



HÚSASMIÐJAN

Húsasmiðjan ehf.
Sustainability Statement

2021

Húsasmiðjan ehf.
Kjalarvogi 12, 104 Reykjavík
Reg. 5512110290

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Sustainability Statement

Project manager: Selja Ósk Snorradóttir

Húsasmiðjan's 2021 sustainability statement reflects the ESG guidelines issued by Nasdaq Iceland and the Nordic countries in 2019. These guidelines are based on recommendations made in 2015 by the United Nations, the Sustainable Stock Exchange Initiative, and the World Federation of Exchange. Reference is also made to the GRI Standard (Global Reporting Initiative, GRI100-400) and its Reporting Principles (P1-10) of the United Nations Global Compact (UNGC).

Klappir has assisted with the sustainability statement. The statement is based on information which the Klappir sustainability platform has gathered throughout the year.

The sustainability statement contains key information on environmental, social, and governance aspects in Húsasmiðjan's operations. Klappir planned and conducted the work in accordance with the principles of the Greenhouse Gas Protocol standards (Relevance, Accuracy, Completeness, Consistency, Transparency).

Klappir has reviewed and assessed Húsasmiðjan's data with accuracy and the best available information at this time, excluding the social and governance data. Klappir is not responsible for any investment decisions based on the information presented in this statement.

February 17th, 2022



Jón Ágúst Þorsteinsson Ph.D.
CEO, Klappir

Organizational and Operational Boundaries

About Húsasmiðjan

Húsasmiðjan is a leading building materials and home improvement chain in Iceland and a large supplier for the construction industry. It was founded in 1956, making it one of the oldest operating hardware stores in Iceland. Húsasmiðjan operates 14 hardware stores and holds a leading market share and a strong corporate identity. Furthermore, Húsasmiðjan runs 7 garden centers under the brand name Blómaval associated with Húsasmiðjan, as well as 4 wholesale Ískraft branches (B2B stores for electrical professionals and power companies). Since 2012 Húsasmiðjan has been a part of BYGMA Gruppen, one of the leading suppliers of construction and DIY products in Scandinavia (see further: www.bygma.dk)

Húsasmiðjan's goal is to provide excellent service, right product mix and competitive prices in good harmony with the environment and the society.

Húsasmiðjan provides its customers with complete solutions for the construction industry and operates its own warehouses and distribution centers designed to serve the whole country.

Húsasmiðjan concentrates on effective use of professional skills and know-how through a unified team of able employees to deliver value added services to its customers.

Organizational Boundaries

The "Operational Control" methodology has been chosen to report on Húsasmiðjan's emissions. According to the "Operational Control" methodology, companies should account for 100 percent of greenhouse gas emissions from operations under their control. They should not account for greenhouse gas emissions from operations that it has no control over, even though it has a vested interest in their operations.

Húsasmiðjan's statement covers the following entity:

- Húsasmiðjan ehf.

Operational Boundaries

Scope 1

Mobile combustion
Stationary combustion

Scope 2

Electricity
Heating

Scope 3

3.5. Waste generated in operations

Waste data was collected for all stores except one where data was not available.

3.6. Business travel

Including all flights with Icelandair for 2019-2021 as well as all flights with Air Iceland Connect from March 2021.

Highlights

Greenhouse Gas Emissions: Húsasmiðjan's total emissions were 880 tCO₂e in 2021. Scope 1 and 2 emissions amounted to 513 tCO₂e. Húsasmiðjan's total emissions have decreased by 16% since 2019.

Energy Usage: Húsasmiðjan's total energy usage was 21,557,810 kwh in 2021. Energy usage includes electricity, hot water and fuel usage. Thereof, indirect energy usage from hot water and electricity consumption amounted to 20,271,967 kWh.

Largest emission source: The largest emission source of Húsasmiðjan in the year 2021 was emissions from waste generated in operations, totaling 367 tCO₂e. The emissions from waste have decreased by 18% since the base year 2019.

Additions since last statement: Húsasmiðjan accounted for emissions from flights for the first time this year, updating the numbers for 2019 and 2020 as well.

Carbon offset: Húsasmiðjan has offset their scope 1 and scope 2 emissions with compensatory measures of afforestation and wetland restoration through The Icelandic Carbon Fund and The Icelandic Wetland Fund. Húsasmiðjan 's total carbon offset measures amounted to 513 tCO₂e.

