



20 CSR REPORT 23

BLUE LAGOON

Table of Contents

Chairman's address	4	06 Human Resources	76
CEO's address	6	Our people	78
01 The Company	8	Key figures 2023	79
Seismic activity on the		Diversity and equality	81
Reykjanes Peninsula	10	A voice for equal opportunities	81
Main focus areas 2024	18	Training and education	82
Certifications	19	Health and safety	84
Recognition	20	07 Sustainable Operations	86
Ownership	22	B Corp ™ certification	88
Corporate governance	25	Towards increased sustainability	90
Blue Lagoon values	28	Social responsibility	92
Guiding principles and policies	29	Sustainable development goals	95
Market presence	30	Major stakeholders	98
Partners	31	Blue Lagoon's	
Press	32	sustainability journey	100
02 The Blue Lagoon	34	08 Economic Impact	102
The Blue Lagoon family	36	Economic impact	104
Blue Lagoon Spa	38	Sustainable procurement	107
Silica Hotel	40	09 Environmental Impact	108
Medical clinic	42	Environmental impact	110
Dining experience	44	Sustainability from the ground up	112
Blue Café	45	Climate change action	116
Lava Restaurant	46	Towards a circular economy	118
03 The Retreat	48	10 Social Impact	120
The Retreat Hotel	50	Healing power	122
The Retreat Spa	52	Cooperation and collaboration	123
Moss Restaurant	54	Networking meeting	124
Spa Restaurant	56	Supporting the local community	126
04 Highland Base–Kerlingarfjöll	58	11 Methodology	128
Our growing family	60	About this report	130
05 Blue Lagoon Skincare	62	Materiality assessment	
The Company	64	process and results	134
Blue Lagoon Skincare	65	GRI standards	137
Markets	67	NASDAQ index	147
Shops	68	12 Appendix	150
Sustainable multi-use		Year-over-year	
of geothermal resource streams	70	comparison of key factors	152
Carbon offsetting	70	Environmental factors	154
Certifications	71	Social factors	158
Awards and recognitions	72	Economic factors	174
Research and development	74	Sustainable Development Goals	
		and contribution to targets	176
		Blue Lagoon policies	177

20 Corporate Social 23 Responsibility Report

Chairman's address



Úlfar Steindórsson
Chairman of the
Board, Blue Lagoon

It's safe to say that the year 2023 has been an eventful one. This first year after the upheaval of the COVID-19 epidemic got off to a good start and the outlook was excellent. Operations exceeded projections and were headed for a record year.

On the 25th of October, seismic activity began on the Reykjanes Peninsula with powerful earthquakes. Since then, the Sundhnúkur crater row, about three kilometres away from the Blue Lagoon, has erupted four times in addition to two occurrences of magma intrusion. In this context, it is appropriate to point out that the Blue Lagoon Board's annual reports in recent decades have identified natural disasters as a potential threat to Company activities.

The volcanic eruptions have had a significant and disruptive impact on the Blue Lagoon's operations, above all recurring closures, damage to nearby roads, and most recently gas pollution on Company premises in Svartsengi. The Company's structures have nevertheless survived these disasters, as they are built in accordance with the strictest requirements in order to tolerate such seismic activity.

We must not forget the great information disorder that followed in the wake of these

natural disasters, both on the domestic and foreign markets. It is unfortunate that the authorities were unsuccessful in ensuring a balanced and professional discussion, including regular briefings where the media could obtain expert information concerning the circumstances at any given time. What repeatedly occurred instead was chaos, accusations, misleading headlines, and discussions. We are all aware this fosters insecurity, fear, and mistrust, none of which serve to benefit Iceland as a travel destination or the Blue Lagoon itself.

The Blue Lagoon was closed for 53 days during 2023 on account of seismic activity and has been closed for a total of 94 days, today included. These natural disasters have had significant consequences for the Company, and the direct costs the Blue Lagoon has incurred from earthquakes and eruptions amounts to 2.4 billion ISK for last year and currently stands at 5 billion ISK. The greatest factors in this respect have been lost revenue and employee wages during the closures of the Svartsengi operating sites.

From the beginning, the management's objective has been to protect the jobs of the Company's approximately 800 employees, over half of whom reside in Reykjanes. Our human resources are one of the Company's most valuable assets and we've managed to maintain working relationships with all members of staff while the eruptions were ongoing.

While we at Blue Lagoon have struggled with the aforementioned challenges, they pale in comparison to the unbelievable circumstances that the residents of Grindavík have had to confront as a result of these disasters. Our thoughts are and remain with all of these people, including our 150 employees who resided in Grindavík.

Also deserving of special mention are the feats of engineering and construction that have been achieved in recent months with the building of protective walls in addition to rebuilding roads and renovating utilities systems over fresh lava flow.

Despite closures and revenue loss during the last two months of the year, the Company's revenue amounted to around 140 million EUR. The Company's EBITDA amounted to 38.8 million EUR. Annual profit after taxes amounted to 18.3 million EUR, an increase of 7.7 million from the previous year. The Company's equity ratio at year-end was 57%.

As in previous years, Blue Lagoon contributes a significant amount of revenue to the Treasury. In 2023, the Company's tax footprint amounted to 4.9 billion ISK. There is therefore no questioning the fact that the Company's contribution to the national economy is significant. Blue Lagoon also purchased goods and services from suppliers and contractors to the amount of 6.2 billion ISK during the year. We conducted 90% of our business with domestic suppliers and contractors, of which approximately 20% are within the Suðurnes region. As a result, around 5.6 billion ISK went back into the Icelandic economy.

Some changes and rearrangements have been made to the organisation of the Company in the past year. A special holding company was established for the group and was given the name Blue Lagoon, while the Company's activities in Svartsengi were named Blue Lagoon Iceland Ltd. These changes even better reflect the group's operations, which are becoming ever more diverse. This is evidenced by the recently-built Highland Base Hotel in Kerlingarfjöll and proposed construction projects in Þjórsárdalur in addition to an ongoing focus on marketing the Company's skin-care products abroad. The main objectives of these changes are to diversify risk in operations, streamline organisation, and sharpen the vision and focus of individual profit centres.

In February of 2023 Blue Lagoon purchased a 20% share of Íslenskar heilsulindir ehf., which the Company now owns in full. In the spring, the Company purchased land at Hoffell in Öræfi, which will be used to develop operations in Southeast Iceland, as that region of the country boasts an abundance of untapped opportunities for growth in the tourism industry. The Company also purchased Hrauneyjar, near Fjallabak, as

part of the Company's plans for development in Þjórsárdalur and environs.

As shareholders are aware, the aim was to list the Company on the Nasdaq main market this spring. These plans have been postponed for understandable reasons and we are now aiming for the spring of 2025. However, market conditions and ongoing seismic activity will determine the final timing.

Much news has circulated regarding the negative impact that the seismic activity in Reykjanes and the closure of the Blue Lagoon has had on the tourism industry in Iceland. We consider this to be true for the short term, as the Blue Lagoon's significant appeal has been proven. Closure of operations has therefore greatly disrupted the Icelandic tourism industry. We firmly believe, however, that these events will increase tourist interest in Iceland, Reykjanes, and especially the Blue Lagoon in the long term.

On behalf of the Board, I would like to take this opportunity to thank the CEO and the Board of Directors for their phenomenal performance during these unprecedented challenges that the Company has faced in the past months, as well as all of our staff for working selflessly and dynamically under demanding circumstances. I also thank my codirectors on the Board of the Blue Lagoon for the pleasant cooperation and solidarity. I especially wish to thank Steinar Helgason and Anna G. Sverrisdóttir for excellent collaboration as they retire from the Board of the Company.

We believe that the future is bright and that we'll regain our footing once again, sooner rather than later.

CEO's address



Grímur Sæmundsen
CEO

The expression “weathering the winds of change” was quite illustrative of the 2023 business year. We can say that the year was divided into two very different periods. On the one hand is the largest part of the year, during which we were headed for a record year in our operations and our staff worked together to achieve ambitious goals. On the other hand, the latter part of the year, November and December, required us to protect jobs and operations and respond to the ever-changing challenges we faced due to earthquakes and volcanic eruptions.

These natural disasters threw quite a wrench into the works. The Company's facilities in Svartsengi were closed for 53 days as of the end of last year, and have been closed for another 41 days so far at the time of writing in the beginning of April, 2024. Due to the nature of the matter in question, much energy has been spent on adapting to the changing landscape and understanding the nature of the seismic activity. To name some examples, new protective walls have been built, road systems altered, and further development has been adapted to operations within the protective walls.

Since the seismic activity began, the Company has had to close its facilities in Svartsengi four times. With every reopening, activities have been adapted to suit a new reality. We overcame obstacles presented by road closures and checkpoints. Ambitious evacuation efforts, staff training, and dissemination of information to guests were all successful. The same applies to preparations for the efficient transfer of overnight guests to other accommodation. Our staff's professional working practices were peerless and characterised by tenacity and understanding towards our guests. Excellent and positive results of surveys in which our evacuated guests participated demonstrate and reaffirm the importance of maintaining composure and control under extremely challenging circumstances, as was indeed the case during the aforementioned evacuation efforts.

As before, Blue Lagoon places great emphasis on sustainability and environmental matters in its operations and governance, and is in the vanguard where these are concerned. We operate specifically in accordance with the UN's Sustainable Development Goals, in particular those pertaining to health and well-being, clean energy, innovation, responsible consumption and production, and climate action. We were especially delighted when Blue Lagoon Iceland, including our daughter company Blue Lagoon Skincare (previously Blue Lagoon Heilsuvörur) received the international B Corp™ Certification for sustainability this year, the second Icelandic company to do so. The certification confirms that the Company fulfils strict social and environmental requirements and is able to deliver real results and to demonstrate responsibility and transparency in these areas. This recognition and others awarded to the Company this year invoke the Blue Lagoon's guiding principle of “Wellbeing for People and Planet”, which has been a hallmark of our company from the very beginning. At the same time, such recognitions are a vitally important motivator to continue our good work.

The Company is very proud of the Michelin star awarded this year to Moss Restaurant at Retreat Hotel. The Blue Lagoon was also chosen as the best Icelandic brand by the marketing agency brandr, and the Company's website awarded the title of sales website of the year by the Web Industry Association (Samtök vefiðnaðarins).

A new company structure chart was introduced during the year, which places even more focus on the unique position of each profit centre and the quality of service. At the same time, it effectively promotes the growth of the profit centres located elsewhere than in Svartsengi. Changes were made to two support divisions. A new division - Sales, Operations, and Services - was created and the division Brand, Design, and Innovation was changed to Brand, Marketing, and Business Development, which handles design and new projects among other things. Blue Lagoon Skincare now also operates as an independent subsidiary and the group's retail operation has been transferred to this subsidiary.

Since the beginning, the Company has supported its local environment in a purposeful way. The 2023 year was no exception, with the Blue Lagoon awarding 220 million ISK in community grants. These grants prioritised sports and youth activities, as well as various projects centred around health, culture, and the environment.

Ambitious developments in Blue Lagoon Skincare's operation and business activities continued during the year, including changes of emphasis, which have promoted increased sales abroad, particularly on the American market. Our skincare products continue to rake in awards and recognitions for exceptional effectiveness and environmental awareness. This is a great source of pride.

The Company's business developments continue steadily. In this respect, proposed developments for health-focused tourism services elsewhere in the country deserve

mention, as the expertise and experience within the Blue Lagoon family has proven exceptionally useful. The highpoint of the year in this regard is the opening of new and improved facilities in Kerlingarfjöll. This project has garnered much-deserved attention both at home and abroad. Construction in Þjórsárdalur is also continuing at full capacity.

The Blue Lagoon in Svartsengi will, however, continue to be at the heart of our activities, as the seawater is unique in the world. The source, active ingredients, ecosystem, and curative powers are simply unparalleled.

I would like to take this opportunity to thank all of our employees for their outstanding performance during a demanding business year. The Company's unique human resources have repeatedly demonstrated unflagging perseverance and initiative in successfully navigating the troubled waters we've faced in recent years.

It is my belief that these natural disasters, which began last November and are named after the Sundhnúkúzr crater row, will come to an end in the weeks to come. Now as ever, we look forward to the road ahead with drive and optimism as our guiding light.



The Company

01

Seismic activity on the Reykjanes Peninsula

Operating conditions when uncertainty is a constant.

In December of 2019, a period of upheaval began on the Reykjanes Peninsula with earthquakes, magma movement, and volcanic eruptions. The first clear signs of magma movement in the ongoing series of volcanic eruptions appeared on 21 January, 2020. Earthquake activity then increased considerably and measurements revealed deformation of the Earth's crust. These events marked the first period of uplift near Svartsengi. However, the first magma tunnel (also known as a magma intrusion) formed and the first eruption took place at Fagradalsfjall, and from February of 2021 to August of 2023 there have been four such intrusions and three eruptions in the area. The main difference between the Fagradalsfjall eruptions and the ones at the Sundhnúkur crater row so far involves the nature of the magma accumulation and its journey beneath the Earth's crust.

Activity began again at the end of October of 2023 with a significant increase in earthquakes, eventually resulting in the evacuation of Grindavík. The Blue Lagoon had closed in the previous day as a precautionary measure. The Company's premises in Svartsengi were then closed for 38 days, or until 17 December. The first eruption in the series of eruptions that has continued ever since began only one day later, and there have been a total of four eruptions at the Sundhnúkur crater row to date. Due to these events the Blue Lagoon was closed for 53 days in 2023 and has been closed for a total of 94 days altogether at the time of writing this report.

These events have had significant consequences for Blue Lagoon, and the Company has incurred an immediate cost of around 5 billion ISK as a result of seismic activity. The greatest losses in this respect have been lost revenue and employee wages

during the closures of the Svartsengi operating sites.

The Company has made every effort to work with the uncertainty despite unconventional operations, instability, and unpredictability during the past months. Our activities in Svartsengi are of great value to the community, as the Company employs around 800 people. It is therefore vitally important to ensure a good operational flow and the fast and safe reopening of our facilities after closure due to earthquakes and eruptions.

During this time, utmost attention was given to informing guests and customers of the situation. Regular employee briefings were held and support given to those who needed it, and the people of Grindavík who lost their homes and local community were shown special care.

Information for guests was thoroughly reviewed and they were informed about the status of the situation, both before and upon arrival at the facilities. A special landing page was set up on the Blue Lagoon website in order to provide information about the situation, both during closures and when the locations were open. Social media, email, and other digital media were also used internally to the utmost extent in providing information as well and clearly as possible. Frontline staff also made sure to continuously update the guests once they had arrived and to review the evacuation process.

Special protective walls have been built in the area, including around the Blue Lagoon premises in Svartsengi. They are designed to deflect potential lava flow away from vital infrastructure. Measures take into account expert opinions involving potential



eruption scenarios. It seems most likely that eruptions will occur in the same place as before, outside of the protective walls. According to expert measurements, the most likely scenario is that magma would flow away from Svartsengi, where the Earth's crust is thick and dense, making it difficult to the magma to break the surface. Instead, it would flow in the same directions as before, towards existing cracks where eruptions have already occurred and the Earth's crust is weaker.

