building Materials, Tools and Equipment.

Reginn's project on the reuse of construction material continued to develop in 2023.

The project is in line with the concept of the circular economy, where building materials, furniture and equipment that can be reused are collected from the company's properties in a central storage. This material is then either used again in projects within Reginn or sold for consignment. We are currently working on a complete inventory system where each unit will receive a unique QR code. This facilitates all management of the warehouse and makes it more efficient.

The initiative has been successful for the company over the past year. In addition to the amount used for our own projects, we managed to sell around 250 pieces of furniture, household appliances and building materials through consignment to individuals, companies and associations from all over the country. The majority of income came from the sale of furniture.



The Projects



Building materials

11%



Glass

4%



Furniture

37%



Heating equipment

19%



Appliances

17%



Sanitary equipment

8%



Other

4%



Distribution of income from the sale of recycled material

Smart Waste

In 2019, Reginn put the company’s first smart waste into use at Hafnartorg and has since worked on implementation and further development at other properties.

A large and extensive smart waste in Smáralind was put into use in 2022, and in the mid-2023, Katrínartún 2 joined the group of properties that offer this solution. With the introduction of the smart waste, waste sorting clearly increased in both buildings, by 23–37%. The smart waste stations all have in common that they weigh waste, register and sort its amount to the relevant lessee, and each station is adapted to the activities on site, the amount of waste and the division between categories. There is a similar arrangement in Katrínartún 2 as what has been in use at Hafnartorg, hatches for each category and containers on scales that weigh the garbage that is thrown away. The information for each lessee are then displayed on Reginn’s service website. Unlike Hafnartorg, where the storage was designed with smart waste in mind, considerable construction work had to be done in Katrínartún to adapt the space and make it the best possible waste sorting centre available.

“

Waste sorting increased by 23–37%

Work on smart waste in Egilshöll also continued in 2023, but even more construction and changes were necessary there. It was decided to build a waste sorting station from scratch on the outskirts of the site, designed with the needs of the smart waste in mind, but also environmental considerations and to fit in as best as possible with its surroundings. Smart garbage in Egilshöll is currently under construction and the goal is to open in mid-2024.

Energy

The energy use of properties in the portfolio varies, but it is important that it is utilised responsibly.

This year, guidelines were issued for the purchase of energy-efficient equipment that guides staff in the selection of electrical appliances and heating equipment. Continued work was also carried out on the selection and installation of meters for large energy users, which can be used to better analyse energy use and improve efficiency. In addition, work was done on projects related to local energy procurement, where renewable energy sources were used, along with smart energy and power management for Reginn’s largest properties.



Smart waste at Höfðatorg



Charging station by Smáralind

Green Transportation

Green transportation around properties has gained more importance in recent years at Reginn with the increase in electric car charging stations and bicycle and scooter parking at the company’s properties.

This development that is in line with the development of energy transition in Iceland and also conforms to the requirements that the BREEAM In-use certification makes for certified properties. Electric charging stations serve the company’s customers and their guests, but no less the surrounding communities, e.g. at night, thus supporting the green journey in the portfolio’s local environment. In this way, the use of the stations can be maximised through sharing.

By the end of 2023, there were 102 electric charging stations at the company’s properties, including four fast-charging stations installed at Smáralind. The number of charging stations will increase further in 2024 and serve users in the Greater Reykjavík Area and Akureyri. In the last few years, Reginn has also increased the percentage of electric and plug-in hybrid cars owned by the company, and they are now more than half of the vehicles owned by the company.

Green Lease Agreements

Reginn has been offering green lease agreements to its customers since the end of 2021.

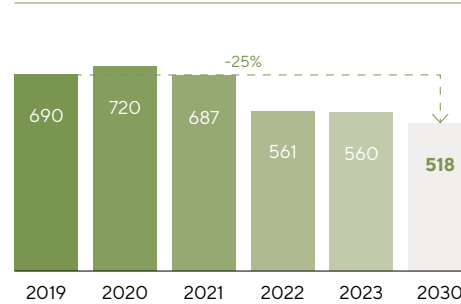
From the start, their main goal has been to increase sustainability in the rented space in the properties that Reginn does not manage operations in. Green lease agreements include that the companies set measurable goals, at least related to the reduction of waste, energy use and the increased importance of eco-friendly transport. The company is convinced that in green lease agreements there are benefits for both parties, both financially and for the environment, and therefore in 2023 more effort was put into the processes behind the agreements and the promotion of green leases.

At the end of the year, there were 11 agreements and more in the works.