Statement

Operational Parameters

Operational Parameters	Unit	2019	2020	2021
Total Revenue	ISK m	18.75	20.14	23.96
Total Assets	ISK m	6.46	7.07	
Total Equity	ISK m	2.99	3.72	4.93
Number of full time equivalent employee	FTEs	389.0	380.0	402.0
Total space for own operation	m ²	92,551.0	92,551.0	92,551.0

GhG emission intensity	Unit	2019	2020	2021
GhG emissions per megawatt-hour consumed	kgCO ₂ e/MWh	47.47	41.85	40.82
GhG emissions per full-time equivalent (FTEe) employee	kgCO ₂ e/FTEs	2,681.6	2,423.4	2,189.2
GhG emissions per unit of revenue	kgCO ₂ e/ISK m	55,627.4	45,723.8	36,735.4
GhG emissions per unit of equity	kgCO ₂ e/ISK m	348,584	247,377	178,381
GhG emissions per unit of space (m ²)	kgCO ₂ e/m ²	11.27	9.95	9.51

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

Energy intensity	Unit	2019	2020	2021
Energy per full-time equivalent (FTEe) employee	kWh/FTEs	56,486.3	57,908.4	53,626.4
Energy per unit of revenue	kWh/ISK m	1,171,766	1,092,610	899,881
Energy per square meter	kWh/m ²	237.4	237.8	232.9

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

Waste intensity	Unit	2019	2020	2021
Total waste per full-time equivalent (FTEe) employee	kg/FTEs	2,805.8	2,628.9	2,400.9
Total waste per unit of revenue	kg/ISK m	58,204.7	49,601.4	40,288.2

Emissions

Carbon offset	Unit	2019	2020	2021
Total emissions offset	tCO ₂ e	0.0	514.0	513.0
Emissions offset by afforestation	tCO ₂ e	0.0	257.0	256.5
Emissions offset by wetland restoration	tCO ₂ e	0.0	257.0	256.5
Emissions offset by other means	tCO ₂ e	0.0	0.0	0.0

Greenhouse Gas Emissions	Unit	2019	2020	2021
Scope 1	tCO ₂ e	401.4	326.8	324.8
Scope 2 (location-based)	tCO ₂ e	186.1	192.4	187.9
Scope 1 and 2	tCO ₂ e	587.5	519.2	512.7
Scope 3	tCO ₂ e	455.6	401.7	367.4
Total operational GhG emissions	tCO ₂ e	1,043.1	920.9	880.0

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

Scope 1 - Details	Unit	2019	2020	2021
Total emissions	tCO ₂ e	401.4	326.8	324.8

Scope 2 - Details	Unit	2019	2020	2021
Total emissions	tCO ₂ e	186.1	192.4	187.9
Electricity	tCO ₂ e	55.7	57.8	53.9
Heating	tCO ₂ e	130.4	134.5	134.0

Scope 3 - Upstream emissions	Unit	2019	2020	2021
<i>Category 5: Waste generated in operations</i>				
Total emissions	tCO ₂ e	445.4	397.3	366.9
Transport, disposal and treatment of waste	tCO ₂ e	445.4	397.3	366.9
<i>Category 6: Business travel</i>				
Total emissions	tCO ₂ e	10.2	4.3	0.5
Air travel	tCO ₂ e	10.2	4.3	0.5

Emission Sources

Energy consumption	Unit	2019	2020	2021
Total energy consumption	kWh	21,973,173	22,005,208	21,557,810
Fossil fuels	kWh	1,558,529	1,299,157	1,285,843
Electricity	kWh	5,685,080	5,507,987	5,128,633
Heating	kWh	14,729,564	15,198,064	15,143,335
Direct energy consumption	kWh	1,558,529	1,299,157	1,285,843
Indirect energy consumption	kWh	20,414,643	20,706,051	20,271,967

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

Energy mix	Unit	2019	2020	2021
Total energy consumption	kWh	21,973,173	22,005,208	21,557,810
Fossil fuel	%	7.1%	5.9%	6.0%
Renewables	%	92.9%	94.1%	94.0%
Nuclear	%	0.0%	0.0%	0.0%

