

Sustainability and Transformation Policy

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Purpose and scope

The Sustainability and Transformation Policy of Bera defines the Group's strategic direction regarding environmental, social, and governance (ESG) matters. Bera's objective is to build an organization where continuous improvement and sustainability go hand in hand, where doing things better also means doing them more sustainably.

Bera employs continuous improvements to reduce waste, improve operations and services, and lower its carbon footprint. Decision-making is supported by data and performance indicators that contribute to sustainable long-term value creation.

The Group places strong emphasis on fostering a corporate culture that supports this policy, empowering employees to drive improvements and making sustainability a natural part of everyday work. This creates a competitive advantage, as customers increasingly choose suppliers with clear sustainability commitments and employees seek workplaces where sustainability is embedded in business practices.

The benefits of sustainability are long-lasting and support long-term business success.

Bera Group operates in the fields of beverage and food production, importation, distribution and logistics, export activities, and real estate operations.

This policy applies to all operating entities within the Group and is based on the Corporate Sustainability Reporting Directive (CSRD). It incorporates both the Voluntary Sustainability Reporting Standard for SMEs (VSME) and the European Sustainability Reporting Standards (ESRS). The policy is also aligned with the United Nations Sustainable Development Goals (SDGs), the UN Global Compact, and the Science Based Targets initiative (SBTi).

The Board of Directors of Bera approves this policy.

The Chief Executive Officer of Bera is responsible for its implementation, while the Director of Sustainability, Continuous Improvement and Real Estate leads its execution.

Bera's Sustainability Committee is responsible for monitoring implementation and conducting regular reviews of the policy.

Future vision

Bera is committed to:

- Reducing the environmental impact of the Group's operations.
- Promoting employee wellbeing and workplace safety.
- Advancing responsible corporate governance.
- Supporting continuous improvement and increased value creation.

A culture of continuous improvement is a key element of Bera's operations and one of the primary tools for achieving ongoing progress in sustainability and business performance. Continuous improvement reduces waste, lowers carbon emissions, and improves cost efficiency.

Employee participation in improvement initiatives strengthens the corporate culture and ensures that sustainability is integrated into daily operations. In this way, sustainability becomes not only an objective but also a genuine competitive advantage.

Strategic priorities

Based on the Double Materiality Assessment (DMA), Bera focuses on the following areas:

Environmental and climate aspects	Social aspects	Governance aspects
Climate change (E1)	Employee wellbeing and skills development (S1)	Business ethics and corporate culture (G1)
Packaging and raw materials (E1)	Health and safety (S1)	
Energy (E1)	Diversity and inclusion (S1)	
Water pollutin and hazardous substances (E2)	Human rights in the value chain (S2)	
Water use and wastewater (E3)	Consumer health and safety (S4)	
Biodiversity (E4)	Responsible marketing practices (S4)	
Resource use and circular economy (E5)		

Bera emphasizes active engagement with stakeholders, which are grouped into eight categories: business partners, shareholders, customers, employees, public authorities, consumers, suppliers, and service providers. Further information regarding stakeholder engagement can be found in the Group's Double Materiality Assessment Procedure.

Measurement, monitoring and reporting

Progress towards the objectives is measured through key performance indicators and reported regularly to management and the Board of Directors of the Group. Monitoring includes regular measurement of ESG indicators, implementation of improvement initiatives, annual sustainability reporting, and disclosure of information to stakeholders. Efforts will be made to make the Group's carbon footprint data available on a near real-time basis.

Transformation plan – Objectives and supporting actions

Environmental aspects

Objective: Bera aims to systematically reduce the climate and environmental impact of its operations by lowering emissions, improving energy efficiency, optimizing resource utilization, and strengthening circular economy practices throughout its value chain.

Objective	Measurement	Supporting actions	ESRS reference
Reduce the Group's direct greenhouse gas emissions	42% reduction in operational emissions by 2030 (baseline year 2020 for Ölgerðin and Danól, and 2025 for other subsidiaries)	Map operational emissions across the Group. Phase out environmentally harmful refrigerants.	E1
Reduce emissions per unit produced	Emissions / per liter produced (Ölgerðin)	Map Group emissions. Determine emission intensity for each company.	E1
Achieve 100% renewable energy by 2030	Electrification of vehicle fleet	Establish Group policy for electric vehicle procurement where infrastructure and operating conditions support implementation.	E1
Re-establish Science Based Targets (SBTi) for Bera Group	New validated SBTi targets approved	Map Scope 1–3 emissions. Establish targets supporting growth while reducing emissions intensity per unit.	E1
Reduce energy consumption per unit produced	Energy consumption per unit (kWh/unit) Total energy use (MWh)	Map energy use in production and properties. Implement energy-saving projects (e.g., LED lighting, heat pumps).	E1
Reduce water consumption in production	Total water consumption (m^3)	Measure and optimize water use in production facilities and properties.	E3
Reduce wastewater pollution	Installation of equalization tank	Install equalization tank.	E3
Increase carbon sequestration	Number of trees planted	Afforestation project with the Reykjavík Forestry Association in Lundarreykjadalur using certified carbon units.	E4
Reduce environmental impact of raw materials	Percentage of sustainably sourced raw materials (%)	Increase sourcing from sustainable and responsible suppliers. Establish metrics for major raw materials.	E4
Reduce total waste generated	Total waste (tonnes)	Implement waste reduction improvement projects.	E5