All Blue Lagoon premises in Svartsengi have had to be evacuate four times on account of these eruptions; twice at night, once during the day, and most recently during the evening. Since the first uplift began in late October of 2023, the Company has put immeasurable work into reviewing and improving all procedures involving security and evacuation in order to guarantee the best possible response in the event of emergency. Through regular and thorough training, particularly in evacuation processes, our employees have gained valuable experience and skill in responding quickly and safely to both earthquakes and eruptions.

Comment from a Retreat Hotel guest who was evacuated on 16 March, 2024

The hotel was so professional! Very calm and helpful. We are just so sad our trip was cut short but very pleased no injuries or damage occurred. We will come back when seismic activity has calmed down.

Comment from a Blue Lagoon guest who was evacuated on 16 March, 2024

It was an incredible experience! The organisation perfect, also the way you organise the moment. I never felt panic. Great job!

Survey of guests who were evacuated

Evacuations have been very successful and the Company has sent out surveys to guests who were evacuated in order to learn from the process, gather information about what went well and identify the need for improvements. Acknowledgement and feedback from guests is invaluable in this respect, giving us the opportunity to assess the outcome and learn from the experience. Guests were encouraged to share their experience and suggestions, which the Company then uses to work on ongoing improvements to optimise procedures and to guarantee outstanding safety and service.

Purpose: The survey aims to collect important information and comments from guests in order to improve the evacuation process.

Respondents: Guests at the Blue Lagoon, The Retreat, and Silica who had to evacuate the area due to seismic activity. The survey was sent by email two days after the evacuation.

Design: Digital questionnaire with both closed and open questions.

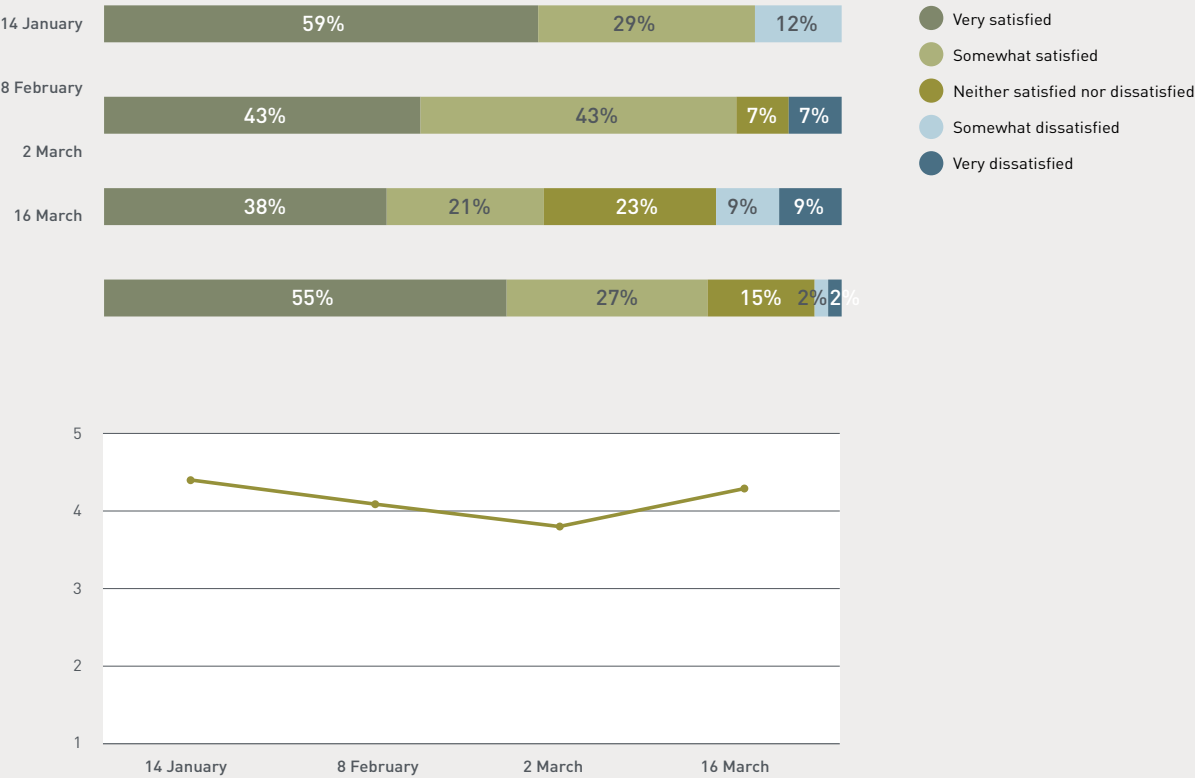
Comment from a Silica Hotel guest who was evacuated on 8 February, 2024

Waking up to the alarm was terrifying but the hotel staff were wonderful. The joke "good morning, checking out today?" made by one of the staff when we got to the reception meeting point made me laugh which I appreciated! When the police came in seemingly very panicked telling us we needed to go right away (but we were still waiting for the bus to arrive) was a little nerve racking. But it all worked out. Thanks for taking such good care of us!

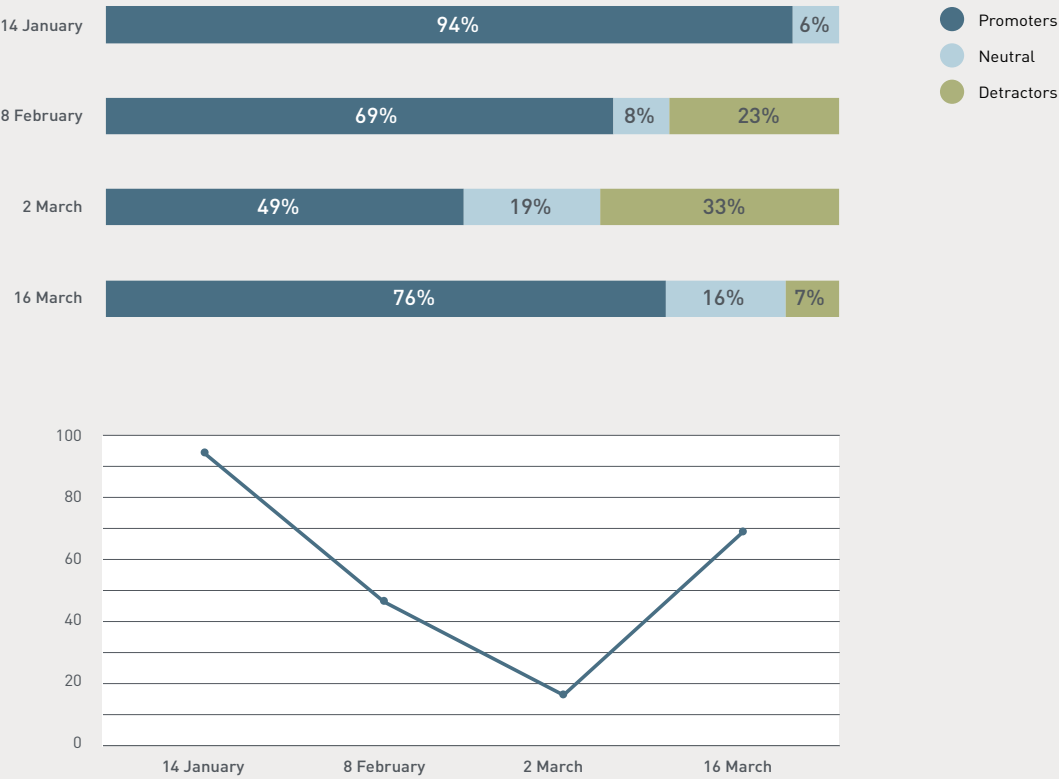
Comment from a Blue Lagoon guest who was evacuated on 2 March, 2024

I think the staff dealt with it very well under the circumstances. We were a little disappointed as we had just ordered food and had to leave.

How satisfied are you with the overall evacuation process?

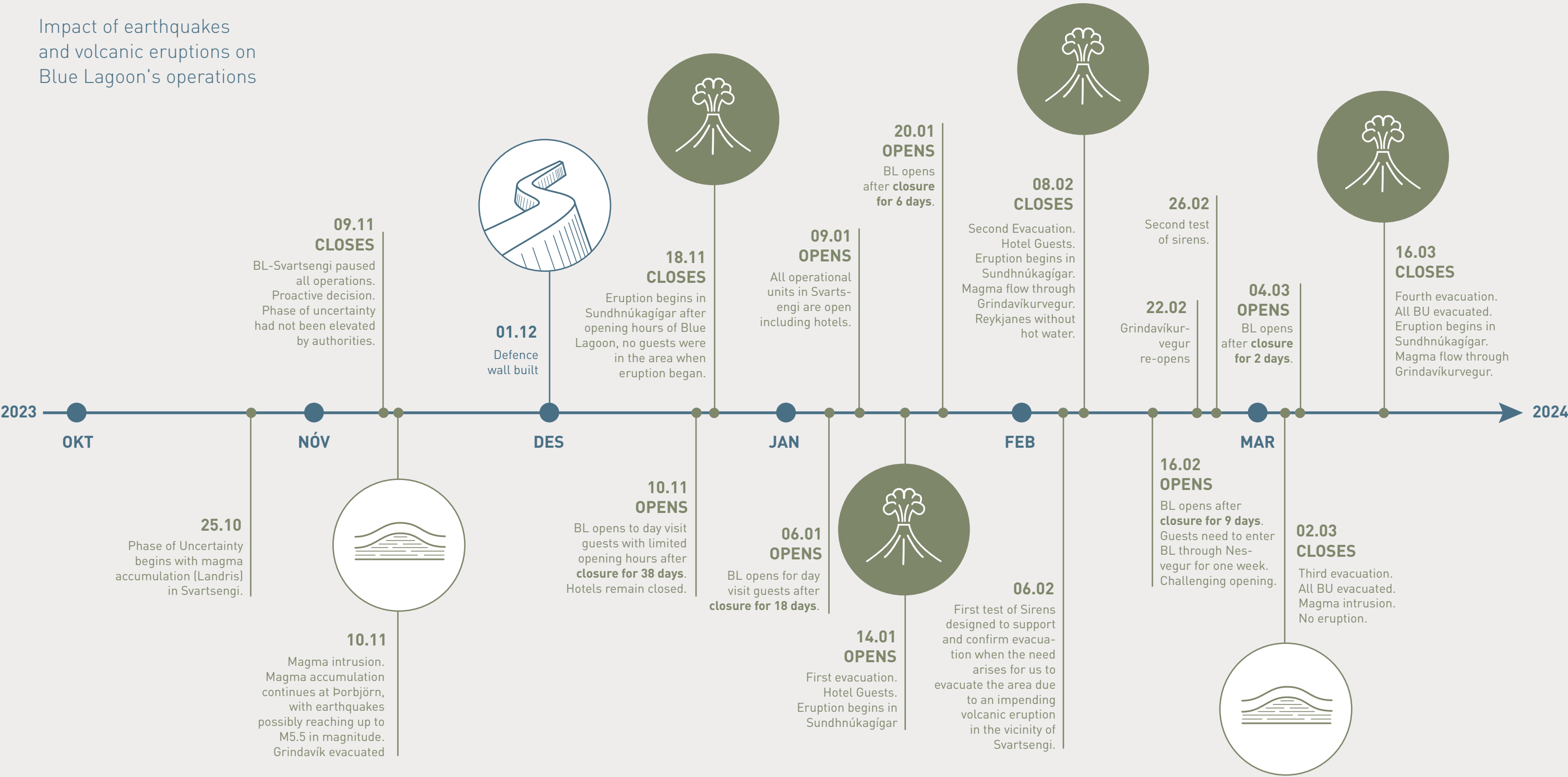


NPS score for evacuations



Timeline

Impact of earthquakes and volcanic eruptions on Blue Lagoon's operations



Key figures 2023



Main focus areas 2024

Emphasis will be placed on further reform in accordance with the B Corp™ criteria for increasing sustainability and adapting the Company's management system to new profit centres and EU requirements.

- WE BRING JOY
- WE CARE
- WE RESPECT
- WE CREATE MEMORIES
- WE INSPIRE

The main areas of focus in the Company's operations involve four key factors; guest experience, corporate culture, efficiency in operation, and corporate growth. The Company's values - We Care, We Respect, We Bring Joy, We Create Memories, and We Inspire - also serve as Blue Lagoon's inner compass in our daily work. The B Lab™ assessment tool helps the Company identify the best ways to increase sustainability with a built-in improvement tool that increases the number of points. Furthermore, the Company has evaluated its performance with respect to the United

Nations Global Development Goals, which are also built into the B Lab improvement tool. Emphasis will be placed on ensuring that the Company's new profit centres adhere to its certified management system. The Company's management system will also be adapted to new EU requirements for disclosure of information, ESRS requirements, CSRD, and Taxonomy, so that the relevant information is made available and the Company's long-term goals align with those priorities.

Key factors	Definition	Long-term goal for the next three years
Guest experience	Unique product offerings and service experience for customers.	Continuously increasing customer satisfaction and strengthening the Company brand at home and abroad.
Company growth	Growth characterised by sustainable value creation.	Each year's turnover exceeding the previous year's.
Corporate culture	Shared vision and mutual responsibility for creating a desirable workplace and offering unforgettable hospitality.	Team-oriented corporate culture Goal of a 90% employee NPS score for 2024.
Efficiency in operations	Outstanding operational success, sustainable development, and constant improvement.	Fast and efficient adaptation in accordance with the Company's guiding principles.

The UN Sustainable Development Goals are always taken into account, but special emphasis is placed on the following goals:



Certifications

With quality and transparency as guiding principles, Blue Lagoon is a leading force in the Icelandic tourism industry.

B Corp™: International sustainability certification
The Blue Lagoon in Svartsengi and Blue Lagoon Skincare received a B Corp certification in the summer of 2023. Certification is carried out by B Lab™, a non-profit organisation that focuses on transforming the world's economies for the benefit of people, communities, and nature. Certification is performed by electronic status evaluation, data submission, and meetings that measure impact across companies and form a framework for constant improvement towards greater sustainability.

Certified management system
The Blue Lagoon management system was recertified in 2023 in accordance with the world's best known and most respected international management standards; ISO9001 for quality management, ISO14001 for environmental management, and ISO45001 for occupational health and safety management.

ÍST85: Equal pay management system
In 2018, Blue Lagoon's equal pay management system received certification in accordance with ÍST85:2012 from BSI in Iceland. By fulfilling the requirements of these standards, the Company ensures that its employees enjoy equal pay and terms of employment for the same or equivalently valuable work, irrespective of gender, race, or other arbitrary criteria.

Vakinn: Icelandic certification for companies in the tourism industry
Blue Lagoon has been Vakinn certified since 2014. This certification applies to the Blue Lagoon, Lava Restaurant, and Blue Café. The Icelandic Tourist Board was initially responsible for these certifications, but in 2019 the Company was certified by BSI in Iceland and that certification was expanded with a gold star rating in environmental matters; a five-star Superior rating for Retreat Hotel and a four-star Superior rating for Silica Hotel. The certifications verify the outstanding service and facilities that Blue Lagoon offers.