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

Fuel consumption	Unit	2019	2020	2021
Total fuel consumption	kg	130,916	109,146	108,026
Diesel	kg	120,751	101,311	100,226
Petrol	kg	10,164	7,835	7,799

Water consumption	Unit	2019	2020	2021
Total water consumption	m ³	284,462	291,700	285,708
Cold water	m ³	30,504.5	29,664.8	24,616.2
Hot water	m ³	253,958	262,036	261,092

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

Electricity mix	Unit	2019	2020	2021
Total electricity consumption	kWh	5,685,080	5,507,987	5,128,633
Fossil fuels	%	0.0%	0.0%	0.0%
Renewables	%	100.0%	100.0%	100.0%
Nuclear	%	0.0%	0.0%	0.0%

Waste treatment	Unit	2019	2020	2021
Total waste generation	kg	1,091,465	998,974	965,156
Sorted waste	kg	669,064	632,467	620,390
Unsorted waste	kg	422,328	366,507	344,766
Recycled waste	kg	407,926	403,101	350,092
Disposed waste	kg	683,466	595,873	615,064
Percentage of waste sorted	%	61.3%	63.3%	64.3%
Percentage of waste recycled	%	37.4%	40.4%	36.3%

Business travel	Unit	2019	2020	2021
Total distance travelled	km	115,621	49,312.0	5,804.0
Air travel	km	115,621	49,312.0	5,804.0

Environmental management

Environmental management	Unit	2019	2020	2021
Does your company follow a formal Environmental Policy?	yes/no	Yes	Yes	Yes
Does your company follow specific waste, water, energy, and/or recycling policies?	yes/no	No	No	No
Does your company use a recognized energy management system?	yes/no	No	No	No
Nasdaq: E7 GRI: 103-2 SASB: General Issue / Waste & Hazardous Materials Management				

Climate oversight	Unit	2019	2020	2021
Does your Senior Management Team oversee and/or manage climate-related risks?	yes/no	No	No	No
Does your Board of Directors oversee and/or manage climate-related risk?	yes/no	No	No	No
Nasdaq: E8, E9 GRI: 102-19, 102-20, 102-29, 102-30, 102-31 SASB: General Issue / Business Model Resilience, Systematic Risk Management TCFD: Governance (Disclosure A/B)				

Climate risk mitigation	Unit	2019	2020	2021
Total annual investment in climate-related infrastructure, resilience, and product development	ISK m			
Nasdaq: E10 UNGC: P9 SASB: General Issue / Physical Impacts of Climate Change, Business Model Resilience TCFD: Strategy (Disclosure A)				

Social

CEO Pay Ratio	Unit	2019	2020	2021
CEO Salary & Bonus (X) to median FTE Salary	X:1			
Does your company report this metric in regulatory filings?	yes/no	No	No	No
S1 UNGC: P6 GRI: 102-38				

Gender Pay Ratio	Unit	2019	2020	2021
Median total compensation for men (X) to median total compensation for women	X:1		1.04	1.03
Outcome of equal pay certification	%	3.00%	2.30%	1.30%
S2 UNGC: P6 GRI: 405-2 SASB: General Issue / Employee Engagement, Diversity & Inclusion				

Employee Turnover	Unit	2019	2020	2021
<i>Full-time Employees</i>				
Year-over-year change for full-time employees	%		18.0%	20.0%
Dismissal	%			4.3%
Retirement	%			4.0%
Job transition	%			7.0%
Death	%			0.0%
<i>Part-time Employees</i>				
Year-over-year change for part-time employees	%		28.0%	44.0%
Dismissal	%			3.7%
Retirement	%			0.0%
Job transition	%			4.3%
Death	%			0.0%
<i>Contractors and/or consultants</i>				
Year-over-year change for contractors and/or consultants	%			0.0%
Dismissal	%			0.0%
Retirement	%			0.0%
Job transition	%			0.0%
Death	%			0.0%
<i>Gender</i>				
Men	%			30.9%
Women	%			53.0%
<i>Age</i>				
<20	%			
20-29	%			
30-39	%			
40-49	%			
50-59	%			
60-69	%			
70+	%			
S3 UNGC: P6 GRI: 401-1b SDG: 12 SASB: General Issue / Labor Practices				