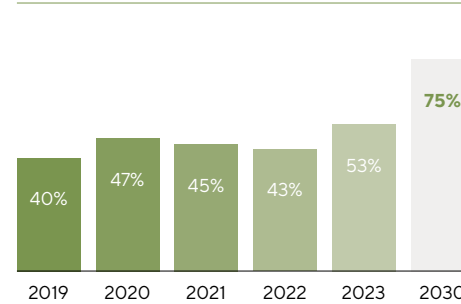


Objectives, achievements and long-term goals in environmental sustainability

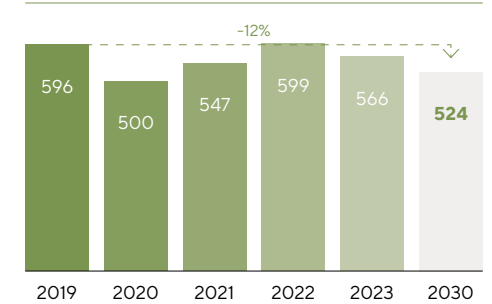
Greenhouse gas emissions in tCO₂in



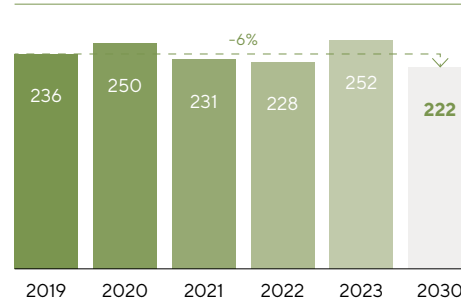
Waste Sorting Ratio



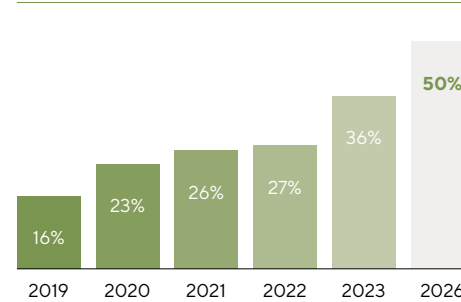
Waste volume in tonnes



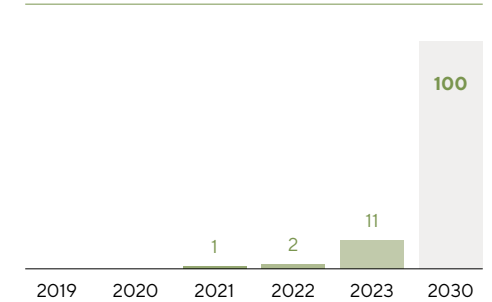
Hot water use in kWh/m²



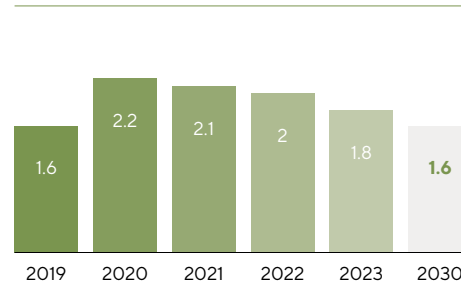
Ratio of environmentally certified properties in m²



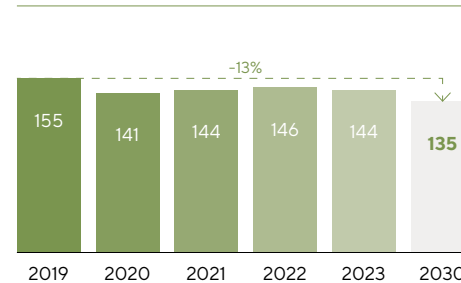
Number of green lease agreements



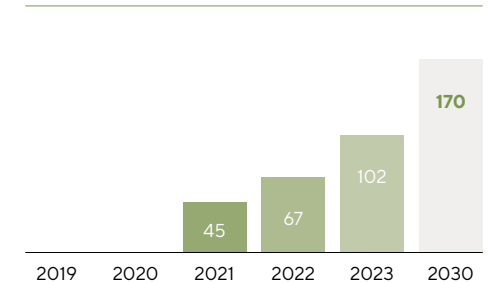
Cold water in m³/m²



Electricity use in kWh/m²



Number of charging stations



Our Incentive

The company is concerned about the well-being of its employees and places great emphasis on factors that promote mental as well as physical health.

The well-being of the staff affects all aspects of the business and is a key factor in the positive development and growth of the company. A lot of effort is put into offering a safe and flexible work environment where employees have the space and opportunities to grow stronger and prosper, both in their work and as individuals. The company focuses on integrating sustainability into the operations and this also applies to employees, e.g. by informing them about the importance of sustainability for society, the economy and the environment.



Employees in Egilshóll



Reginn's staff association's team building day

Our Approach

At Reginn, 67 employees work various jobs at five establishments in the Greater Reykjavík Area.

The company wants to safeguard the well-being and safety of employees, the equality and human rights of all those involved in the operation, in all links of the value chain, as well as maintaining equal pay between genders.

At the end of 2022, a staff work day was held and as a result, work groups were established that continued in 2023 on the projects that were defined at the work meeting. The main projects concerned customer service and the company's sustainability, but emphasis was placed on the company's human resources. Amongst other things, an employee handbook was prepared for the company, and its purpose is two-fold, to facilitate staff access to information and to facilitate learning about the company's culture and practices. The aim is to publish the manual in the first half of 2024. Reginn's Human Resources Policy was finalised and approved at the end of 2023. In addition to the Human Resources Policy, the company has various other policies that are designed to support the well-being of human resources and well-being. These include the Policy Against Bullying, Violence and Harassment, Equality Policy and Equal Pay Policy.