Blue Flag: International certification for the health and safety of beaches
The Blue Lagoon has retained its Blue Flag certification since the Icelandic Environment Association first adopted it in 2002. An independent certification board, Túni ehf., now performs the assessments. The Blue Lagoon was certified in 2023, as in previous years. The iconic Blue Flag is one of the world's most recognised voluntary awards for beaches, marinas, and sustainable tourism. In order to receive the Blue Flag, a company must fulfill a number of stringent environmental, educational, safety, and accessibility criteria. This certification offers an even further guarantee of the safety and well-being of our guests. In 2023, the Company celebrated 20 years of cooperation with and certification from Blue Flag.



Recognition

Awards and recognitions—encouragement to continue doing good work.

Blue Lagoon strives to be on the cutting edge in all of its activities. The awards and recognitions that the Company has received in recent years are a great inspiration to continue doing good work. In this way, Blue Lagoon does its part as a leading force in the Icelandic tourism industry.

Brandr: Best Icelandic brand

Brandr recognised Blue Lagoon as the best Icelandic brand in 2023. The Company was nominated in the category for businesses with 50 or more employees and was selected from a group of excellent brands who have done good work in strategic brand management.

2023 Balance Scale gold star

The Balance Scale is a dynamic project organised by FKA, the Association of Businesswomen in Iceland. This is the second consecutive year that the Blue Lagoon has received this recognition. The Balance Scale acknowledges our success while also encouraging us to continue doing good work on this important journey.

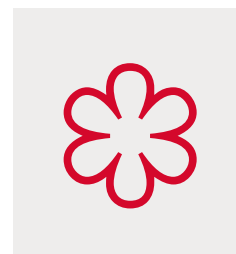
Responsible tourism incentive award

Blue Lagoon also received recognition awarded specifically to companies whose fundamental values are sustainability, a circular economy, and wholesome tourism. Since the beginning, we have placed heavy emphasis on environmental issues and responsibility in our business practices with the goal of creating value for both nature and the local community.

Michelin star

In 2023, Moss Restaurant at The Retreat Hotel at the Blue Lagoon received its first-ever Michelin star at a formal ceremony in Turku, Finland. This is the first time that an Icelandic hotel restaurant has received such recognition.

Moss Restaurant has been in development since The Retreat opened in 2018. Head chef Aggi Sverrisson and his fabulous team have finally earned the sought-after star after receiving the Michelin Recommended recognition the past two years.



Brand, culture, and values



Travel and accommodation services



Design and architecture



Ownership

Blue Lagoon’s multifaceted operations

Some changes and rearrangements have been made to Company’s ownership structure in the past year. A special holding company was established for the group. This new holding company was given the name Blue Lagoon while the Company’s activities in Svartsengi were named Blue Lagoon Iceland Ltd.

These changes are part of the Company’s plan to diversify risk by increasing operations outside of Svartsengi. Examples of this include the Highland Base Hotel in Kerlingarfjöll and proposed construction projects in Þjórsárdalur in addition to an ongoing focus on marketing the Company’s skincare products abroad.

These changes will streamline organisation, focus our vision, and emphasise the Company’s more multifaceted profit centres with the aim of increasing operational efficiency.

In February 2023, Blue Lagoon purchased Hrauneyjar near Fjallabak as well as a 20% share of Íslenskar heildulindir ehf., which the Company now owns in full. Blue Lagoon then purchased land in Hoffell in Hornafjörður in July. These investments are all a part of the Company’s journey into the future.

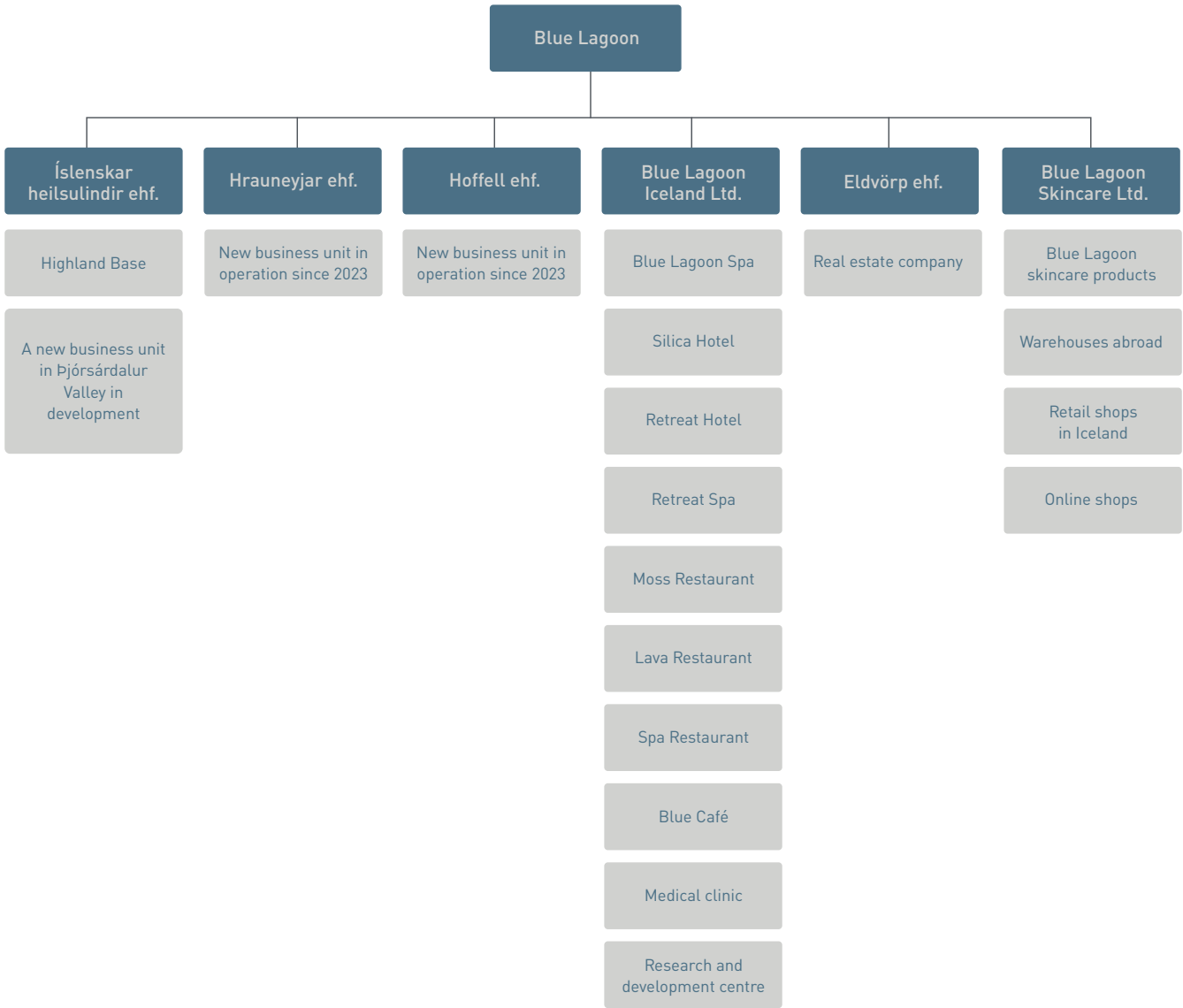
Blue Lagoon’s ownership interests in subsidiaries as of 1 September, 2023
The following companies belong to Blue Lagoon and will all be fully owned by the new holding company:

Blue Lagoon Iceland Ltd.
The Company handles all operations in Svartsengi. This includes the Blue Lagoon bathing resort, Blue Café, Lava Restaurant, and Silica Hotel, as well as The Retreat, which consists of a 60-suite luxury hotel, the Retreat Spa, Spa Restaurant, and the Michelin-starred Moss Restaurant. The Blue Lagoon medical clinic and Research and Development Centre are also included.

Eldvörp ehf.
This company manages all of the Company’s real estate.

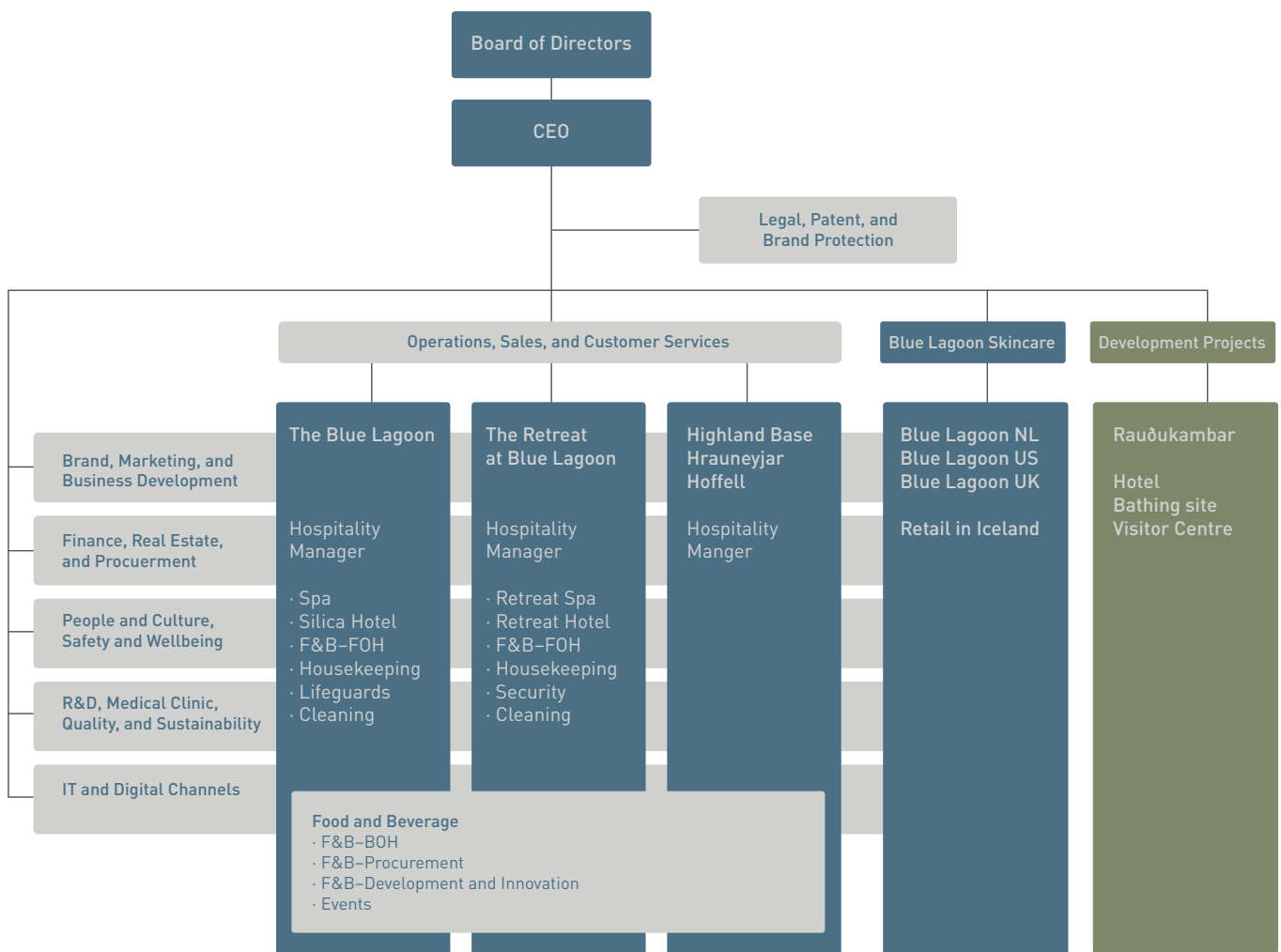
Blue Lagoon Skincare Ltd.
This company handles development, manufacture, and sale of skincare products in Iceland and abroad.

Íslenskar Heilsulindir ehf.
Holding company for items located at other bathing resorts and miscellaneous development projects, including the Company’s construction projects in Kerlingarfjöll, Þjórsárdalur, Hrauneyjar, and Hoffell.



Company structure

A new company structure chart was introduced during the year, which places even more focus on the unique position of each profit centre and the quality of service. At the same time, it effectively promotes the growth of the profit centres located elsewhere than in Svartsengi. Changes were also made to two support divisions. A new division—Sales, Operations, and Services—was created. The division Brand, Design, and Innovation was changed to Brand, Marketing, and Business Development, which handles design and new projects, among other tasks. Development projects thus belong to a specific division. Blue Lagoon Skincare now also operates as an independent subsidiary.



Corporate governance

The management of Blue Lagoon places a strong emphasis on implementing and maintaining good corporate governance.

Clarifying managers' roles and responsibilities to the greatest extent possible makes it easier for them to perform their duties. This secures the interests of shareholders and other stakeholders, strengthens the Company's infrastructure, and increases its competitiveness. The company's corporate

governance is prescribed by Act No. 2/1995 on Public Limited Companies, the Company's articles of association, and the Board's rules of procedure.

The Board has appointed two sub-committees, an audit committee, and a remuneration committee.



The new Blue Lagoon Headquarters building in Urriðaholt, Garðabær.



Blue Lagoon Board, 2023

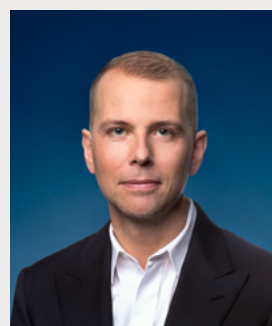
Úlfar Steindórsson
Chairman



Ágústa Johnson
Board Member



Erla Ósk Ásgeirsdóttir
Board Member



Jón Sigurðsson
Board Member



Ragnar Guðmundsson
Board Member



Steinar Helgason
Board Member



Anna G. Sverrisdóttir
Alternate Board Member

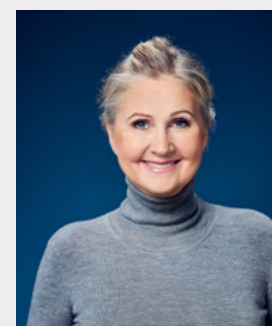


Blue Lagoon Board of Directors, 2023

Grímur Sæmundsen
CEO



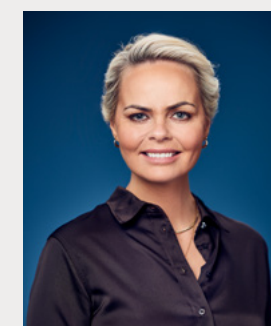
Ása Brynjólfsdóttir
R&D, Medical Centre,
Quality & Sustainability



Helga Árnadóttir
Operations, Sales, and
Customer Service



Helgi Júlíusson
Finance, Real Estate,
and Procurement



Sigrún Halldórsdóttir
People & Culture,
Safety & Wellbeing



Sigurður Long
IT and Digital Channels



Sigurður Þorsteinsson
Brand, Marketing, and
Business Development



Garðar Gíslason
Lawyer, present for
meetings of the Board
of Executives

Blue Lagoon values

Blue Lagoon operates in accordance with five values that work together to create a unique visitor experience and an encouraging workplace culture for employees.



Unique memories
Every day, we create unforgettable memories for our guests from all over the world to bring home.



Joy
We have fun together and make our guests happy. We enjoy each other's company both in and outside of work.



Inspiration
Guided by imagination, teamwork, and innovation, we always go one step further in encouraging each other and giving our guests the best possible service.



Respect
We respect our environment and unique natural surroundings. We respect each other and the diverse cultural backgrounds of our guests and employees.



