EUROPEAN
COMMISSION

Brussels, 31.10.2022
C(2022) 7545 final

ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION (EU) .../...

amending and correcting the regulatory technical standards laid down in Delegated Regulation (EU) 2022/1288 as regards the content and presentation of information in relation to disclosures in precontractual documents and periodic reports for financial products investing in environmentally sustainable economic activities

ANNEX III

`ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Stefnir - Sjálfbær skuldabréf hs. **Legal entity identifier:** 254900P4DCTCXQISMM66

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 99% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

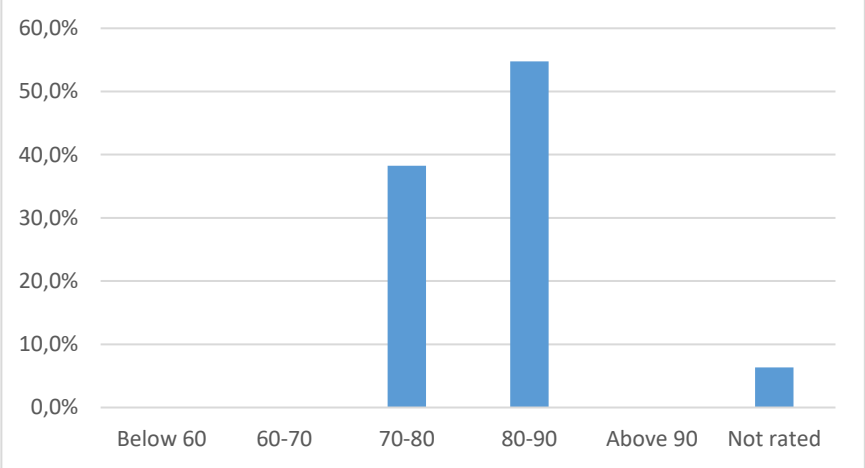
The Fund sought to promote environmental and social characteristics in a holistic manner. Rather than applying all characteristics to every investment, the fund focuses on the what is deemd the most relevant based on the nature of each investment's activities, operational areas, and products or services. Using third party data, we aimed to promote the characteristics outlined below, while recognizing that a broader range of characteristics may also have been advanced in certain investments. In general, the environmental and/or social characteristics were met to the investment manager's satisfaction. The sustainability indicators of the environmental and social characteristics of the portfolio showed improvement over the period.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

	Scale (0-100)	
Environmental		
• Carbon emission score	82	higher better
• Carbon emission performance relative to peers	83	higher better
Social		
• Social Pillar Score		higher better
• Health and safety	84	higher better
• Labor Management Employee Satisfaction Score	86	higher better
	89	

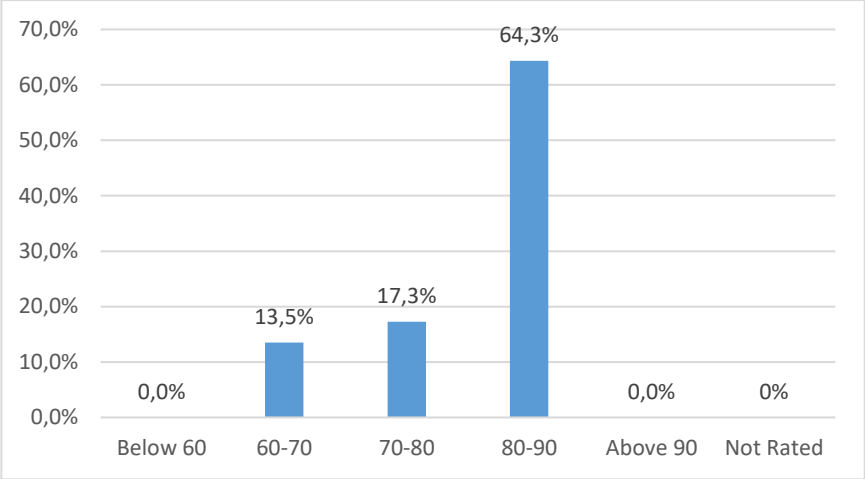
Reitun rating distribution of the portfolio at December 31st 2025



…and compared to previous periods?

	Scale (0-100)	
Environmental		
• Carbon emission score	88,3	higher better
• Carbon emission performance relative to peers	80,8	higher better
Social		
• Social Pillar Score	83,4	higher better
• Health and safety	80,0	higher better
• Labor Management Employee Satisfaction Score	83,3	higher better

Reitun rating distribution of the portfolio at December 31st 2024



- ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

  The objective of the sustainable investment is to make a contribution to solving an environmental or social challenge. The Sustainable Investments pursued by the fund may involve various objectives, either individually or in combination, or be associated with environmental or social goals through the utilization of issue proceeds. These objectives encompass:

  Environmental Objectives Climate risk mitigation and Climate risk adaptation

  Social Objectives: Inclusive and sustainable communities, with a focus on increased female executive representation and Inclusive and sustainable communities, emphasizing increased female representation on boards of directors.