Wellbeing and Health

One of the company's goals is to promote good employee health and well-being. A good and safe work environment is a key part of that.

In 2023, extensive design and construction work took place on Reginn's impressive new headquarters. The new office will be taken into use in early 2024. A lot of effort has been put into a comfortable indoor environment, such as acoustics, air quality, choice of materials, lighting and appearance to name a few, all with the well-being and health of the employees in mind. The office also offers a variety of different spaces and a great layout that makes working efficient and enjoyable.

Various grants are available to employees that encourage health promotion, and the employees' association

organises diverse events throughout the year. Good teamwork and entertainment are equally important so that employees feel happy at work. The communication website Workplace was introduced during the year, which is a platform for employees to share fun milestones and achievements, information about events, club activities and other such as well as useful information from the company. The purpose is to improve information flow and bring employees closer to each other. Twice a year, a job satisfaction survey is carried out and its results are used to further strengthen the operations.

Increased Knowledge

The skills and knowledge of the staff are essential to the company's success.

Great emphasis is placed on education and continuing education, as well as knowledge sharing within the company so that employees have the opportunity to learn from each other and become familiar with the activities in other departments. Employees attended an average of 52 hours, of continuing education, conferences and lectures in 2023. Of these, 12 were dedicated to sustainability-

related education. 19 in-house educational meetings were held where the policies, priorities and projects of the various departments were presented by colleagues. Of these, four meetings were dedicated to sustainability. The company publishes promotional materials intended to support the company's customers towards a more sustainable operation of rental space.



Equal Rights

It is important that employees receive equal opportunities and pay regardless of gender or other factors and one of the company's goals related to social sustainability is to maintain equal pay between genders.

Reginn received equal pay certification in 2021 and goes through annual maintenance audits to ensure that the system is followed and to ensure equality in the company's wage terms. In a wage analysis carried out at the end of 2023, it was found that the wage gap at the company is 1.4%, but was 1% in 2022. Reginn has also set the goal of equalising the gender ratio, both in the company's Board of Directors and Executive Board.



Reginn employees



Wall signs during green week

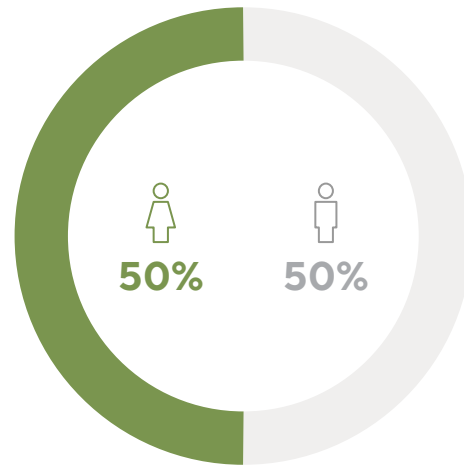
Green Week

Sustainability issues were important in the company's work during the year, and towards the end of 2023, green days were held with employees.

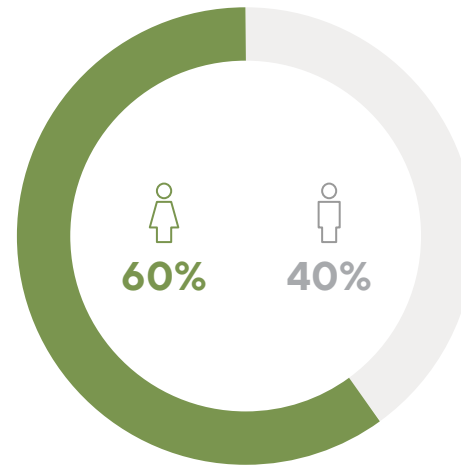
The main goal of the green week was to hone the staff's knowledge regarding sustainability, environmentally friendly thinking and put it in context with their own lifestyle and consumption patterns. During green week, three educational talks were held, about sustainability in general, its history and journey, the energy transition and the environmental signs that are in front of people's eyes every day. In addition to the talks, interesting facts were shared on Workplace and placed on walls and devices, for information, entertainment and knowledge. A lot of knowledge was acquired over those days and many things that have remained and are still referred to. The aim is to repeat the green days annually, with diverse educational programs and awareness raising in the field of sustainability among staff.

