



EUROPEAN
COMMISSION

Brussels, 31.10.2022
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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: Stefmir - Sjálfbær skuldabréf hs.

Legal entity identifier: 254900P4DCTCXQISM66

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?



Yes



It made **sustainable investments 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



It made **sustainable investments with a social objective:** ____%



No



It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 45,1% of sustainable investments



with an environmental objective in economic activities that 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 promoted E/S characteristics, but **did not make any sustainable investments**



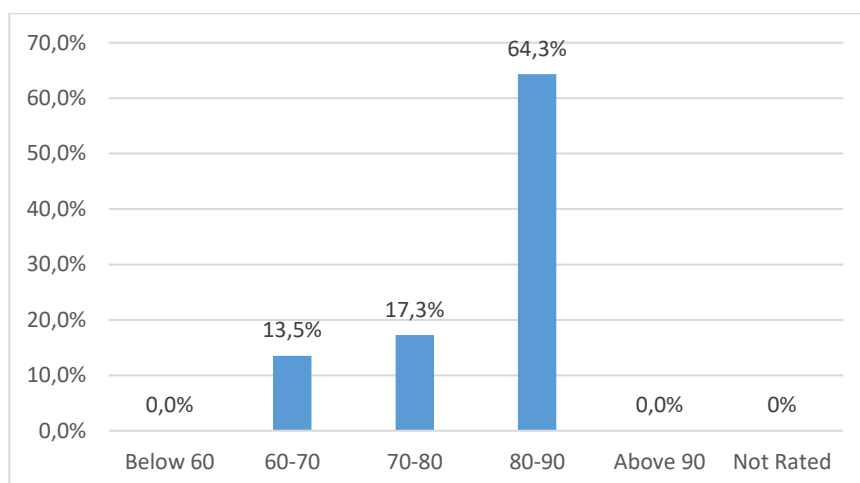
To what extent were the environmental and/or social characteristics promoted by this financial product met?

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 deemed 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.

● **How did the sustainability indicators perform?**

		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



● **...and compared to previous periods?**

N/A the fund is reporting for the first time

● **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 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).

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.

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:

Total GHG Emissions/EVIC	11,4682	MT CO ₂ -eq/EVIC (M€)
Carbon Footprint/EVIC	8,571	MT CO ₂ -eq/EVIC (M€)
GHG Intensity	58,178	MT CO ₂ -eq/Sales (M€)
Exposure to Fossil Fuel Sectors	0	%
Non-Renewable Energy Consumption	18,41999969	%
Non-Renewable Energy Production	0	%
Energy Consumption Intensity	0,035340053	MWh/Sales (M€)
Number of Sites Env. Sensitive Areas	0	Number of Sites
Emissions to Water	0,013	1k MT
Hazardous Waste	-	1k MT
UNGC Signatory	Y	Y/N
Policies for Monitoring UNGC Compliance	50,75	Ratio
Mean Gender Pay Gap	18,69000053	%
Median Gender Pay Gap	35,88249969	%
Board Gender Diversity	50,71427536	% Female Members/Total Members
Exposure to Controversial Weapons (Latest)	N	Y/N



What were the top investments of this financial product?

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.

the financial product during the reference period which is: 31.12.2024

Largest investments	Sector	% Assets	Country
ARION BANKI 4,70% 22.12.2026		6,24%	IS
BRIM 4,67% 22.10.2026		12,61%	IS
Heimar hf 1,25% 28.06.2027		6,88%	IS
Heimar hf 9,735% 10.07.2025		6,88%	IS
Íslandsbanki hf - REIBOR 1M 22.11.2027		3,93%	IS
Íslandsbanki hf 3,5% 26.11.2025		6,41%	IS
Kaldalón hf. 3,75% 04.11.2039		13,52%	IS
Lánasjóður sveitarfélaga 4% 28.08.2029		2,88%	IS
Ljósleiðarinn 1,5 % 01.06.2041		11,87%	IS
Orkuveita Reykjavíkur 7% 16.11.2026		2,64%	IS
Orkuveita Reykjavíkur hf. 1,7 % 02.09.2034		11,52%	IS
Orkuveita Reykjavíkur hf. 4,5 % 18.02.2042		3,58%	IS
Orkuveita Reykjavíkur hf. 8,3 % 03.10.2033		1,71%	IS
Reykjavíkurborg 4,5% 21.8.2040		1,77%	IS