Gender Diversity	Unit	2019	2020	2021
<i>Enterprise Headcount</i>				
Percentage of women in enterprise	%	27%	30%	32%
Women	no.	156	163	185
Men	no.	390	388	398
<i>Entry- and Mid-level Positions</i>				
Percentage of women in entry- and mid-level position	%			32.0%
Women	no.			185
Men	no.			398
<i>Senior- and Executive-level Positions</i>				
Percentage of women in senior- and executive-level positions	%	28.0%	24.0%	30.0%
Women	no.	18	16	17
Men	no.	46	41	39
S4 UNGC: P6 GRI: 102-8, 405-1 SASB: General Issue / Employee Engagement, Diversity & Inclusion				
Temporary Worker Ratio	Unit	2019	2020	2021
Full-time positions	no.		64.0	71.0
Total enterprise headcount held by part-time employees	%	29.0%	30.0%	33.0%
Total enterprise headcount held by contractors and/or consultants	%		0.0%	0.0%
S5 GRI: 102-8 UNGC: P6				
Non-Discrimination	Unit	2019	2020	2021
Does your company follow a sexual harassment and/or non-discriminatory policy?	yes/no	Yes	Yes	Yes
S6 UNGC: P6 GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016) SASB: General Issue / Employee Engagement, Diversity & Inclusion				
Injury Rate	Unit	2019	2020	2021
Total number of injuries and fatalities, relative to the total workforce	%	2.3%	1.4%	1.3%
S7 GRI: 403-9 SDG: 3 SASB: General Issue / Employee Health & Safety				
Global Health & Safety	Unit	2019	2020	2021
Does your Company publish and follow an occupational health and/or global health & safety policy	yes/no	Yes	Yes	Yes
Total absence from work (X) to total working hours of all employees	X:1	0.042	0.058	0.046
Absence from work due to long-term illness (X) to total working hours of all employees	X:1			0.008
Absence from work due to short-term illness (X) to total working hours of all employees	X:1			0.038
S8 GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018) SDG: 3 SASB: General Issue / Employee Health & Safety				
Child & Forced Labor	Unit	2019	2020	2021
Does your company follow a child labor policy?	yes/no	No	No	No
Does your company follow a forced labor policy?	yes/no	No	No	No
If yes, do your child and/or forced labor policy cover suppliers and vendors?	yes/no	No	No	No
S9 GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414: Supplier Social Assessment 2016) UNGC: P4, P5 SDG: 8 SASB: General Issue / Labor Practices				

Human Rights	Unit	2019	2020	2021
Does your company publish and follow a human rights policy?	yes/no	No	No	No
If yes, does your human rights policy cover suppliers and vendors?	yes/no	No	No	No
S10 GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016) UNGC: P1, P2 SDG: 4, 10, 16 SASB: General Issue / Human Rights & Community Relations				

Governance

Board Diversity	Unit	2019	2020	2021
Total board seats occupied by women (as compared to men)	%	33.0%	33.0%	33.0%
Committee chairs occupied by women (as compared to men)	%			
G1 GRI 405-1 SDG: 10 SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)				

Board Independence	Unit	2019	2020	2021
Does the company prohibit CEO from serving as board chair?	yes/no	No	No	No
Total board seats occupied by independents	%	33%	33%	33%
G2 GRI: 102-23, 102-22				

Incentivized Pay	Unit	2019	2020	2021
Are executives formally incentivized to perform on sustainability	yes/no	No	No	No
G3 GRI: 102-35				

Collective Bargaining	Unit	2019	2020	2021
Total enterprise headcount covered by collective bargaining agreements (X) to the total employee population	%	100.0%	100.0%	100.0%
G4 UNGC: P3 SDG: 8 GRI: 102-41 SASB: General Issue / Labor Practices (See also: SASB Industry Standards)				

Supplier Code of Conduct	Unit	2019	2020	2021
Are your vendors or suppliers required to follow a Code of Conduct	yes/no	No	No	No
If yes, what percentage of your suppliers have formally certified their compliance with the code	%			
G5 UNGC: P2, P3, P4, P8 GRI: 102-16, 103-2 (See also: GRI 308: Supplier Environmental Assessment 2016 & GRI 414: Supplier Social Assessment 2016 SDG: 12 SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)				