Objectives, Achievements and Long-Term Goals in Social Sustainability

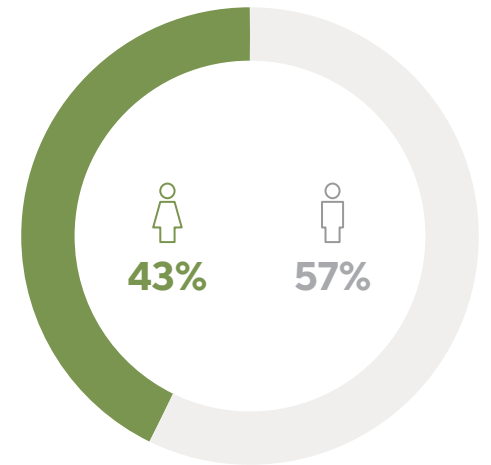
Gender division of employees



Executive Board

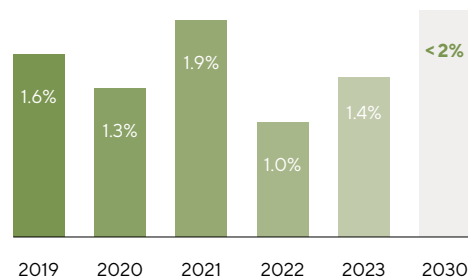


The Board

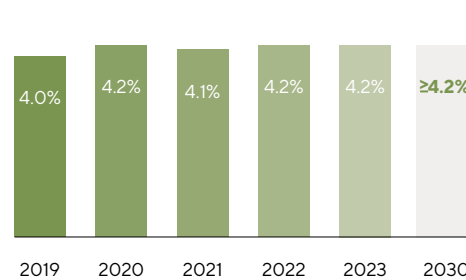


Staff

Equal pay analysis

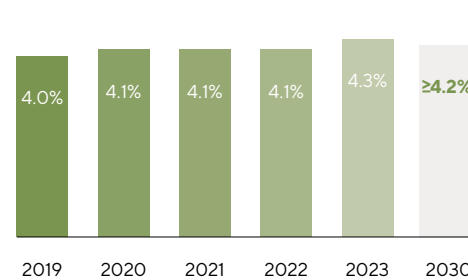


Job satisfaction



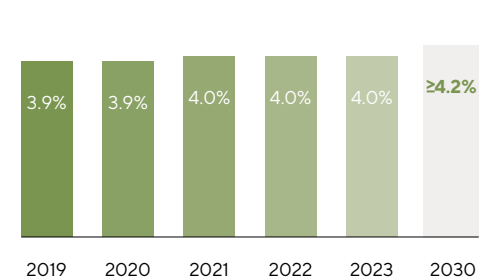
On a scale of 1-5 where 1 point represents *very dissatisfied* and 5 points represent *very satisfied*.

Can staff handle the workload?



On a scale of 1-5 where 1 point represents *very badly* and 5 points represent *very well*.

Reconciliation of work and family life



On a scale of 1-5 where 1 point represents *strongly disagree* and 5 points represent *strongly agree*.

Our Incentive

Economic sustainability is the third basic factor of Reginn's Sustainability Policy.

That factor is no less important than environmental and social sustainability when it comes to the company's long-term successful operation. The general state of the economy, both in Iceland and abroad, such as economic growth, employment levels and inflation affect the financial situation of companies in Iceland, the real estate market, Reginn's customers and thus the company itself. Activities in society have an impact on economic growth and lay the foundation for supply and demand in the real estate market and, as a result, the occupancy rates of real estate companies and rental prices. Inflation expectations have an impact on interest rate levels and can thereby have an impact on the company's financial items. Inflation affects the operating costs of properties, but there is a certain protection in place in Reginn's lease agreements, where almost all of the company's rental income is tied to the consumer price index. In addition, interest rates and inflation affect the rate of return and thus the appraised value of properties and Reginn's performance.



Activities in society have an impact on economic growth and lay the foundation for supply and demand.



Hafnarstræti 17-19

Our Approach

The main risk factors associated with the Group's financial instruments are credit risk, liquidity risk, market risk and operational risk.

Examples of actions to counter this risk include the right composition of customers, properties in strong market areas, equity ratio above 30%, debt ratio below 65%, long-term financing agreements, secure and stable liquidity, secure and open lines of credit, customers depositing a guarantee for rent and monitoring market and economic information. The goal is to ensure the company's sustainable cash flow and minimise operational risk with an emphasis on the continuous development of the portfolio. The company's capital and human resources must be used in the most efficient way, in addition to which, procedures within the company are characterised by good business ethics, sound business practices and responsibility. These priorities consolidate Reginn's long-term financial strength, increase profitability and support long-term growth.