Care
The well-being and safety of our guests means everything to us. We care about each other and strive to create a safe and healthy workplace.

Guiding principles and policies

Blue Lagoon's guiding principles are the heart of our policy towards a sustainable future for everyone.

Blue Lagoon places a strong emphasis on sustainability in its policy planning. Our policy promotes increased efficiency, improved organisation, goal-setting, and thus promotes the Company's success - whether from a financial, social, or environmental perspective. Through constant development, the Company aims for a sustainable future of everyone in keeping with our guiding principle of Wellbeing for People and Planet.

Blue Lagoon guiding principles

*Wellbeing for
People and Planet*

Blue Lagoon's policies cover a wide range of issues involving operations and the Company's vision for the future. Our policies are enforced through annual goal-setting that ensures that the Company follows its purpose and vision.

The following company policies can be found in an appendix:

- Blue Lagoon principal policy
- Quality policy
- Health and safety policy
- Environmental policy
- Social policy
- Human resources policy
- Equal pay policy
- Wage policy
- Policy against harassment, bullying, and abuse in the workplace



Market presence

Over the year, Blue Lagoon continued its journey in the development of health-focused tourism across the country.

The Company’s journey in developing health-focused tourism across the country continued over this past year, especially in terms of various bathing experiences. The Company’s expert knowledge and experience in this area proves very useful. In this way, the Blue Lagoon is an active participant in the developing of bathing sites in Northern and Eastern Iceland, for example through Íslenskar heilsulindir ehf.

In July 2023, we opened the new and improved facilities in Kerlingarfjöll. Unique design, quality service, sustainable operations, and environmental awareness are our guiding principles in developing this delicate region. Our development guarantees accessibility for guests while showing respect for the unique natural environment and preserving local history. In projects such as these, good cooperation with local communities, authorities, and institutions is of the utmost importance and deserves our thanks. The baths in Kerlingarfjöll opened in March 2024, marking the last phase of this development.

Preparatory work for the development of tourism services in Þjórsárdalur valley con-

tinued throughout the year. Groundworks for the Fjallaböðin mountain baths began last summer and we aim to begin casting work in the summer of 2024. This will include a bathing facility and a 42-room hotel similar to The Retreat in terms of service and offerings. The Fjallaböðin mountain baths are scheduled to open in early 2027. At the same time, preparatory work is underway for the Þjórsárdalur Visitor Centre, at the mouth of the valley. The centre will feature a reception for the mountain baths, an information centre, an exhibit about the area, and refreshment services. A new campground and up to 40 cabins will be built in the forest around the visitor centre. Groundworks are to begin in 2024 and the centre and related structures are scheduled to open in the spring of 2026.

In 2023, the Company purchased the land Hrauneyjar in Sprengisandur, which offers a range of year-round accommodations and services. The project is closely connected to the one in Þjórsárdalur and recreational offerings for tourists in the area. In order to service all of these projects as well as operations in Kerlingarfjöll, the Company intends to build a 1,000 m² service building in early 2025. This will feature laundry facilities, storage, and a central warehouse for operations in the area. The purchase of Hoffell in Hornafjörður was completed in 2023, the development of which is expected to be the most environmentally friendly project undertaken in Iceland.

Each bathing facility is unique in its own way. The heart of our activities will, however, be at the Blue Lagoon in Svartsengi, as the seawater is unique in the world. The renowned National Geographic magazine designated the water of the Blue Lagoon as one of the 25 wonders of the world in 2012, as its active ingredients, origin, and curative properties are unparalleled.

- ☆ In operation
- ◇ In development
- Operator
- Shareholder



Partners

Blue Lagoon continues to support the development of the tourism industry in Iceland and marketing efforts to promote Iceland as a destination.

Blue Lagoon is a member of the following associations: Festa (Center for Sustainability), SAF, SA, Iceland Tourism Cluster, Luxury by Visit Iceland, Meet in Reykjavík, Business Iceland, Visit Reykjanes, and Reykjanes UNESCO Global Geopark.

By participating in these associations, Blue Lagoon aims to support the development of the Icelandic tourism industry in general, its operating environment, and marketing efforts in Iceland, especially as a year-round, health-focused destination.



Press

Blue Lagoon has received extensive coverage in international online and print media.

Around 530 articles were published in international media in 2023, not including those that mention the Blue Lagoon in the context of the seismic activity that put a significant dent in our activity during the last quarter of the year. The Company's PR policy was reviewed and emphasis placed on coverage of quality-related topics in recognised media in collaboration with specially selected journalist and members of the press.

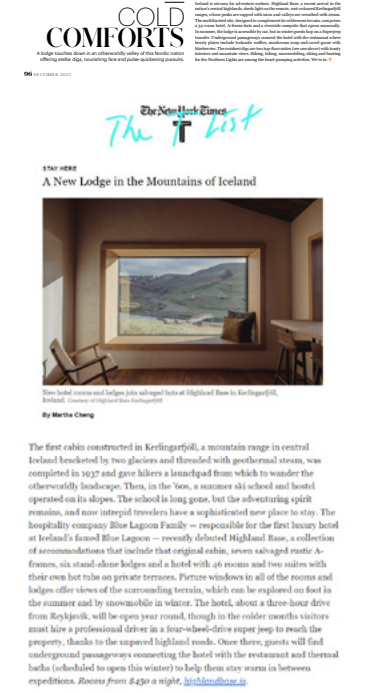
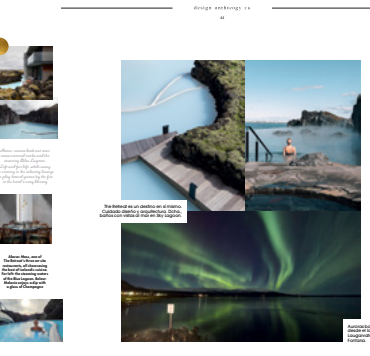
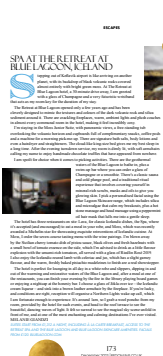
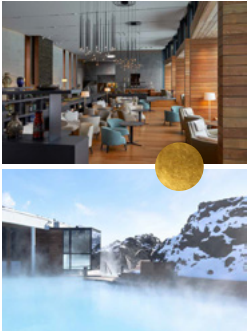
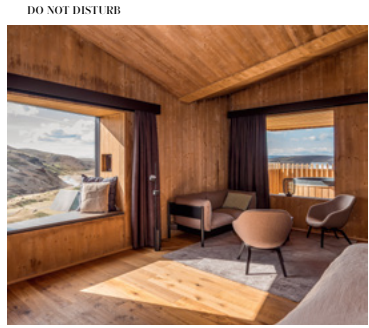
This coverage most frequently mentioned the Blue Lagoon, with 524 individual mentions; the Company's sustainability and related topics continue to garner increased attention and were the focus of 24 different articles during the past year; Blue Lagoon Skincare made its way into 143 discussions; the Company's hotels appeared in 260 discussions; Blue Lagoon restaurants were mentioned a total of 178 times; and, finally, Retreat Spa received 123 mentions, and therapeutic treatment in our water 76.

You can find Blue Lagoon and its subsidiaries on the following social media platforms:



Following the opening in Kerlingarfjöll, we welcomed 11 foreign journalists and the new facilities were mentioned in 67 articles. We also welcomed Icelandic journalists and both foreign and local influencers who shared their experiences during their visit. The Highland Baths had not been opened in 2023, so reception of journalists was limited to specially selected individuals who expressed interest in experiencing the region, its recreational opportunities, and the unique natural surroundings that Kerlingarfjöll has to offer.

As before, Blue Lagoon's social media policy and that of its subsidiaries aims to promote the brands' image by drawing attention to activities with beautiful visual content and captivating copy. The tone of the copy varies according to the medium in question, but effort is always made to keep phrasing and presentation in line with each individual business unit.





The Blue Lagoon

02

The Blue Lagoon family

BLUE LAGOON
ICELAND

BLUE LAGOON
SKINCARE

The Retreat
BLUE LAGOON ICELAND

HIGHLAND BASE
KERLINGARFJÖLL



Blue Lagoon Spa

Continuous digital development and service innovation improve the guest experience.

Digital development

The Blue Lagoon booking engine introduced a pre-check-in option to streamline guest flow and expedite the check-in process. This was a well-received innovation and a large portion of our guests were able to take advantage of the new check-in method. All guest wristbands were also updated in order to simplify accessibility and use.

We also added options to the booking engine that allow guests to add on skincare products, book a table at Lava Restaurant, or add other services themselves. Self-service checkout options have also proven to be popular and a faster alternative than when assisted by a staff member.

Quiet zone

In the Quiet Zone, phone rules were more strictly enforced after suggestions through NPS surveys. Staff monitored the area better and informed guests of restrictions. Increased monitoring was well received by guests and satisfaction increased as well.

Midnight opening

A midnight opening was held on 21 June to the delight of our guests. Relaxing music was played in the Lagoon and tea was served.

June 2023

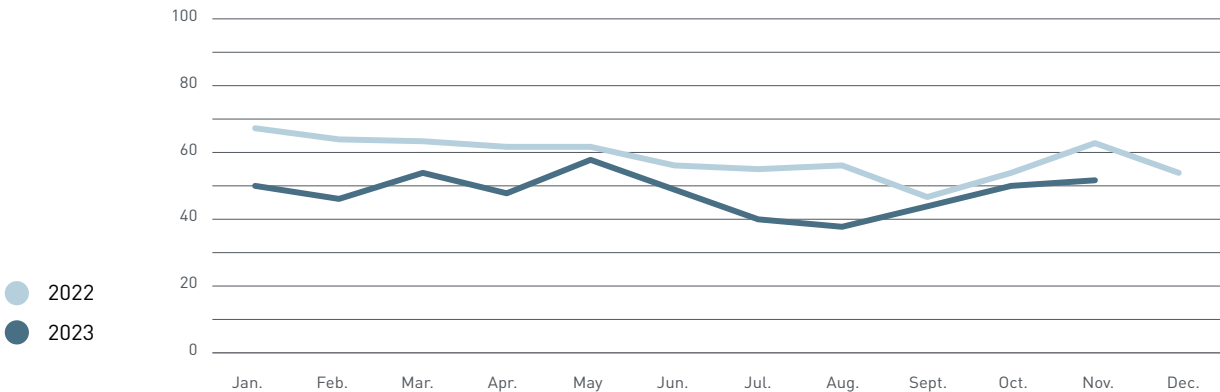
Magical moments. Worth it 100%. This place is heaven. A dream comes true there.

June 2023

This couldn't exist anywhere else. The setting in a lava field is otherworldly and the water is a vivid blue.

Comments on Tripadvisor

NPS* score for Blue Lagoon SPA



*Net Promoter Score is a recommendation index based on customer opinion and contains one question: "How likely are you to recommend X to friends, colleagues, and family?"



Silica Hotel

Guests are highly satisfied with their stay at the hotel, which is almost fully booked all year.

High service level and warm atmosphere

Hotel guests have access to a private lagoon surrounded by mossy lava fields. The level of service is high and the atmosphere is warm. The hotel was originally founded exclusively as a psoriasis treatment clinic. Silica Hotel opened to everyone in 2016. Guests are highly satisfied with their stay, as NPS ratings indicate.

Construction projects

Construction began in April when the inner lagoon was filled in. It was replaced with a comfortable area where guests can relax with a nice view of the lagoon. The gym was expanded and exercise equipment updated. The supervision area was also improved, providing staff with a better overview of the lagoon and improving the safety and security of our guests. Finally, the rooms themselves were overhauled with a new paint job and the parquet flooring sanded.

April 2023

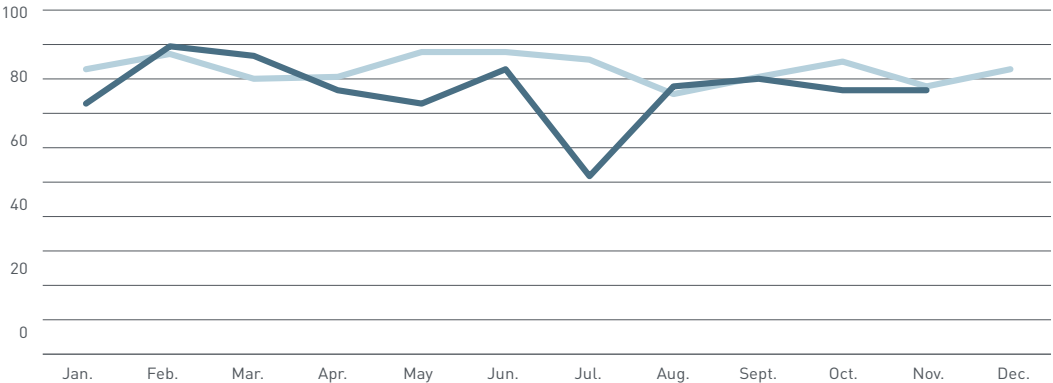
Sublime and relaxing. We had a wonderful experience. The hotel was beautiful, and we loved our room, with a gorgeous view out over the lava fields.

July 2023

Be a bit extravagant and do this! Whether on your 1st day or last! Definitely put Silica on your "must stay" list.

Comments on Tripadvisor

NPS score for Silica Hotel



Medical clinic

Personalised psoriasis treatment recognised by Icelandic healthcare authorities.

Blue Lagoon has offered treatment for psoriasis since 1994. This takes place at the Blue Lagoon Clinic in Svartsengi due to the unique properties of the water.

The treatment is natural and the water is used in a sustainable manner with the objective of improving the quality of life for people suffering from psoriasis.

Clinical research has shown that bathing in the mineral-rich sea water of the Blue Lagoon mitigates symptoms of psoriasis by reducing inflammation and improving the skin's texture.

Treatment plans are tailored to the needs of the individual and include bathing in the water of the Blue Lagoon, UVB light therapy, and using Blue Lagoon Iceland skincare products specially developed for dry and sensitive skin.

The Blue Lagoon Clinic focuses on offering outstanding medical service and treatment is administered under the supervision of a dermatologist and nurse. The Blue Lagoon's psoriasis therapy is recognised by Icelandic healthcare authorities and is available to Icelandic psoriasis patients at no cost to the individual or the public.



Dining experience

Fresh, high-quality Icelandic ingredients prepared on site have long been a hallmark of our restaurants.

Blue Lagoon operates three restaurants and a café at the Svartsengi premises. Emphasis is on fresh, high-quality Icelandic ingredients prepared on site, which has long been our hallmark, along with professional service in unique surroundings. Breakfast for the two hotels, Silica and The Retreat, is also prepared in the shared

kitchen, as is breakfast, lunch, and dinner for the employee cafeteria. The same kitchen also handles other catering services, such as rented meeting rooms. Our focus on flexibility and synergy in operations has been a success without compromising quality.