Increase recycling rate to 99% by 2030	Recycling rate (%)	Improve waste sorting across operations.	E5
Reduce food waste	Quantity sold through "last chance" channels (kg). Raw material utilization rate (%). Quantity of upcycled raw materials (kg).	Discount sales of near-expiry products. Circular economy projects such as converting bakery waste into bird feed and CO_2 recovery initiatives.	E5
Increase circularity of packaging	Percentage of packaging in deposit-return systems (%)	Promote recycling and deposit-return schemes (e.g. Endurvinnslan and kaffihylki.is).	E5
Increase recyclable packaging	Percentage of recyclable packaging (%)	Develop Group packaging policy. Establish packaging KPIs.	E5
Reduce packaging material use	Packaging weight per unit produced (g/unit)	Lightweight packaging and reduced empty space in packaging.	E5
Reduce virgin plastic use	Percentage of recycled plastic in packaging (%)	Increase use of recycled materials (e.g., rPET and cardboard outer packaging).	E5

Social aspects

Objective: Bera seeks to create a safe, healthy, and inclusive workplace where employees have opportunities to grow and develop. The Group prioritizes safety, employee wellbeing, and a responsible value chain.

Objective	Measurement	Supporting actions	ESRS reference
Increase employee satisfaction and wellbeing	Employee satisfaction (%)	Conduct regular employee engagement surveys and implement improvement plans.	S1
Reduce employee turnover	Employee turnover (%)	Strengthen onboarding. Internal career development opportunities.	S1
Enhance employee competence and knowledge	Training hours per employee	Establish learning and development policies across the Group.	S1

Support career development and leadership capabilities	Percentage of employees receiving performance reviews (%)	Conduct annual performance reviews. Establish measurement systems.	S1
Reduce absence and support work-life balance	Absence from work (%)	Conduct absence management discussions using the Bradford Factor and Heilsuvernd dashboards.	S1
Achieve zero workplace accidents	Number of accidents	Regular safety training and awareness programs.	S1
Increase reporting and learning from near misses	Number of near misses reported	Promote reporting through training. Continue analysing near misses and improvements to prevent accidents.	S1
Reduce absence due to workplace injuries	Lost work hours due to accidents	Conduct root cause analysis and implement preventive actions.	S1
Strengthen safety culture within the Group	Accident frequency rate	Harmonize safety policies and procedures across the Group.	S1
Ensure equal pay	Equal pay ratio and Equal Pay System results	Maintain certified Equal Pay System and conduct annual pay gap analyses.	S1
Improve gender balance in leadership positions	Percentage of women in management (%)	Gender-neutral job advertisements and diverse recruitment processes.	S1
Ensure suppliers comply with ethical standards	Percentage of suppliers accepting Supplier Code of Conduct (%)	Implement supplier code of conduct where lacking and monitor compliance.	S2
Improve visibility of value-chain risks	Percentage of suppliers assessed (%)	Risk classify all suppliers and assess high-risk suppliers.	S2
Ensure food and beverage safety	Number of product recalls and withdrawals	Maintain quality systems, recall procedures, and employee training.	S4
Reduce quality deviations in production	Number of quality deviations	Production monitoring and implementation of a strengthened	S4

		non-conformance management system.	
Maintain compliance with quality standards	ISO / HACCP certifications	Maintain relevant certifications and quality systems. Implement relevant certifications and quality systems where applicable.	S4
Strengthen quality and safety across the value chain	Percentage of suppliers meeting quality requirements (%)	Define supplier quality requirements and conduct supplier assessments.	S4
Ensure transparent consumer information	Number of customer and consumer complaints	Follow-up and resolution procedures for complaints.	S4
Ensure responsible marketing	Number of marketing-related complaints	Follow responsible marketing procedures	S4

Governance aspects

Objective: Bera promotes responsible and transparent governance through clear ethical standards, active risk management, and strong sustainability governance that supports long-term value creation.

Objective	Measurement	Supporting actions	ESRS reference
Strengthen ethical corporate culture	Percentage of employees trained in the Code of Conduct (%)	Regular training on ethical conduct and responsible business practices.	G1
Maintain an effective whistleblowing system	Number of reports submitted through the whistleblowing channel	Maintain and promote reporting channels for employees.	G1
Prevent breaches of ethical standards	Number of Code of Conduct violations	Ongoing ethics training for employees.	G1
Strengthen management accountability for sustainability	Percentage of managers with ESG-linked performance objectives (%)	Link ESG targets to management performance evaluations.	G1

Ensure responsible business practices	Number of incidents related to corruption or unlawful business conduct	Training and procedures for anti-corruption and compliance	G1