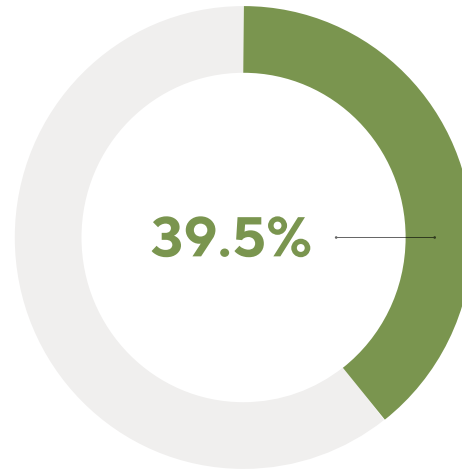
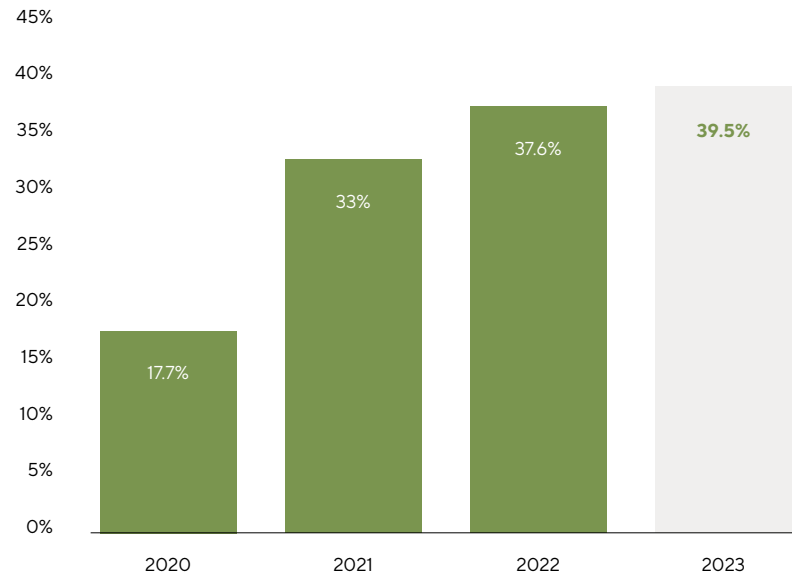
Reginn's green financial framework was published in 2020, and its main purpose was to accelerate the reduction of the company's carbon emissions as well as to ensure the issuance of green bonds. The company thought it clear that their demand would increase rapidly in the coming years due to increased demands from investors and society for increased sustainable financing. The company has set a goal for the minimum percentage of green financing in the company's total financing.

Green Financing

In 2020, Reginn issued a framework for green financing and the company's first green bonds were listed on the market in the same year.

At year-end 2023, green financing amounted to 39.5% of Reginn's total financing. Green financing is an important part of the company's financing, and during the year all of the company's new borrowing fell under a green framework. The development of green financing from the beginning can be seen here:

Proportion of green financing



Green Financial Framework

In order to speed up the success of the company's sustainability goals, for the first time for the financial year 2022, a "Green Financial Framework" was introduced within the company's budget.

This was repeated at the end of the year when the "Green Financial Framework" for the financial year 2024-2028 was approved. The Green Financial Framework marks the company's policy in green investments for the next five years. During this period, the company will focus on projects such as electric charging stations and bicycle solutions, environmental certification of properties, waste solutions, emphasis on improved energy efficiency and reduction of carbon emissions.

Estimated total investment 2024-2028

ISK 839m

In 2021, a goal was set into law for Iceland to achieve Net-Zero no later than 2040.

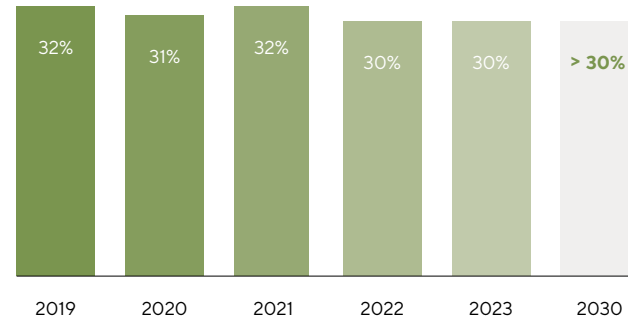
It is clear that in order to fulfil these goals, action must be taken. New regulations have been implemented in Iceland, and more are in the pipeline in the coming months.

On 1 June 2023, the EU Taxonomy Regulation was implemented in Iceland, and the latter part of the year was used to prepare disclosure for 2023 in accordance with the regulation. Reginn's activities fall under the taxonomy system as it includes the purchase and ownership of buildings. Iceland received a temporary and conditional exemption from the EU Directive on the energy efficiency of buildings, but the technical assessment areas for a significant contribution to mitigation of climate change as well as adaptation to climate change are based on this directive. Therefore, there is an impossibility regarding Reginn's disclosure that relates to showing the percentage of turnover, operating fees and investment fees that is taxonomy aligned since there is no information on the energy efficiency of properties in Iceland. Reginn has been in conversation with the government and public bodies regarding this situation. In December 2023, Reginn submitted a proposal for an addition to the current technical criteria that fall under Section 7.7 in the European Union's consultation portal through the EU Taxonomy Stakeholder Request Mechanism. The addition includes that if there is no rating system for the energy efficiency of buildings in the respective country in accordance with the EU Directive, but the source of energy for the operation of buildings is 100% renewable, the energy efficiency of buildings is confirmed and specified energy saving measures with ISO25000-1, then the relevant building falls under the taxonomy system. The outcome of this proposal is not available.

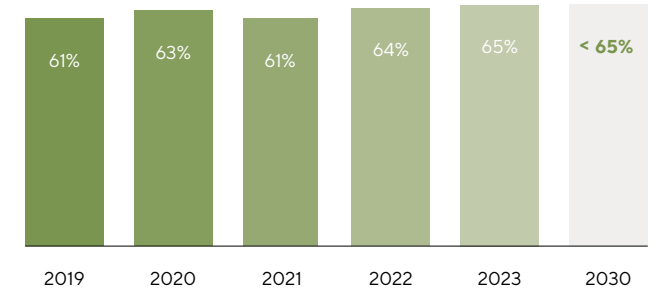


Overview of Goals and Achievements in Economic Sustainability.