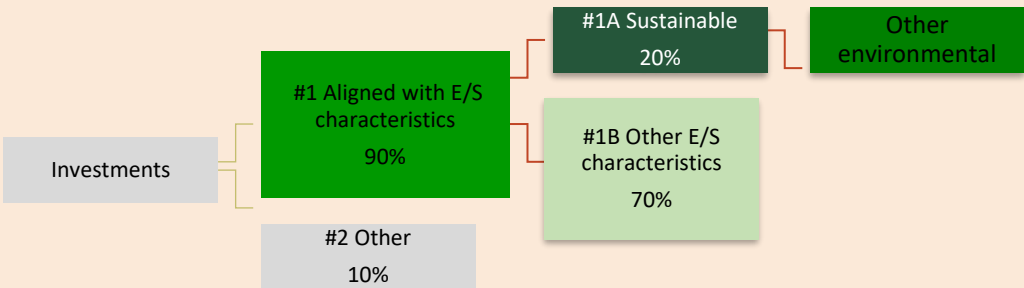
What was the proportion of sustainability-related investments?

● 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 instruments and derivatives.



Asset allocation describes the share of investments in specific assets.



#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	16,6%
Consumer Staples	Agricultural Products & Services	12,6%
Utilities	Renewable Electricity	19,5%
Communication Services	Wireless Telecommunication Services	11,9%
Real Estate	Diversified REITs	27,3%
Government, municipalities and other credit institutions		7,3%



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 Taxonomy¹?**

¹ 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.

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- ☐ Yes:

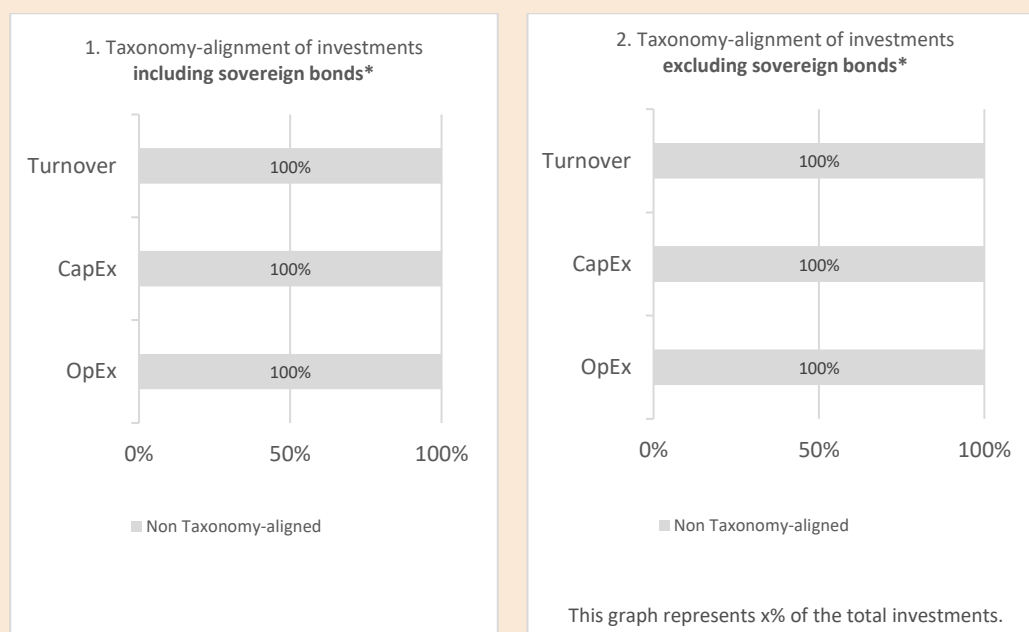
☐ In fossil gas ☐ In nuclear energy

☒ No

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.

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 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



- **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.