  Where the objective relates to social matters, the investment will contribute to social objectives in line with one of the Sustainable Development Goals.

  Sustainable investments contributed to the objectives through the fund's investments in companies where a minimum of 20% of their activity could be linked to economic activities supporting an environmentally-sustainable objective defined in the EU Taxonomy, or an environmental or social objective belonging to the list of UN SDGs.

- ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

  Stefnir applies sector exclusions for industries that are automatically deemed ineligible for classification as sustainable investments as they are considered to cause significant harm. These sectors include, but are not

limited to, coal and oil sands processing, tobacco, gambling, and involvement in controversial weapons.

As part of the process to identify sustainable investments, companies are screened to ensure that they do no significant harm (DNSH test) on any PAI indicators or other social or environmental objectives. To pass the DNSH test indicates the company has no ties to controversial weapons, less than 1% of revenue from thermal coal, less than 10% of revenue from from the exploration, extraction, distribution or refining of oil fuels, and has no red/severe ESG Controversies. If an investment fails this test, it cannot be considered a sustainable investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

The fund considers Principle Adverse Impact Indicators defined by the SFDR Delegated Regulation.

Before investment, Stefnir applies a number of norms and activity-based screens related to PAIs, including but not limited to: PAI 1: Greenhouse Gas (GHG) emissions (Scope 1 and 2) and PAI 10: Violations of the UN Global Compact (UNGC) principles and the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. Furthermore, the Fund excludes investments in companies involved in controversial weapons (PAI 14).

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: Yes

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

How did this financial product consider principal adverse impacts on sustainability factors?

The fund tracks the Mandatory PAI factors for informational and data tracking reasons.

End of year performance averages:

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Total GHG Emissions/EVIC	5,35	MT CO_2-eq/EVIC (M€)
Carbon Footprint/EVIC	7,9	MT CO_2-eq/EVIC (M€)
GHG Intensity	133,3	MT CO_2-eq/Sales (M€)
Exposure to Fossil Fuel Sectors	0	%
Non-Renewable Energy Consumption	0,3	%
Non-Renewable Energy Production	0	%
Energy Consumption Intensity	0,0357612	MWh/Sales (M€)
Number of Sites Env. Sensitive Areas		Number of Sites
Emissions to Water	0,026	1k MT
Hazardous Waste	-	1k MT
UNGC Signatory	Y	Y/N
Policies for Monitoring UNGC Compliance	41	Ratio
Mean Gender Pay Gap	21,5	%
Median Gender Pay Gap	21	%
Board Gender Diversity	54,2857	% Female Members/Total Members
Exposure to Controversial Weapons (Latest)	N	Y/N

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: - 01.01.2025-31.12.2025

Largest investments	% Assets	Country
Kaldalón hf. 3,75% 04.11.2039	12,9%	IS
BRIM 4,67% 22.10.2026	12,4%	IS
Orkuveita Reykjavíkur hf. 1,7 % 02.09.2034	9,7%	IS
Lánasjóður sveitarfélaga 4% 28.08.2029	9,4%	IS
Heimar hf. 3M Reibor +0,9% 23.06.2028	6,7%	IS
ARION BANKI 4,70% 22.12.2026	6,3%	IS
Íslandsbanki hf 3,5% 26.11.2025	6,1%	IS
Íslandsbanki hf - REIBOR 1M 22.11.2027	5,1%	IS
Reykjavíkurborg 2,385% 21.10.2048	4,3%	IS

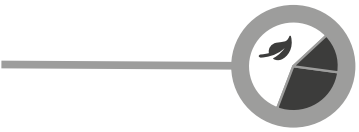
Asset allocation describes the share of investments in specific assets.