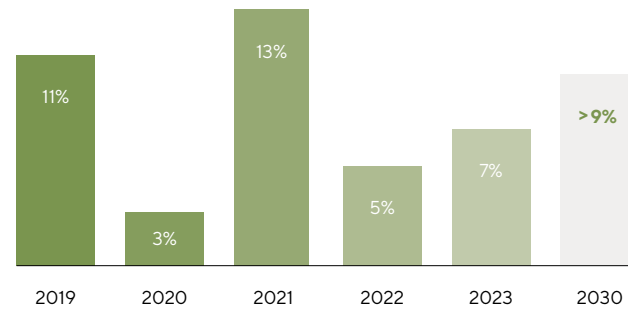
Equity ratio



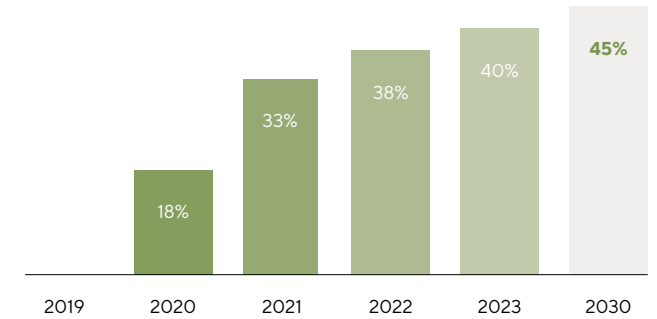
Leverage ratio



Return on equity



Proportion of green financing



Reginn's Sustainability Settlement for the year 2023 is performed in accordance with the ESG reporting guide 2.0 that Nasdaq in Iceland and the Nordic Countries published in the year 2019.

The guidelines are based on proposals that were put forward in the year 2015 by the United Nations, the Sustainable Stock Exchange Initiative, and a working group with the World Federation of Exchange. Reference is also made to the corresponding criteria of the GRI Standard (Global Reporting Initiative GRI100-400) and the Reporting Principles (P1-10) of the United Nations Global Compact (UNGC). Reginn uses digital technology to ensure the traceability, transparency and efficiency of the collection of data and the dissemination of information related to sustainability issues.



Parking garage at Hlíðfötorg

Variables	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Size of premises	m ²	126,196	126,196	126,196	126,196	126,196	0%	0%
Size of premises regarding hot water	m ²	102,723	126,196	126,196	126,196	126,196	23%	0%
Size of premises	m ³	969,489	969,489	969,489	969,489	969,489	0%	0%
Size of premises regarding hot water	m ³	835,767	969,489	969,489	969,489	969,489	16%	0%

Environment

E1 – Greenhouse Gas Emissions	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Scope 1	tCO ₂ in	66.6	62.6	60.5	50.0	37.5	-44%	-25%
Scope 2 (with deregistration of guarantees of origin)	tCO ₂ in	406.1	467.0	448.6	447.9	468.2	15%	5%
Scope 3	tCO ₂ in	217.5	189.9	177.8	63.1	54.2	-75%	-14%
Total Greenhouse Gas Emissions	tCO₂i	690.2	719.5	686.9	561.0	559.9	-19%	0%
Mitigating measures	tCO ₂ in	688.6	707.4	722.0	561.1	560.0	-19%	0%
Carbon emissions minus mitigation measures	tCO ₂ in	1.6	12.1	-35.1	-0.1	-0.1		
Scopes 1 and 2 in total	tCO ₂ in	472.7	529.6	509.1	497.9	505.7	7%	2%

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

E2 – Intensity of Greenhouse Gas Emissions	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Greenhouse gas intensity of energy	kgCO ₂ in/MWh	15.64	14.48	14.45	11.84	11.18	-29%	-6%
Intensity per square metre (Scopes 1, 2 and 3)	kgCO ₂ in/m ²	5.8	5.7	5.4	4.4	4.4	-23%	0%
Intensity per square metre (Scopes 1 and 2)	kgCO ₂ in/m ²	4.1	4.2	4.0	3.9	4.0	-3%	2%
Intensity per cubic metre (Scopes 1, 2 and 3)	kgCO ₂ in/m ³	0.7	0.7	0.7	0.6	0.6	-22%	0%
Intensity per cubic metre (Scopes 1 and 2)	kgCO ₂ in/m ³	0.5	0.5	0.5	0.5	0.5	0%	2%

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

E3 – Energy Consumption	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total energy use	kWh	44,048,446	49,684,261	47,532,164	47,378,602	50,074,096	14%	6%
Of which energy from geothermal fuel	kWh	257,446	247,742	240,037	199,606	149,594	-42%	-25%
Of which energy from electricity	kWh	19,498,517	17,830,574	18,169,538	18,392,297	18,145,631	-7%	-1%
Of which energy from hot water	kWh	24,292,484	31,605,945	29,122,589	28,786,699	31,778,871	31%	10%
Direct energy consumption	kWh	257,446	247,742	240,037	199,606	149,594	-42%	-25%
Indirect energy consumption	kWh	43,791,001	49,436,519	47,292,127	47,178,996	49,924,502	14%	6%