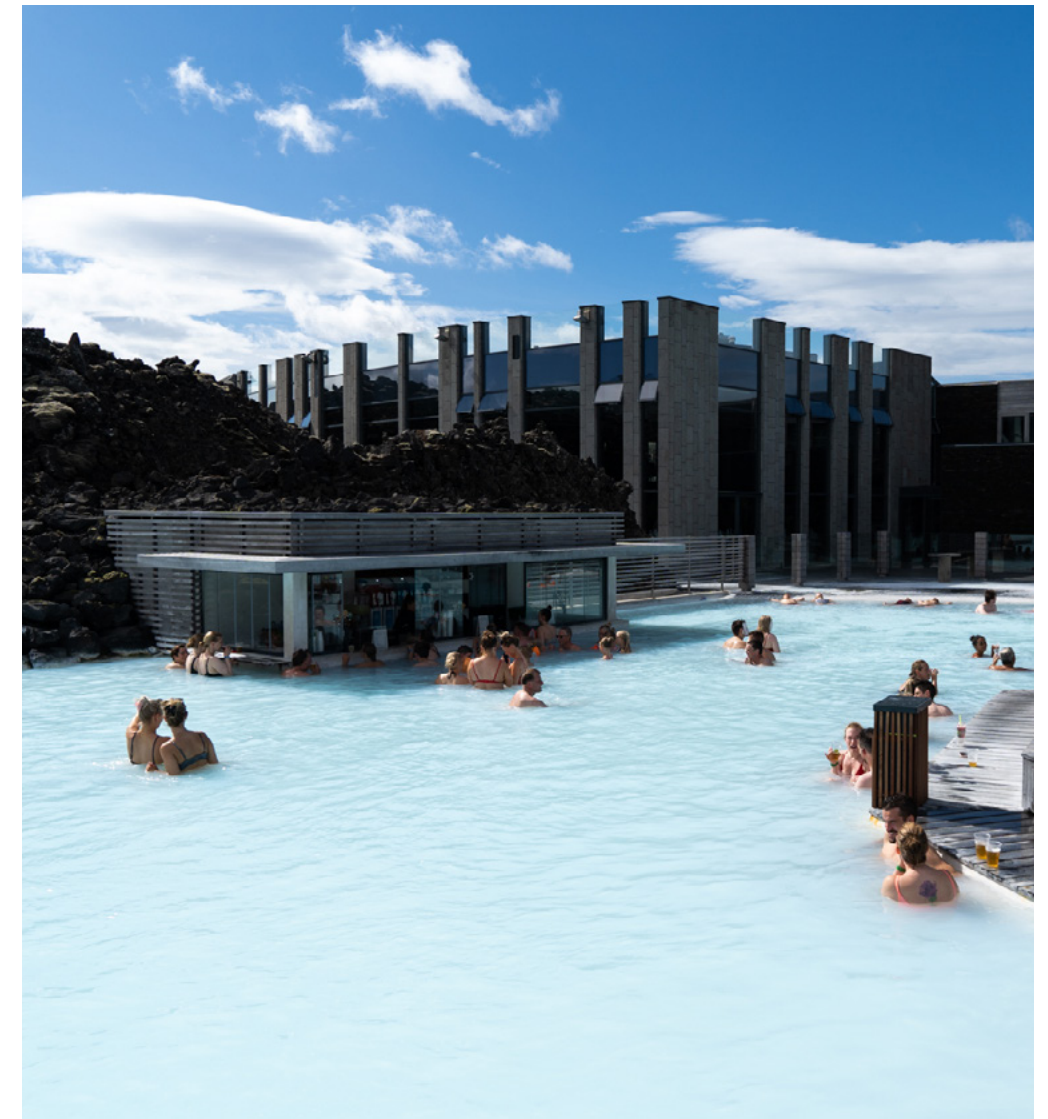


Blue Café

We emphasise quality ingredients and our dishes are prepared from scratch daily.

Blue Café offers guests at the Blue Lagoon a variety of light meals from morning to evening. Our emphasis is on quality ingredients and our dishes are prepared from scratch every day in the Blue Lagoon cold kitchen.

Blue Café also maintains the ever-popular Blue Lagoon Bar, which serves refreshments directly in the lagoon itself.



Lava Restaurant

Innovation in our product offering has proven popular and increased overall sales compared to previous years.

This year we introduced an insert menu in addition to our à la carte menu. This menu offers additional dishes such as a 300g ribeye steak and cod croquettes, and select wines paired especially with those dishes. This has been a very popular innovation and has increased our overall sales compared to previous years.

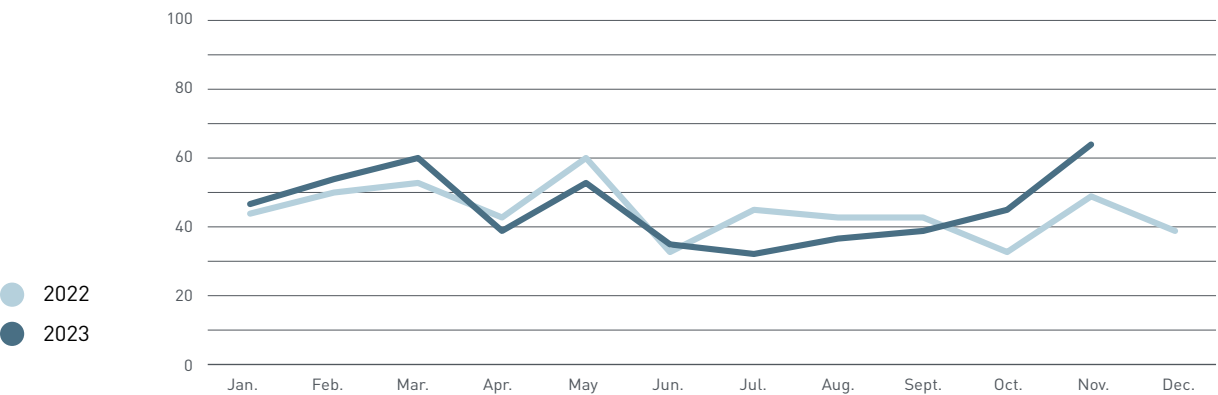
The seismic activity that began during the last quarter of the year has brought with it certain challenges, but evacuations of the area have been successful. In these circumstances, guests and staff alike have maintained composure and the Company has received praise for its smooth and professional procedures.

June 2023
One of the Top Restaurants. I find this restaurant as the best place me and my partner had dinner.

September 2023
Great Food, Amazing Views, and Excellent Service.

Comments on Tripadvisor

NPS score for Lava Restaurant





The Retreat

03

The Retreat Hotel

Outstanding service and the best possible facilities.

As ever, the Retreat Hotel focuses on providing exceptional service and experience in a unique environment with the best possible facilities. The hotel boasts a total of 60 suites and two restaurants. Hotel guests also have access to the Retreat Spa, and some suites also have access to a private lagoon. Hotel operations were good in 2023, and attendance increased from July to October without compromising quality (NPS rating), thanks to the professionalism of our staff.

The Retreat Hotel is constantly seeking new and interesting ways to integrate uniquely Icelandic characteristics and experiences into our guests' visits. A new bar was installed in the hotel reception and was open five afternoons a week beginning in February, and every day starting in July. Live music also featured during this time between 6:30 and 8:30 pm. These new additions helped create a cozy, relaxed atmosphere in the reception. Wine, beer, and soft drinks

were available with a special emphasis on Icelandic products.

The hotel was evacuated on 9 November due to increased seismic activity, and the process went smoothly and safely. The hotel was closed for the rest of the year as the situation remained uncertain.

February 2023

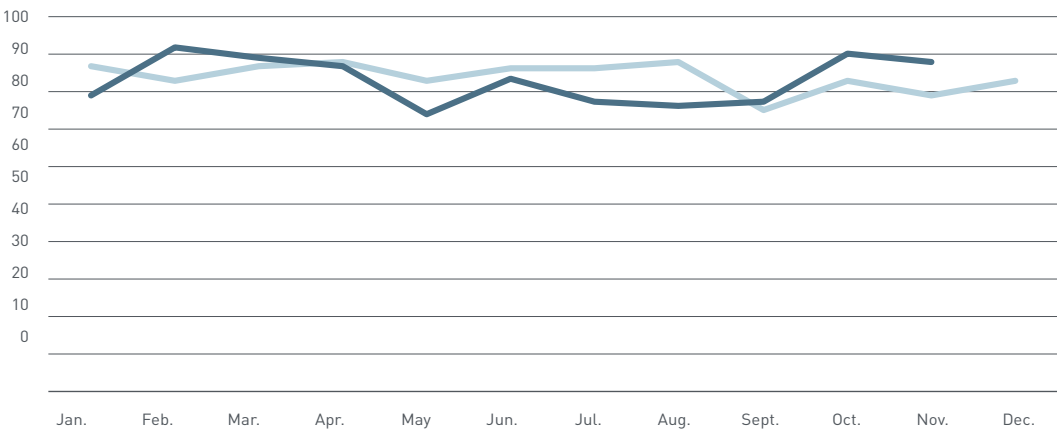
Worth every penny! Amazing is the only word to describe this place and the staff are just so lovely and attentive.

October 2023

There are no words – just amazing, the best 24 hours of my life!

Comments on Tripadvisor

NPS score for Retreat Hotel



The Retreat Spa

An experience that aims to combine incomparable natural surroundings with the qualities of the water in a way our guests will never forget.

The Retreat Spa offers a unique experience unlike any other in the world. The whole area aims to combine incomparable natural surroundings with the qualities of the water in a way our guests will never forget. Visitors can enjoy their stay in a variety of ways in different relaxation areas, saunas, and special steam baths open only to day guests at the Retreat Spa and the Retreat Hotel.

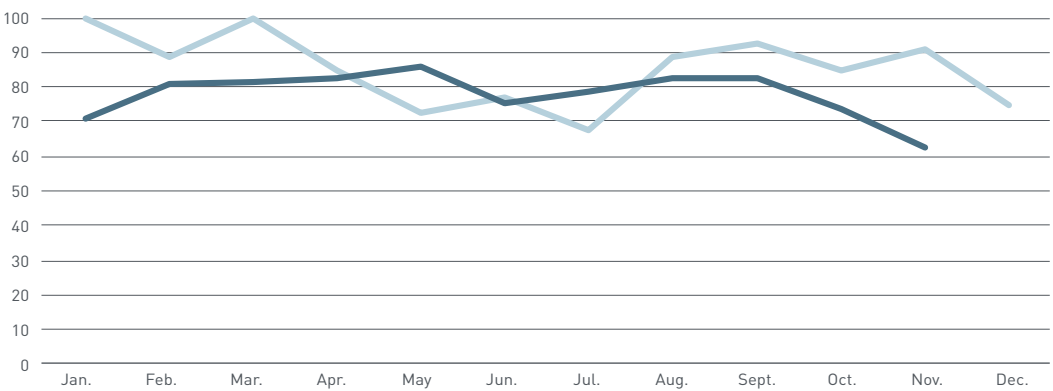
To accommodate increased bookings at the Retreat Hotel, offerings for day guests in particular were available starting in July in order to maintain the unique experience. Spa Restaurant offered a special breakfast menu every day from 8:00-11:00 to serve both day guests and hotel quests who arrived at the spa early.

The Retreat Spa has steadily increased its therapeutic treatment options to meet the great demand. A unique massage experience is now available in the lagoon and the Blue Lagoon Skincare line now includes a body scrub. We also offer float therapy for individuals, pairs, and groups as well as the ever-popular facial cosmetic treatments.

September 2023
Second time there. Wonderful experience. Wife had an in-water massage. She loved it.

Comments on Tripadvisor

NPS score for Retreat Spa



Moss Restaurant

In June 2023, Moss Restaurant received its first Michelin star in the world’s most prestigious travel guide. It is the first hotel restaurant in the country to do so.



The decision to close the restaurant on Mondays and Tuesdays has proven successful and has helped ensure quality and consistency of services.

Moss continues to host world-class events and preparations have been ongoing throughout the year. In April 2024, for example, we will be welcoming Screaming Eagle, one of the world’s premier wineries. A new experience, Kitchen’s Table, has also been in development and will be available to guests starting 2 May 2024. Guests are invited to sit at a special table where the chef prepares and creates the dishes right before their eyes. As with all other Moss experiences, we focus on fresh, quality ingredients in both food and drink. Kitchen’s Table will be available two days a week for only six seats per evening.

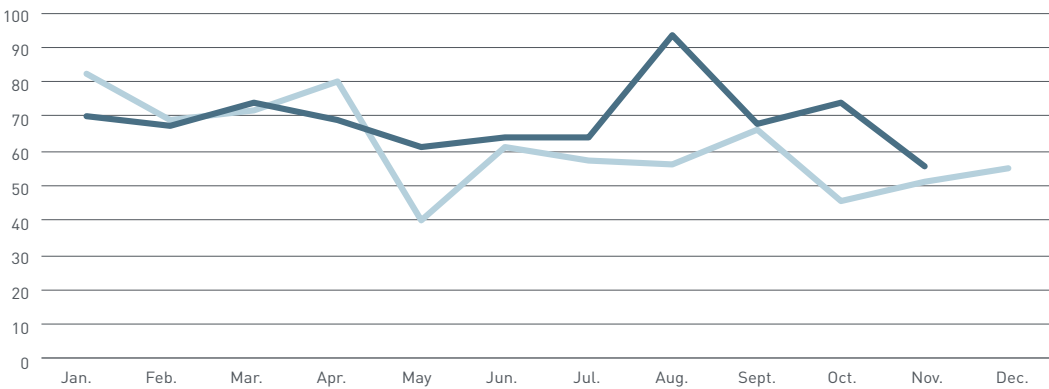
Special wine tastings were held in the unique Moss wine cellar this year. The

cellar is located in a subterranean lava cave. The nuanced colours of the volcanic rock—which formed in eruptions in the year 1226—come to life on walls that now house over 5,000 bottles of premium wines from around the world. These wine tastings have been immensely popular thanks to the surroundings which, like the wines themselves, are quite unique.

August 2023
Beautiful, stunning! It was the best dining experience we had in Iceland and probably for a long time! The service and attention to detail was incredible.

Comments on Tripadvisor

NPS score for Moss



Spa Restaurant

A unique dining experience with fresh and healthy offerings.

Spa Restaurant offers guests at the Retreat Spa fresh, healthy dishes and serves light refreshments in a special lagoon. The restaurant's kitchen also serves breakfast for guests of the Retreat Hotel and provides refreshments for the Retreat Lounge. The

menu selection expanded this year, with an emphasis on giving hotel guests a unique dining experience, especially on Mondays and Tuesdays, when Moss Restaurant is closed.





Highland Base Kerlingarfjöll

04

Our growing family

New, greatly improved facilities in Kerlingarfjöll offer a wide range of accommodations and natural experiences.

The Blue Lagoon family expanded in the summer of 2023 with the opening of the Highland Base: new, greatly improved facilities in Ásgarður in Kerlingarfjöll. Highland Base offers a wide variety of accommodations and natural experiences. The hotel in Kerlingarfjöll now features rooms, suites, and private cabins. There is room for sleeping bags in cabins for individuals as well as groups, an improved campsite, a restaurants that seats 80, a wide variety of outdoor recreational activities, and a unique bathing area that opened in the spring of 2024. The opening of Kerlingarfjöll is a watershed moment for the Icelandic tourism industry, as it is the first year-round destination in the Icelandic highlands that caters to the needs of a diverse clientele.

Kerlingarfjöll has been a favourite destination for Icelanders for decades, but the facilities have completely transformed under the direction of Blue Lagoon. During

development and construction, we treated older buildings with the utmost respect by renovating them and putting great effort into landscaping and external finishes.