Ethics & Anti-Corruption	Unit	2019	2020	2021
Does your company follow an Ethics and/or Anti-Corruption policy?	yes/no	Yes	Yes	Yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	100.0%	100.0%	100.0%
G6 UNGC: P10 SDG: 16 GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)				

Data Privacy	Unit	2019	2020	2021
Does your company follow a Data Privacy policy?	yes/no	Yes	Yes	Yes
Has your company taken steps to comply with GDPR rules?	yes/no	Yes	Yes	Yes
G7 GRI: 418 Customer Privacy 2016 SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)				

ESG Reporting	Unit	2019	2020	2021
Does your company publish a sustainability report?	yes/no	No	Yes	Yes
Is sustainability data included in your regulatory filings?	yes/no	No	No	No
G8 UNGC: P8				

Disclosure Practices	Unit	2019	2020	2021
Does your company provide sustainability data to sustainability reporting frameworks?	yes/no	No	No	No
Does your company focus on specific UN Sustainable Development Goals (SDGs)?	yes/no	No	No	No
Does your company set targets and report progress on the UN SDGs?	yes/no	No	No	No
G9 UNGC: P8				

External Assurance	Unit	2019	2020	2021
Are your sustainability disclosures assured or validated by a third party?	yes/no	No	No	No
G10 UNGC: P8 GRI: 102-56				

Methodology

The calculation methods, constants, and the statement are based on the Greenhouse Gas (GHG) Protocol, which is a standardized methodology used to calculate the environmental footprint of both companies and organizations.

Direct & Indirect GHG Emissions

The GHG Protocol divides emissions into three scopes to effectively set boundaries between direct and indirect emissions:

- Scope 1 accounts for direct GHG emissions from a company's operations. Direct emissions occur from sources that are owned or controlled by the company.
- Scope 2 accounts for indirect GHG emissions relating to electricity consumption, heating, and cooling. Emissions of this type do not occur within organizational boundaries of the company and are therefore considered to be indirect.
- Scope 3 accounts for indirect GHG emissions from Húsasmiðjan's value chain.

The GHG emissions are reported in tonnes CO₂ equivalents (tCO₂e). CO₂ equivalents is a quantity that describes, for a given mixture and amount of GHG, the amount of CO₂ that would have the same global warming potential (GWP), i.e. the ability of a gas to trap heat in the atmosphere when measured over the timescale of 100 years. Methane (CH₄) does for example have a global warming potential of about 25 CO₂e and nitrous oxide (N₂O) of around 298 CO₂e. The statement therefore reports all greenhouse gas emissions in tonnes CO₂e.

Definitions

Emission Intensity

Emission intensity figures are based on combined Scope 1, Scope 2, and Scope 3. Emission intensity is calculated by dividing GHG emissions by a selected operational parameter unit, and is reported as tCO₂e per unit (such as tCO₂e per revenue unit). Emission intensity indicators are used to measure and compare the company's emissions relative to its operational scale.

Direct & Indirect Energy Consumption

The total energy consumption measures all energy consumed by the company, including fuels for the company's vehicles (Scope 1) and energy from electricity and hot water (Scope 2). The energy consumption is reported by source in kilowatt-hours (kWh).

Energy Intensity

Energy intensity is calculated by dividing the total energy consumption by a selected operational parameter unit, and is reported as kWh per unit (such as kWh per full-time equivalent employee (FTEe)). Energy intensity indicators are used to measure the efficiency of energy usage and compare the company's energy consumption relative to its operational scale.

Waste Intensity

Waste intensity indicates how much waste (in kilograms) is generated in relation to a selected operational parameter. This metric can help the company estimate whether waste increases or decreases according to the changes in operational parameters.

Scope 2 (location-based)

Scope 2 includes the emissions from electricity and water purchased from the grid.

Waste Generated in Operations

Emissions from third-party disposal and treatment of waste in the reporting year.

Business Travel

Emissions from the transportation of employees for business related activities in the reporting year.

Notes

- [1] Electricity usage is based on data from meter readings. 3% of the electricity usage is estimated based on last year's usage as data was not available at the time of the report.
- [2] Heating usage is based on data from meter readings. 30% of the heating usage is estimated based on last year's usage as data was not available at the time of the report.