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

E4 – Energy Intensity	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Energy intensity per square metre	kWh/m ²	388.7	376.7	376.7	375.4	396.8	2%	6%
Energy intensity per cubic metre	kWh/m ³	49.1	49.0	49.0	48.9	51.6	5%	6%

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

E5 – Energy Composition	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Fossil fuels	%	0.60%	0.50%	0.50%	0.40%	0.30%	-50%	-25%
Renewable energy	%	99.4%	99.5%	99.5%	99.6%	99.7%	0%	0%

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

E6 – Water Consumption	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total water consumption	m ³	585,008	820,612	765,975	745,174	773,096	32%	4%
Cold water	m ³	166,172	275,682	263,861	248,852	225,184	36%	-10%
Hot water	m ³	418,836	544,930	502,114	496,322	547,912	31%	10%

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

E7 – Environmental Activities	Unit	2019	2020	2021	2022	2023
Does the company follow a formal Environmental Policy?	yes/no	Yes	Yes	Yes	Yes	Yes
Does the company follow special waste, water, energy, and/or recycling policies?	yes/no	Yes	Yes	Yes	Yes	Yes
Does the company use an approved energy management system?	yes/no	No	No	No	No	No

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

E8 – Climate Control/Board	Unit	2019	2020	2021	2022	2023
Does the Board oversee and/or manage climate-related risks?	yes/no	Yes	Yes	Yes	Yes	Yes

Nasdaq: E8|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)

E9 – Climate Control/Management	Unit	2019	2020	2021	2022	2023
Does the Executive Board oversee and/or manage climate-related risks?	yes/no	Yes	Yes	Yes	Yes	Yes

Nasdaq: 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)

E10 – Climate Risk Mitigation	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total annual investment in climate-related infrastructure, resilience, and product development	ISK	59m	63m	75m	171m	152m	158%	-11%

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

Waste Management	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total waste	kg	595,996	500,466	547,164	599,012	566,052	-5%	-6%
Of which sorted waste	kg	236,624	234,636	244,677	259,767	301,439	27%	16%
Of which unsorted waste	kg	359,372	265,830	302,487	339,245	264,613	-26%	-22%
Recycled/reused	kg	235,163	223,626	243,167	541,428	494,401	110%	-9%
Landfill	kg	360,833	276,840	303,997	57,584	71,651	-80%	24%
Proportion of sorted waste	%	39.7%	46.9%	44.7%	43.4%	53.3%	34%	23%
Proportion of recycled waste	%	39.5%	44.7%	44.4%	90.4%	87.3%	121%	-3%

Transport	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Greenhouse gas emissions resulting from employee travel to and from work	tCO ₂ in	37.7	37.5	37.8	30.3	25.6	-32%	-16%
Does the company reward employees for an eco-friendly way of travel?	yes/no	No	No	Yes	Yes	Yes		

Main Energy Sources for Vehicles	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total fuel consumption of vehicles	kg	21,670	20,849	20,176	16,718	12,530	-42%	-25%
Petrol	kg	25	178	1,070	3,117	2,302	8963%	-26%
Diesel	kg	21,644	20,671	19,106	13,601	10,228	-53%	-25%

Paper Handling	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total volume of printed paper	pages	99,545	68,668	46,609	24,544	22,705	-77%	-7%
Back and front printing	pages	43,534	35,868	25,310	14,009	13,364	-69%	-5%

Mitigating Measures	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total of mitigating measures	tCO ₂ in	688.6	707.4	722.0	561.1	560.0	-19%	0%

Social Aspects

S1 – CEO Wage Proportion	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Wages and bonuses of CEO (X) as a proportion of the median value of salaries of employees in full-time jobs.	X:1	5.03	5.39	5.25	5.15	6.45	28%	25%
Is information about the aforementioned proportion submitted in a report to the government?	yes/no	Yes	Yes	Yes	Yes	Yes		

Nasdaq: S1|UNGC: P6|GRI 102-38

S2 – Gender Pay Gap	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
The median wages of men as a proportion of the median wages of women	X:1	0.88	1.03	1.01	1.08	1.04	19%	-4%
Results of equal pay audit	%	1.6%	1.3%	1.9%	1.0%	1.4%	-13%	40%

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

S3 – Employee Turnover	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Employee turnover of full-time staff year-on-year	%	14%	9%	9%	9%	10%	6%	11%
Employee turnover of part-time employees year-on-year	%	45%	11%	14%	21%	1%	-87%	-93%

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

S4 – Gender Diversity	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Number of employees	No. of	61	62	66	70	74	21%	6%
Ratio of women in the company	%	38%	40%	44%	43%	43%	15%	1%
Entry-level and middle managers	No. of	52	52	56	64	63	21%	-2%
Percentage of women in entry-level and middle management positions within the company	%	31%	34%	36%	39%	44%	43%	14%
Supervisors and management	No. of	9	10	10	11	11	22%	0%
Proportion of women in management positions	%	44%	40%	50%	45%	45%	3%	0%