All structures were built in harmony with the natural environment while honouring the rich history of outdoor recreation in Kerlingarfjöll. The entire design and construction process conformed to the BREEAM standard, which is the worldwide leader in evaluating the sustainability of new buildings.

Kerlingarfjöll has been met with excellent reception from both foreign and domestic guests. Diverse groups of travellers visited the location last summer and this winter and enjoyed a wide variety of recreational options. New hot springs were opened in 2024, further adding to and improving the experience.

Read more at highlandbase.is

July 2023

A modern pearl in the untouched Icelandic nature. Highly recommended.

Comments on Tripadvisor



Blue Lagoon Skincare

05



The Company

Blue Lagoon Skincare products reflect the unique effect of the Blue Lagoon's water on the skin.

7

shops

Blue Lagoon Skincare Ltd., a subsidiary of Blue Lagoon, develops and markets skincare products under the brand Blue Lagoon Iceland, which is owned by the parent company. Blue Lagoon Skincare Ltd. is responsible for the sales and distribution of the products on both the domestic market and to foreign subsidiaries; Blue Lagoon USA Ltd. and Blue Lagoon NL B.V.

Our products are based on the water of the Blue Lagoon and the bioactive elements it contains. Development and manufacturing are guided by effectiveness, science, and sustainability.

The unique effects that the Blue Lagoon has on the skin first came to light when curious locals started bathing in the enchanting water. Bathing in the hot underground water produces a feeling of well-being and has proven to be good for the skin. The Blue Lagoon soon became the subject of research conducted by numerous scientists. Studies have revealed that it has a unique effect on the skin and the ecosystem is unlike any other in the world. The water of the Blue Lagoon is recognised by National Geographic as one of the wonders of the world on account of its unique properties. It is rich in desirable bioactive elements, minerals, silica, and microalgae, that strengthen and protect the skin. The water and the bioactive elements it contains are the key ingredients in Blue Lagoon Iceland skincare products.

3

online shops

28

product types

Blue Lagoon Skincare

Sustainability, science, and effectiveness form the basis for the development and manufacture of our skincare products.

Blue Lagoon Skincare products have one thing in common: they are based on the unique, silica-rich water of the Blue Lagoon and the bioactive minerals and microalgae it contains. Our products occupy a special niche in the market thanks to their bioactive ingredients, which have also earned them numerous awards.

Development of our products began when the Blue Lagoon started offering treatment for psoriasis in 1994. Patients were so happy with the results that they wanted to bring the effects of the lagoon home with them.

Silica Mud Mask

White silica was the inspiration for our first skincare product, Silica Mud Mask, which entered the market in 1995 and has been our most popular product ever since. The Blue Lagoon has long been known for the white silica that forms in the waters and bathers enjoy its rejuvenating and strengthening effects on the skin.

Dermatological products

Therapeutic creams for sensitive skin and people suffering from dermatological conditions such as dryness and itching were subsequently introduced to the market. These therapeutic products offer protection and prevention and are fragrance-free. They have been used with good results and are an important part of the Blue Lagoon's psoriasis treatment provided at the medical clinic in Svartsengi. The Blue Lagoon's psoriasis treatment is recognised by Icelandic healthcare authorities and is administered under the supervision of a dermatologist and nurse.

Masks and bath products

Even more masks and bath products have entered the market as part of the Blue Lagoon bathing experience.

Three new face masks joined the Silica Mud Mask, each of which has its own unique effect based on the lagoon's bioactive materials. These products have been tremendously popular among guests.



BL+ fights signs of skin aging

The BL+ product line was launched in 2021. It is based on the BL+ COMPLEX, a revolutionary ingredient that utilises the Blue Lagoon’s patented microalgae and silica. The line is developed with the aim to combat the signs of skin aging and improves skin health. It contains powerful formulas based on biotechnology and pioneering techniques in sustainable manufacturing. BL+ is the result of 30 years of research on the bioactivity of the Blue Lagoon.

The line currently consists of five products; BL+ The Serum, BL+ Eye Serum, BL+ The Cream, BL+ Retinol Cream, and BL+ Eye Cream. BL+ Eye Cream is our newest product and was launched in the autumn of 2023.

BL+ products have been well received and won a number of awards.

Bioactive ingredients

A one-of-a-kind raw-material processing facility has been built at the Blue Lagoon Research and Development Centre in Svartsengi. This is where Blue Lagoon ingredients are produced. The ingredients are processed from the water and its bioactive materials, which include salts, silica, and microalgae. Emphasis is placed on environmentally friendly and sustainable processing methods. Microalgae are cultivated with environmentally friendly techniques whereby they are fed geothermal gases rich in carbon dioxide, which emerge from the waters of the lagoon itself. The microalgae then bind carbon

dioxide, which otherwise would escape into the atmosphere. In this way we are able to reduce our carbon footprint, which is always the Company’s goal — to seek new ways to reduce out environmental impact. Our manufacturing processes adhere to the ISO22716 (GMP) quality standard.

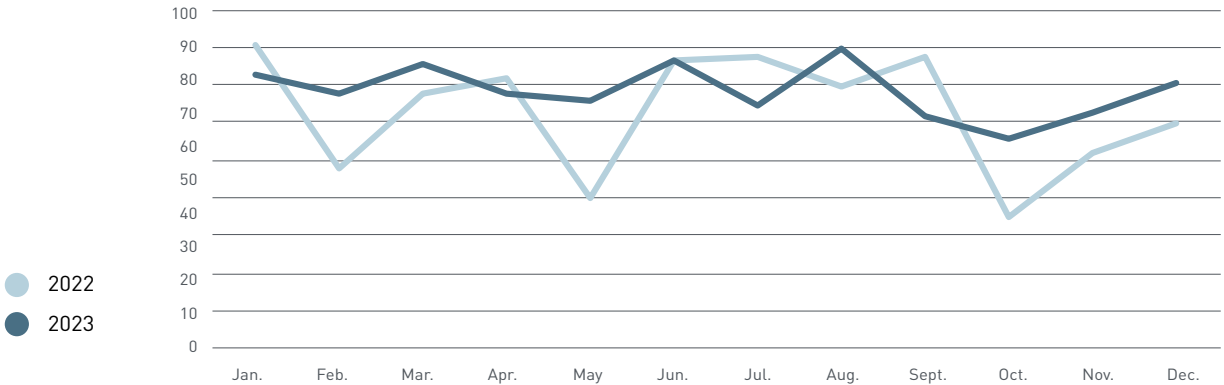
Blue Lagoon’s active ingredients are certified as COSMOS Approved. The certification body is ECOCERT Greenlife. The COSMOS Approved certification is important for the Company’s unique ingredients and processing methods.

Our ingredients have been registered under the following brands: BLUE LAGOON SEAWATER, BLUE LAGOON SILICA, BLUE LAGOON MINERAL SALTS, BLUE LAGOON MICROALGAE, and BL+ COMPLEX.

Environmentally friendly packaging

In keeping with the Company’s environmental policy, our skincare product packaging is designed to be 100% recyclable and contain the smallest amounts of plastic possible. All paper is FSC-certified and we use Miron violet glass, which protects the quality and effectiveness of the product for longer, thus preventing waste. The aluminum in our packaging can be recycled again and again. When designing packaging, materials are carefully selected to maximise quality and minimise environmental impact. 2022 was a transformative year for our packaging, when we introduced new and environmentally friendly containers for our skincare products.

NPS scores from foreign online sales of skincare products



Markets

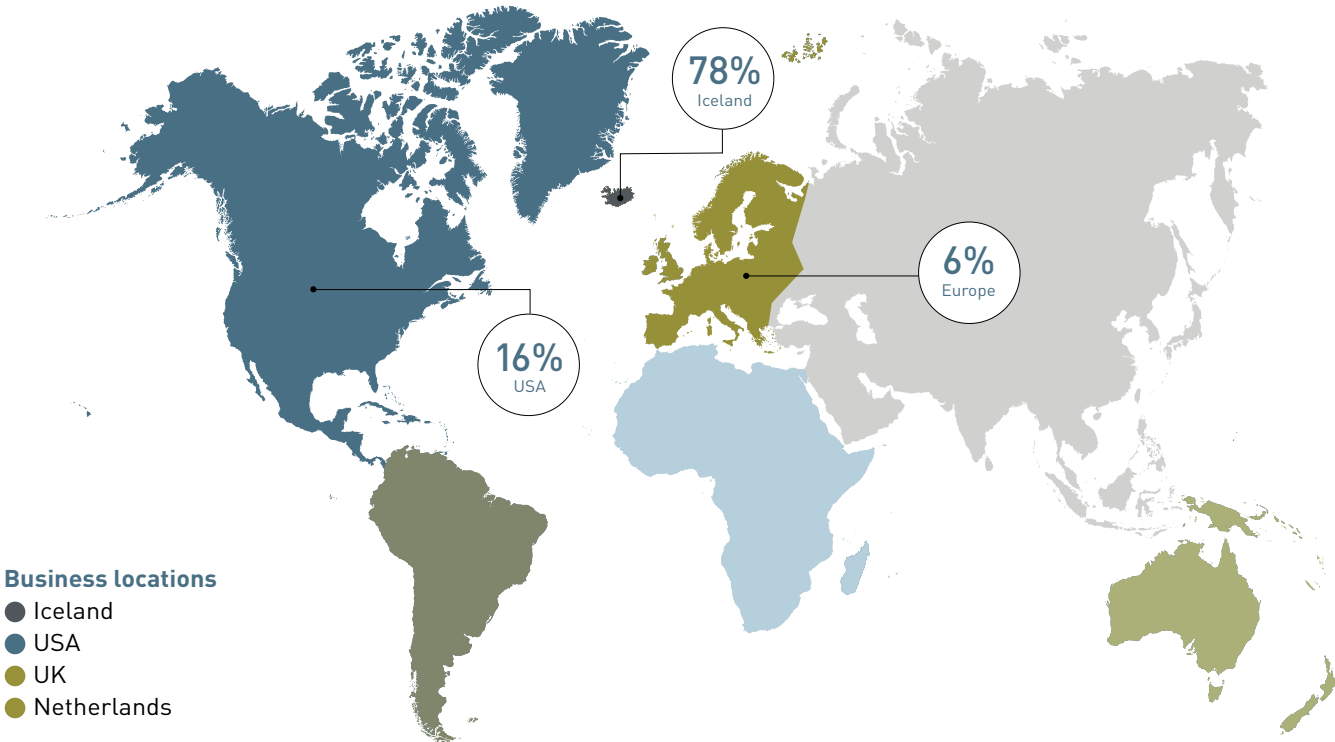
By increasing distribution and visibility, as well as collaborating with specialists, we have significantly strengthened our skincare products’ position on the market.

Iceland remains Blue Lagoon Skincare’s largest market, comprising about 78% of sales. The US market share is growing with increased activity and now makes up 16% of sales compared to 14% the previous year. The continued success of the BL+ product line has been a particular cause for celebration.

Our skincare products are sold around the world. Blue Lagoon USA Ltd. in the United States handles sales and distribution in America, and Blue Lagoon NL B.V. in the Netherlands handles sales and distribution

in Europe and to other parts of the world. We have been focusing on strengthening our skincare products’ position on the US market. By increasing distribution and visibility and collaborating with a team of specialists, we have significantly strengthened our skincare products’ position on the market. The BL+ skincare product line, based on the BL+ COMPLEX and combats skin aging, has garnered much-deserved attention and sales have doubled between the years. A new eye cream, BL+ Eye Cream, was launched in the autumn of 2023 and has earned great praise. We will continue to pursue our successful sales on the US market in 2024 while also promoting the strong domestic market.

Distribution of sales, 2023



Shops

Our shops are intentionally designed and outfitted to connect our skin-care products with their origin in the waters of the Blue Lagoon.



Laugavegur 15



Svartsengi

Seven shops are in operation in Iceland under the brand Blue Lagoon Skincare. There are four shops in Svartsengi: at the Blue Lagoon, the Retreat Hotel, the Retreat Spa, and Silica Hotel. There are two shops in Reykjavík: in Kringlan and at Laugavegur 15. There is one shop in the departure hall of Keflavík International Airport.

Our shops focus on selling our Blue Lagoon Skincare products. The shops are intentionally designed and outfitted to create a connection with our products' origin in the water of the Blue Lagoon, its unique environment, and the science on which our products are based.

The Company also operates online shops in Iceland, Europe, and the USA, at [skinca.re](https://www.skinca.re), [bluelagoon.com](https://www.bluelagoon.com)



Keflavík International Airpot departure terminal



Kringlan shopping centre

Sustainable multi-use of geothermal resource streams

The ecocycle of the Blue Lagoon geothermal seawater.

Blue Lagoon Skincare plays a key role in the multi-use of resource streams from the nearby HS Orka geothermal plants. We first use subterranean sea water to produce silica for our skincare products, then the excess liquid is used to cultivate salt and microalgae. The salt is formed by boiling the liquid with residual steam from the geothermal plant. We manufacture both bath salts and flake salt for culinary

use. The microalgae are cultivated in the liquid with LED lighting powered by green energy from the geothermal plant and are nourished on natural carbon dioxide released from bore holes in the sea floor. All other excess liquid is used in the bathing lagoons. From there it is channeled back down through the strata, thereby completing the cycle of the geothermal seawater.

Carbon offsetting

The transport of Blue Lagoon products from warehouses to customers is carbon offset.

Cultivating and protecting the forests is key to preserving the natural balance between the Earth and the human ecosystem. The forests bind CO₂ from the atmosphere, thereby creating fresh air and promoting biodiversity. Therefore, Blue Lagoon encourages reforestation and aims to balance its carbon footprint. In 2021, Blue Lagoon Skincare entered into a partnership with Pachama, a company that specialises in

reforestation and specific carbon offsetting projects. The objective is clear: more trees, less pollution. Transport of products is carbon-offset by calculating carbon emissions of shipments from our warehouse to our customers' doors. Pachama then carbon offsets the calculated emissions and the cost goes to reforestation and forest conservation.



Certifications



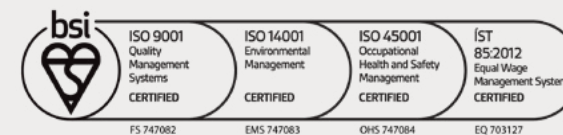
B Corp™: International sustainability certification

The Blue Lagoon in Svartsengi and Blue Lagoon Skincare received a B Corp certification in the summer of 2023. Certification is carried out by B Lab™, a non-profit organisation that focuses on transforming the world's economies for the benefit of people, communities, and nature. Certification is performed by electronic status evaluation, data submission, and meetings that measure impact across companies and form a framework for constant improvement towards greater sustainability.



COSMOS APPROVED ingredients

Blue Lagoon ingredients, which originate in the waters of the Blue Lagoon and play a key role in our skincare products, were certified as COSMOS Approved ingredients in 2020. The certification body is ECOCERT Greenlife. Blue Lagoon Skincare Ltd. places a heavy emphasis on offering products of the highest quality that comply with consumer demands for environmentally friendly products. The COSMOS Approved certification is important for the Company's unique ingredients and processing methods.