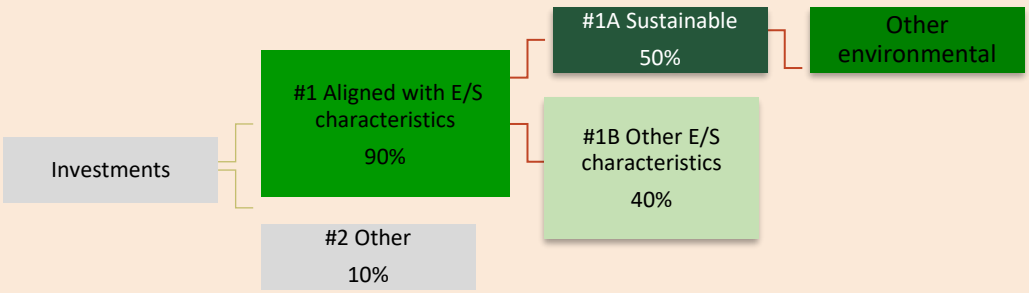
Ljósleiðarinn 1,5 % 01.06.2041	4,1%	IS
Heimar hf 9,735% 10.07.2025	3,4%	IS
Orkuveita Reykjavíkur hf. 4,5 % 18.02.2042	3,4%	IS
Orkuveita Reykjavíkur 7% 16.11.2026	2,7%	IS
Heimar hf 1,25% 28.06.2027	1,9%	IS

What was the proportion of sustainability-related investments?

What was the asset allocation?

The fund committed to hold a minimum of 90% of the Fund's assets aligned with E/S characteristics. Environmental and social safeguards are met by applying certain PAI's, where relevant, to these underlying assets. Within these assets, the Fund commits to a minimum of 20% in Sustainable Investments. The Fund invests a maximum of 10% of assets in the "Other" category, which include cash, money market instruæments and derivatives.





#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers environmentally and socially sustainable investments.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

In which economic sectors were the investments made?

Financials	Diversified Banks
Consumer Staples	Agricultural Products & Services

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

Utilities	Renewable Electricity
Communication Services	Wireless Telecommunication Services
Real Estate	Diversified REITs
Government, municipalities and other credit institutions	

To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

N/A

- **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[12]?**

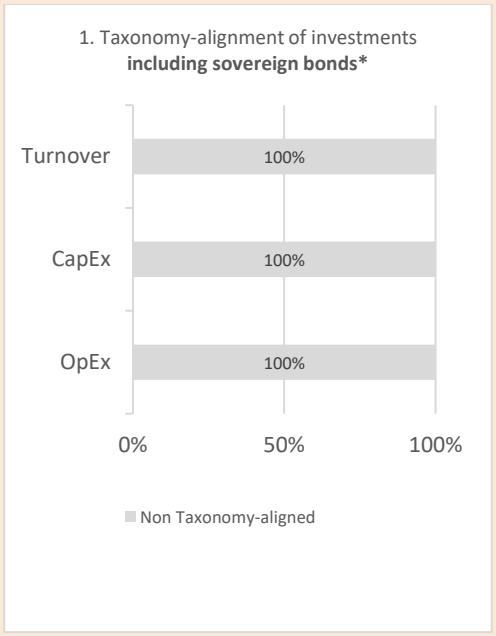
  - ☐ Yes:
    - ☐ In fossil gas ☐ In nuclear energy
  - ☒ No

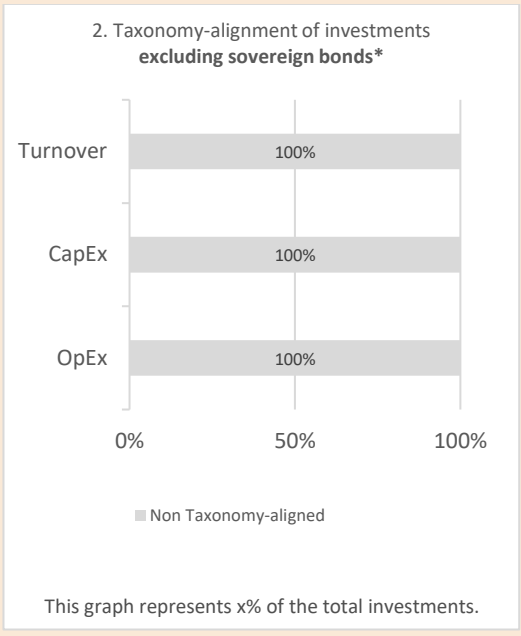
[12] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

What was the share of investments made in transitional and enabling activities?

N/A

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The share of sustainable investments with an environmental objective not aligned with the EU Taxonomy was 0% of assets as at the year end date and is representative of the Reference Period.

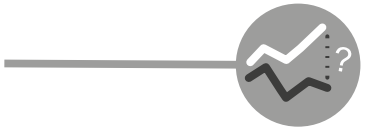
What was the share of socially sustainable investments?

0%

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

"Other" investments include cash, cash equivalents, investments for diversification purposes or investments such as UCITS, ETF, for which data is lacking and does not follow any minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?



How did this financial product perform compared to the reference benchmark?

N/A

- ***How does the reference benchmark differ from a broad market index?***

  N/A

- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?***

  N/A

- ***How did this financial product perform compared with the reference benchmark?***

  N/A

- ***How did this financial product perform compared with the broad market index?***

  N/A

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.