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

S5 – Proportion of Temporary Staff	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
The total number of part-time employees within the company	%	18%	15%	14%	14%	15%	-18%	4%

Nasdaq: S5|GRI: 102-8|UNGC: P6

S6 – Anti-Discrimination Action	Unit	2019	2020	2021	2022	2023
Does the company follow a policy against sexual harassment and/or equality policy?	yes/no	Yes	Yes	Yes	Yes	Yes

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

S7 – Frequency of Occupational Accidents	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Total number of injuries and fatalities as a percentage of the total number of employees	%	3.3%	4.8%	3.0%	1.4%	1.4%	-59%	-5%

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

S8 – Global Health and Safety	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Does the company enforce an occupational health and safety policy and/or a global health and safety policy?	yes/no	Yes	Yes	Yes	Yes	Yes		
Average number of sick days per employee	days	4.97	3.15	6.96	8.26	6.81	37%	-18%

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

S9 – Child and Forced Labour	Unit	2019	2020	2021	2022	2023
Does the company enforce a policy against child labour?	yes/no	Yes	Yes	Yes	Yes	Yes
Does the company enforce a policy against forced labour?	yes/no	Yes	Yes	Yes	Yes	Yes
If yes, do the policies cover the activities of suppliers and manufacturers?	yes/no	Yes	Yes	Yes	Yes	Yes
S9 GRI: 103-2 (See also: GRI 408: Child Labour 2016, GRI 409: Forced or Compulsory Labour, and GRI 414: Supplier Social Assessment 2016) UNGC: P4, P5 SDG: 8 SASB: General Issue / Labour Practices						

S10 – Human Rights	Unit	2019	2020	2021	2022	2023
Does the company follow a human rights policy?	yes/no	Yes	Yes	Yes	Yes	Yes
If yes, does the human rights policy extend to suppliers and manufacturers?	yes/no	Yes	Yes	Yes	Yes	Yes
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						

Corporate Governance

G1 – Gender Ratio on the Board of Directors	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Percentage of female board members (as compared with males)	%	60%	60%	60%	60%	60%	0%	0%
Percentage of female committee members (as compared with males)	%	67%	67%	67%	67%	67%	0%	0%
Nasdaq: G1 GRI 405-1 SDG: 10 SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)								

G2 – Independence of the Board of Directors	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Has the company prohibited the CEO from acting as Chairman of the Board?	yes/no	Yes	Yes	Yes	Yes	Yes		
Percentage of independent Board members	%	100%	100%	100%	80%	60%	-40%	-25%
Nasdaq: G2 GRI: 102-23, 102-22								

G3 – Bonuses	Unit	2019	2020	2021	2022	2023
Do managers receive a formal incentive for success in the field of sustainability?	yes/no	No	No	Yes	Yes	Yes

Nasdaq: G3|GRI: 102-35

G4 – Collective Wage Agreements	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Percentage of employees covered by general collective wage agreements	%	100%	100%	100%	100%	100%	0%	0%

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

G5 – Supplier Code of Ethics	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Are sellers and suppliers of the company obliged to follow a Code of Ethics?	yes/no	Yes	Yes	Yes	Yes	Yes		
If yes, how high of a percentage of suppliers has formally confirmed that they follow a Code of Ethics?	%	0%	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)

G6 – Ethics and Anti-Corruption Measures	Unit	2019	2020	2021	2022	2023	Change '19-'23	Change '22-'23
Does the company enforce a Code of Ethics and/or an anti-corruption or anti-bribery policy?	yes/no	Yes	Yes	Yes	Yes	Yes		
If yes, how high of a percentage of employees has formally confirmed that they follow the policy?	%	100%	100%	100%	100%	100%	0%	0%

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

G7 – Personal Data Protection	Unit	2019	2020	2021	2022	2023
Does the company enforce a privacy policy?	yes/no	Yes	Yes	Yes	Yes	Yes
Has the company started complying with GDPR Regulations?	yes/no	Yes	Yes	Yes	Yes	Yes

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

G8 – Sustainability Report	Unit	2019	2020	2021	2022	2023
Does the company publish a sustainability report?	yes/no	Yes	Yes	Yes	Yes	Yes
Does the company’s provision of reports to authorities include data on sustainability?	yes/no	Yes	Yes	Yes	Yes	Yes
Nasdaq: G8 UNGC: P8						
G9 – Disclosure Procedures	Unit	2019	2020	2021	2022	2023
Does the company provide sustainability information to recognised bodies?	yes/no	Yes	Yes	Yes	Yes	Yes
Does the company focus on any specific United Nations Sustainable Development Goals (SDGs)?	yes/no	Yes	Yes	Yes	Yes	Yes
Has the company set goals and disclosed the results that have been achieved?	yes/no	Yes	Yes	Yes	Yes	Yes
Nasdaq: G9 UNGC: P8						
G10 – External audit/certification	Unit	2019	2020	2021	2022	2023
Is disclosure on sustainability ensured or confirmed by a third party?	yes/no	No	No	Yes	Yes	Yes
Nasdaq: G10 UNGC: P8 GRI: 102-56						

Reginn
FASTEIGNAFÉLAG