Certified management system

Blue Lagoon and Blue Lagoon Skincare follow the same management system, which is certified according to the ISO9001 standard for quality management, the ISO14001 standard for environmental management, and the ISO45001 standard for occupational health and safety management. They also have a common wage system through a service agreement, which is certified in accordance with the IST 85:2012 equal pay standard. This management system enables employees to guarantee quality in manufacturing processes and products, increases employee safety, and protects the environment. The system benefits employees, increases transparency, and encourages everyone to participate in ongoing improvement and creating environmentally friendly skincare products.



COSMOS NATURAL certified skincare products

COSMOS (Cosmetic Organic and natural Standard) is a cosmetic standard with a strong emphasis on environmental protection in production methods. This standard covers everything from responsible utilisation of resources to use of environmentally friendly packaging and cleaning agents, as well as guaranteeing the highest quality ingredients in cosmetics while keeping consumer welfare and natural conservation in mind. COSMOS also has strict requirements for the choice of environmentally friendly packaging and the importance of cutting down on waste.

BL+ The Serum, BL+ Eye Serum, and Hand Cream are COSMOS NATURAL-certified by ECOCERT Greenlife.

Awards and recognitions

The BL+ skincare line has been extraordinarily well received ever since its launch in the spring of 2021.

2021

BL+ The Serum was awarded the Elle Green Beauty Star and the Sustainable Innovation Award from Good Housekeeping.



2022

BL+ Eye Serum was voted the best anti-fatigue, anti-puffiness eye product by NewBeauty Magazine and Best of Beauty by Allure.

BL+ The Cream earned the best skincare product of the year award by Refinery29.



2023

BL+ The Serum was voted the "Best Firming Serum" by NewBeauty Magazine.

Silica Mud Mask was voted the best facemask of the year by Esquire Magazine.

Mineral Mask was voted the best facemask of the year by Men's Health Magazine.



Research and development

An emphasis on dynamic research work has been a hallmark of the Blue Lagoon ever since the beginning.

Blue Lagoon's operations are a unique example of the multifaceted utilisation of geothermal resources towards an improved quality of life, whether in terms of clinical treatments, wellness-focused tourism, or the development of one-of-a-kind skin-care products. The work done at the Blue Lagoon Research and Development Centre forms the foundation of all of these activities where sustainability is a guiding principle.

An emphasis on dynamic research work has been a hallmark of Blue Lagoon ever since the beginning. The numerous scientific articles published in peer-reviewed journals and the Company's patents are a testament to this. Blue Lagoon conducts research in cooperation with scientists at home and abroad, and the Company has enjoyed successful partnership with the university community in the field of research and development. Since the beginning, Blue Lagoon has researched natural resources and generated knowledge for the benefit of the community. Some examples of such research include studies on the lagoon's ecosystem, the positive effects of bathing in the lagoon on psoriasis patients,

and the bioactivity of the contents of the water.

Blue Lagoon holds three patents for the use of microalgae (USA and Europe) and silica (Europe) in cosmetics and medicine.

The patents include recognition of the Blue Lagoon development work and the novelty and inventiveness of the products. The patents provide an account of the results of research that demonstrates the bioactivity of microalgae and silica from the lagoon. These studies were conducted by Blue Lagoon scientists in cooperation with research institutes abroad.

Over 20 peer-reviewed scientific articles and over a dozen academic studies (master's and doctoral projects) have been published on the topic of the subterranean sea water of the Blue Lagoon.

Since the beginning, academic studies have played a key role in Blue Lagoon's success and form the basis of the development of all of our skincare products. For this reason, the Company works in close cooperation with a diverse team of researchers.



Published scientific articles

From 2011

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Gudmundsdottir et al. (2019). **Exopolysaccharides from Cyanobacterium aponinum induce a regulatory dendritic cell phenotype and inhibit SYK and CLEC7A expression in dendritic cells, T cells and keratinocytes.** International immunopharmacology.

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Suryata et al. (2010). **Geothermal CO2 bio-mitigation techniques by utilizing microalgae at the Blue Lagoon, Iceland.** Proceedings.

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Petursdottir & Kristjansson. (1997). **Silicibacter lacus-caerulensis gen. nov., sp. nov., a mesophilic moderately halophilic bacterium characteristic of the Blue Lagoon geothermal lake in Iceland.** Extremophiles.

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Olafsson et al. (1994). **The effect of bathing in a thermal lagoon in Iceland has on psoriasis. A preliminary study.** Journal of the European Academy of Dermatology and Venereology.

Magnusson et al. (1987). **Hafa böð í Bláa Lóninu áhrif á psoriasis.** Læknablaðið.



Human
Resources

Our people

Blue Lagoon is proud of its staff, their ambition and the amazing work ethic that prevails in the workplace.

The Blue Lagoon employs progressive and creative individuals of 40 different nationalities who work together towards the common goal of creating unforgettable memories, both for guests and each other. Our people use foresight in innovation in the fields of service, design, experience, and product development. Sustainability is also a guiding principle when it comes to using the power of nature to design and provide our guests with experiences and products that nourish both body and soul. We always strive to develop and cultivate the world of the Blue Lagoon in harmony with the environment and society, so that the guests' stay is as memorable as possible.

All staff are actively involved in maintaining and shaping the strong culture and cohesion that characterises the Blue Lagoon. This is how we face challenges and celebrate success together. Blue Lagoon is very proud of its staff, their ambition and the amazing work ethic that prevails in the workplace.

We think it is important to show visitors and others what our people are capable of, and therefore the campaign "Our people," which started in the autumn of 2022, was continued into the year. The campaign focuses on providing an insight into the lives and work of the different individuals who work for the Company and help build the unique human resources of the Blue Lagoon.



Key figures 2023

Diverse employees that work according to the Company's shared values are the foundation of an excellent experience.

At the beginning of the year, a decision was made to optimise the organisational chart of the Company, on the one hand with the aim of ensuring stability in service to guests, and on the other hand to support growth outside of Svartsengi.

Diverse human resources that meet and share the Company's values are the basis for an excellent experience for both guests and staff. Diversity is a consideration when recruiting for all jobs, with the goal of further strengthening the tight-knit group that works at the Company.

Preparations for summer recruitment began at the end of 2022, when advertisements for summer jobs went live. Job listings were published across various media platforms. At the same time employees were invited to "choose their co-workers" by inviting friends and family to a job presentation at the Blue Lagoon at the beginning of 2023. Blue Lagoon was the main sponsor of *Framadagar* at the University of Reykjavík, where the workplace and its diverse opportunities were presented to the university community. Approximately 2,050 applications were received for 90 summer jobs.

Summer recruitment was mostly completed in March, but in April and May extensive training of new staff took place, which was held in both Gróska and the Blue Lagoon. The goal of was to prepare summer staff well before they started work and give them an insight into the Blue Lagoon universe.

Preparations for the opening of Kerlingarfjöll were underway at the beginning of 2023. The application period opened between Christmas and New Year and numerous applications were received for adventurous jobs in the highlands. Following recruitment, the area's new employees were invited to a varied and

794

Number
of employees
31.12.23

40

Nationalities

35

Average age
of staff

detailed training that took into account the location of the workplace and the level of service that characterises Blue Lagoon. Special emphasis was placed on wilderness first aid training, along with hospitality. Education and training took place in Gróska, the Blue Lagoon and Kerlingarfjöll.

During the year, Blue Lagoon continued to work systematically to encourage staff to consider a healthy lifestyle. Amongst other things, a health and exercise week was offered, as well as mental health awareness through education, meditation and yoga, to name a few. A resting room was set up for staff where they were given the opportunity to relax, use massage equipment, meditate, and more.

As in previous years, employees and their families were invited to participate in the Reykjavík Marathon. After the race, there was a get-together with some family entertainment.

In autumn, staff were invited to go for a hike in Kerlingarfjöll to get to know the area and enjoy the spectacular nature it has to offer.

The Company is also very concerned about maintaining and increasing the staff's knowl-

edge in terms of prevention and awareness of their own health by offering special lectures, education, and other events, for example in connection with *Mottumars* (similar to No-shave November) and Pink October.

The digital journey of HR processes continued during the year. The Blue Lagoon employee app was launched, which makes it easier for employees to download and manage fitness subscriptions, grants, and other benefits, as well as incident reporting. The app also simplifies the overview and processing of applications and registrations, reduces the use of paper, and minimises the risk of errors. Work continued on the development and implementation of Power BI reports and the automation of human resources systems. A new and more user-friendly training system was implemented during the year with a new training app, which is part of the new training system where staff can access electronic training in an even simpler way.

At the end of the year, earthquakes in the vicinity of the Blue Lagoon increased greatly. On November 11, the Blue Lagoon and Grindavík were evacuated following earthquake activity. Subsequently, operations began to assist employees living in Grindavík to find safe shelter. Housing was rented temporarily, both in Reykjanesbær and in the capital area, for staff and their families who needed housing. A second-hand market was set up at Blue Lagoon headquarters in Urriðaholt for those who had to vacate their homes. There, our people could get all the necessities they needed. Communal get-togethers were offered in Urriðaholt, where people could spend time together, enjoy refreshments, get information and find support. This was done regularly during the closures.

All employees were offered psychological assistance from the Administration of Occupational Safety and Health to deal with the uncertainty caused by the earthquakes, both before the Blue Lagoon was first evacuated and after the evacuation took place. Psychologists came to the offices in the Blue Lagoon and Urriðaholt, and staff were invited to contact the Administration of Occupational Safety and Health directly and talk to psychologists. To ensure that all staff had access to information, weekly informational meetings by the executive committee began on 24 November, where the situation was reviewed each time.



Diversity and equality

The Company strives to celebrate diversity and promote equality.



We know that excellence in service and initiative is achieved when everyone's talents are allowed to shine. We create space for everyone to use their strengths and skills. We are constantly working to prevent all forms of discrimination by celebrating diversity and promoting equality.

When recruiting, we strive to balance the gender ratio. At the same time, we always seek to hire the most qualified individuals.

Blue Lagoon was one of the first large companies in Iceland to receive an equal pay certification according to the ÍST 85 equal pay standard. The Company first received an equal pay certification in 2018. Emphasis is placed on ensuring consistency throughout the Company and paying the same wages for the same, or equally valuable, jobs regardless

of gender, race, or other unsubstantiated criteria.

The Company went through its sixth evaluation of the equal pay system during the year and passed it with flying colors and without deviations. The result of the wage analysis was that the gender wage gap at the Blue Lagoon is 0.7%, in favour of men. The coefficient of determination was 95.2%, which strongly indicates that the variables that are used as a basis for wage decisions explain the actual wage formation in the Company. Information about equal pay certification, as well as the equal pay system of the Blue Lagoon, is presented to staff during new recruit training. Managers have access to a manual on equal pay certification and the Company's equal pay system in the Blue Lagoon's electronic academy.

A voice for equal opportunities

Jafnvægisvögin–The Balance Scale–recognition in 2023.



This year, Blue Lagoon had the honour of receiving the *Jafnvægisvögin* recognition, for the second time. *Jafnvægisvögin*, or The Balance Scale, is a dynamic project initiated by the Association of Businesswomen in Iceland (FKA). First Lady Eliza Reid presented the award at the organisation's digital conference entitled "We all lose from homogeneity - equality is a decision!" In her address, she emphasised the importance of equal opportunities and stressed that despite significant progress, there is still a long way to go in this field. This highlights the urgent need to continue to promote equality in the workplace, and to make that goal a priority.

Blue Lagoon has placed great emphasis on creating an environment characterised by equality and diversity. The company is extremely proud of this recognition, which it has received for two years in a row.

Jafnvægisvögin is not only a confirmation of good work, but also a powerful reminder of the importance of equal opportunities. It continues to encourage the company to maintain its commitment to promoting a workplace where everyone has equal opportunities to flourish.

Training and education

Blue Lagoon is a leading company in Iceland in terms of staff training, education and professional development.

Training and development is always aligned with the goals, values, and purpose of the Company. An important part of this journey is to maintain knowledge and design appropriate training for an ever-changing operating environment, that is also based on the Company's core values—where people are connected to nature while guests acquire unforgettable memories. All staff are encouraged to seek continuing education in order to continue to improve in their work.

Great opportunities and challenges lie in a team of 40 nationalities and it is essential to ensure that knowledge and education take

these criteria into account. At the same time, diversity is invaluable in achieving the goal of creating unique experiences for guests of all nationalities.

In order for training and education to achieve the desired results, the need was analysed regularly throughout the year. Surveys, workshops, focus groups and meetings between representatives of the Company's multidisciplinary education council were used, and the result of that needs analysis shaped the agenda and priorities in educational material. A special educational fund was also established, where employees have the opportunity to apply for grants for studies that are conducted outside of Blue Lagoon's organised educational program.

We continued to work with mixed methods for the dissemination of educational material, either local education or online. The majority of the training took place in classrooms, but a recording of most of the individual lectures was offered for those who were unable to attend. The number of training hours was a total of 600, there were 223 courses, and a total of 2,452 participants were registered in on-site teaching and online education.

During the year, foreign speakers and experts were brought in to hold courses and provide consultation on specialisations such as sales, hotel services, and leadership skills.

The level of support employees experience in career development and access to training was measured in monthly pulse surveys. Results have confirmed staff satisfaction with access to training and motivation for continuing education. Access to training was



specifically examined with the questions "My employer provides me with support to improve and develop further in my work" (the average was 7.4 on a 10-point scale for 2023) and "I can access the training and education that I need to do well at work" (the average was 7.8 on a 10-point scale for 2023).

Employees of foreign nationalities are invited to attend Icelandic courses free of charge at a time that suits them. The Company wants to enable employees whose native language is not Icelandic to adapt to society as well as possible and thereby contribute to increased self-confidence and self-assurance. In 2023, 51 employees attended a number of courses in Icelandic.

The Company's digital educational journey continued, and during the year the Company implemented a new and improved Eloomi educational platform. Such a platform enables staff to access electronic education in a simple way when it suits them best.

Blue Lagoon focuses on building powerful and trustworthy leaders. Both the support of the HR department and leadership training are crucial when it comes to enhancing the ability of managers to build a good work environment. Leadership training took place in collaboration with the Open University, and all levels of management participated in the training. Life-coaching was also offered to further empower managers and staff.

223
Courses

Health and safety

Safety and wellbeing for the benefit of guests and staff are inseparable aspects of all works and decisions.

Blue Lagoon's approach to safety is to establish a culture where safety is an integral part of all tasks and decisions. This is achieved by building on the existing safety culture, learning from each experience and moving forward with a progressive approach and courage.

In this context, it is important to understand the unique environment of the Blue Lagoon. To prevent incidents, Blue Lagoon bases its actions on risk assessments. These actions are reflected in the experience of staff and guests, design of experience areas, construction, training of employees, and information for guests.

In 2023, the Company implemented a new incident reporting app. The app is easy to use and makes incident reporting more efficient than before, resulting in an increase in registrations. With more registrations comes a better overview and the opportunity to take preventative measures. All incidents are analysed, their root cause is identified, and improvements are enforced where necessary.

In order to ensure an effective emergency response, emergency plans are regularly updated and made available to staff. A centralised response is ensured by systematic and round-the-clock monitoring by security guards. During opening hours of the Blue Lagoon bathing facilities, a team of well-trained lifeguards monitors the safety of guests.

Occupational health and safety

Mental and physical health is the basis of quality of life and wellbeing. In accordance with Blue Lagoon's guiding principle, Wellbeing for People and Planet, the Company has increased the number of options available to employees to build and maintain

good health. These options include interviews with a psychologist and a Company physician, free access to gyms, health screenings, and flu vaccinations. All work areas are designed with the health and safety of employees in mind. Through an active dialogue with staff, the Company strives to identify ways to improve their working environment. For example, the staff cafeteria is designed with a view to creating a comfortable and relaxed atmosphere, always offering varied and nutritious food.

Incidents

The main cause of incidents at the Blue Lagoon this year, both in terms of visitors and staff, are slippery surfaces, e.g. due to wetness or icing. With regard to the ever-changing environment, not least in terms of the weather in Iceland, the Company is constantly aware of this particular risk and measures are taken whenever necessary to prevent incidents and to reduce the likelihood of recurring incidents.

Volcanic activity and evacuations

Seismic activity and volcanic eruptions, which have been ongoing since 2020, changed in the second half of the year as the activity moved closer to Svartsengi. There was a great deal of uncertainty at the beginning of this chapter, which called for increased consultation with scientists and responders to get a handle on the situation and necessary actions. The implementation of evacuation plans was constantly re-evaluated to ensure an efficient evacuation as the Company put great emphasis on staff training and evacuation exercises. Many lessons have been learned during this time, all of which have strengthened all the Company's actions and plans for the future.





Sustainable
operations

07

B Corp™ certification

A drive for good deeds.

The goal of the B Corp™ certification is to revolutionise business practices by getting companies to value the impact their operations have—for example on the environment, individuals, and communities—on an equal footing with financial profit. Thus, B Corp™’s international quality certification confirms that companies really use their power for good and take sustainability, equality, and the environment into account when making business decisions.

B Corp™ stands for “B Corporation” and refers to a company that has met certain social and environmental standards and received a certification from B Lab™, a non-profit organisation that aims to change the way business is done globally. The company is based on the vision that all companies should measure and value the impact they have on a par with financial profit. B Lab™ believes that a different kind of economy, where companies use their powers for good, is not only possible but necessary.

B Corp™ certifications are intended for companies that are run for profit and want to achieve a balance between purpose and profit. To receive a B Corp™ certification, a

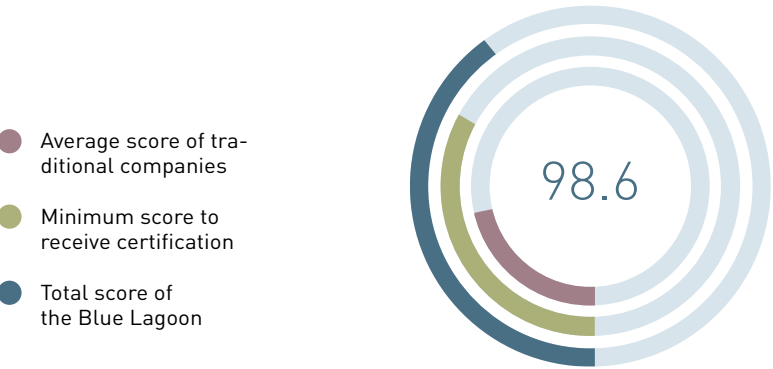
company must meet certain standards and go through a rigorous audit of all aspects of its operations, i.e. employees, customers, society, environment, and governance. The audit evaluates various factors such as employee wages and benefits, community engagement, environmental actions, and supply chain transparency. Companies must score at least 80 points to be eligible for certification. B Corp™ certified companies take into account the broad impact they have, and strengthen their commitment to social and environmental responsibility.

In 2023, the Company received a B Corp™ certification with 98.6 points, which means that Blue Lagoon belongs to a group of companies that meet strict requirements for social and environmental performance and responsibility.

Further information about the certification can be found at bluelagoon.com/b-corp.

Confirmation of the certification can be found on B Corp™’s website: bcorporation.net/en-us/find-a-b-corp/company/blue-lagoon/.

Number of points according to the B Impact scale



Fields of impact	Points
Corporate governance	7.6
Staff	24.1
Community	24.1
Environment	38.7
Customers	4.0
Total	98.6



Towards increased sustainability

From the beginning, sustainability considerations have characterised the company's journey.

Ever since the first reservoir formed in Svartsengi, it has been clear that special attention had to be given to environmental issues and the protection of the area's unique nature. At that time, the old Icelandic ideal was held in high regard, which consists of practicality and efforts to fully utilise and reuse resources for the benefit of society. In accordance with this ideal, the opportunities inherent in the formation of the lagoon were scrutinised instead of being seen as a problem that needed to be solved. Ever since, this ideal has characterised the activities of Blue Lagoon, and guided the development of experience areas, services, and product offerings.

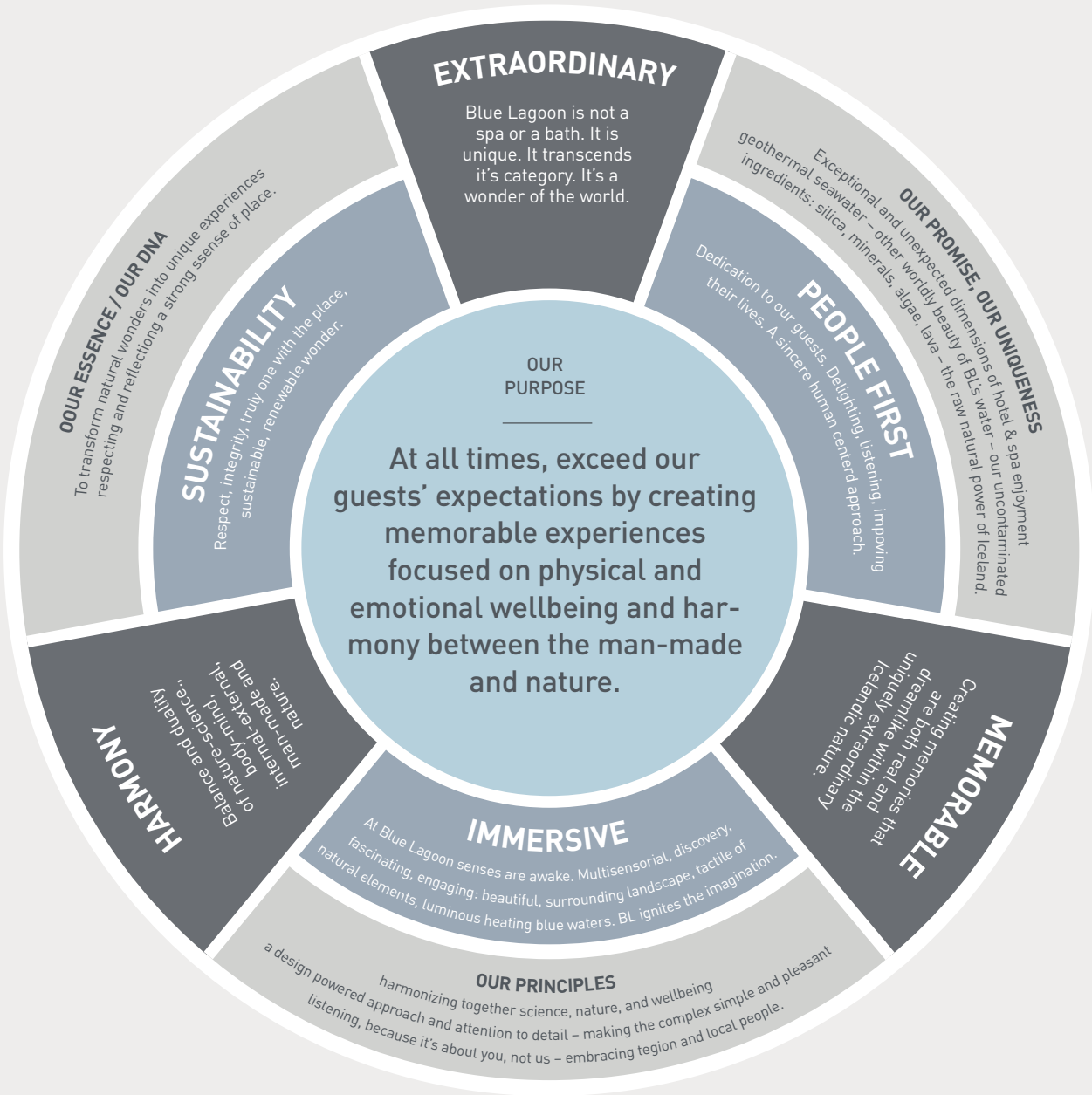
Blue Lagoon is also a part of the Resource Park, which is a community of companies

in Reykjanes that reuse resource streams from HS Orka's geothermal plant in their operations. Their common focus is to promote a zero-waste society.

Over the years, Blue Lagoon has continuously adapted to policies and trends that are related to sustainability. The company is dedicated to maximising sustainability as much as possible by minimising environmental impact, and creating both social and economic benefits for the local community. The sustainability journey never ends, as new ways are constantly being sought to improve the balance between economic, social, and environmental factors while meeting the needs of the company's stakeholders through collaboration and solidarity.

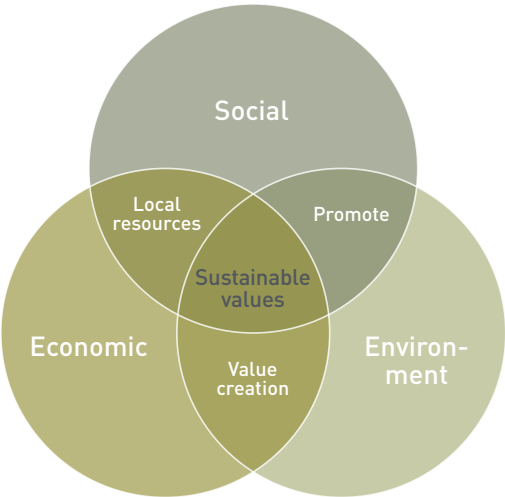


Wellbeing for people and planet
The guiding principle of Blue Lagoon can be described like so:



Social responsibility

The Company has implemented a number of projects to integrate the social and environmental aspects of its operations for the future.



Blue Lagoon attaches great importance to Corporate Social Responsibility and has implemented a number of projects to integrate the social and environmental aspects into its operations. These include projects such as further multi-use of geothermal seawater; nature conservation; the development of destinations; education and training; gender equality, and support of, and participation in, important social projects, all of which contribute to strengthening social pillars and ensuring the positive growth of society alongside the growth of Blue Lagoon.

Blue Lagoon's social responsibility reflects the Company's commitment to environmental protection, social support, and ethical business practices; a commitment that not only benefits the Company's shareholders, but also contributes to the sustainability of the business and the environment for the future.



Reference standard ISO 26000
The guidelines of the ISO 26000 standard are an important criterion and were used as a tool to implement processes aimed at social responsibility in the management system and policy formulation of Blue Lagoon. The standard guides companies, from idea to action, on how best to assess the current situation and then work towards improvements and increased social responsibility.

Interdisciplinary committee for social responsibility
Since 2019, an interdisciplinary committee has been working within Blue Lagoon. The committee manages issues related to social responsibility. Its aim is to implement social responsibility in all business units of the Company, in addition to which, the group strives to improve the Company's performance on issues related to social and environmental aspects.

Sustainability goals

Goals 2023	Success 2023	Goals 2024	Long-term goals
Review process and start implementation	A new project for community support has been launched	Finish implementing community support for all of the Company's business units	Community grants in full accordance with the Company's priorities
Implement more sustainability projects among staff	B Corp™ certification and training for staff.	Better integrate sustainability into staff events	Social responsibility is an integral part of the culture of the Blue Lagoon
Review results and inform stakeholders	The results were reviewed and had a formative effect on the Company's sustainability report	Re-evaluate stakeholders with the introduction of new business units	Active communication with all main stakeholders of the Company
Review terms and work on implementation	New tools reviewed to better evaluate suppliers	Try new ways to evaluate suppliers	The Blue Lagoon's management system operates according to ISO 26000 guidelines
Have report in accordance with the new constraints	The ESRS requirements were implemented into the GRI criteria and data collection was adapted to the new requirements	The next sustainability report will be fully compliant with ESRS requirements	An accessible report that explains in detail the social responsibility and sustainability of Blue Lagoon
Use the management tools of the Global Goals to assess impact	The Company has been evaluated with the management tool B Lab™, and its impact on the Global Goals has been assessed	Set goals in B Lab™'s management tool to improve the Company's performance towards Global Goals	Full implementation of Global Goals in all activities and goal setting of the Company
Complete process and secure B Corp™ certification	Blue Lagoon and Blue Lagoon Skincare became B Corp™ certified in 2023	Set goals in B Lab™'s management tool to collect more points and thereby improve the Company's sustainability approach	Maintain B Corp™ certification

B Corp™ international quality certification
Following extensive analytical work, B Lab™'s audit process was completed and in the summer of 2023, Blue Lagoon in Svartsengi and Blue Lagoon Skincare received B Corp™'s international quality certification. Blue Lagoon is the second company in Iceland to receive the certification.

The ten principles of the UN Global Compact
Since 2018, Blue Lagoon has looked to the principles of the United Nations Global Compact project when formulating policies, setting goals, and procedures, especially with regard to social responsibility. Companies generally play an important role in ensuring general human rights in the labour market, environmental protection, and the fight against corruption, and Blue Lagoon is no exception.

General human rights
Blue Lagoon benefits from the strong

Icelandic labour legislation, with a heavy emphasis on human rights. Respect for people and nature is at the forefront of all projects undertaken by the Company in line with the guiding principle: Wellbeing for people and planet. Work is carried out in accordance with the Act on Equal Status and Equal Rights Irrespective of Gender, no. 150/2020, as well as the Act on Equal Treatment in the Labour Market Regardless of Race, Nationality, Origin, Religion, Life Stance, Disability, Reduced Work Capacity, Age, Sexuality, Gender identity, Gender Characteristics or Gender Expression no. 86/2018. It is also emphasised that all staff have the right to a safe work environment that is free from any form of violence, sexual harassment, gender-based harassment, and bullying. All employees get the same opportunities for career development, and to take advantage of the many benefits available to staff. These include education and training, travel to and from work, fitness grants, and meals for which only a minimum fee is paid.

10 principles of the UN Global Compact

Human rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2:
Businesses must make sure that they are not complicit in human rights abuses.

Blue Lagoon's main policy is the ethical cornerstone of the Company's operational and governance practices. There you will find the core of the five policy elements, which include environmental issues, health and safety, human resources, quality, and corporate social responsibility.

Labour

Principle 3:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4:
The elimination of all forms of forced and compulsory labour.

Principle 5:
The effective abolition of child labour.

Principle 6:
The elimination of discrimination in respect of employment and occupation.

Blue Lagoon constantly considers its employees. The Company's human resources policy emphasises care for health and well-being, equality, fair hiring practices, professional training and development at work, and a strong team culture based on the values of Blue Lagoon.

Environment

Principle 7:
Businesses should support a precautionary approach to environmental challenges.

Principle 8:
Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9:
Businesses should encourage the development and diffusion of environmentally friendly technologies.

"A zero-waste society" is the motto of Blue Lagoon and the Natural Resources Park to which it belongs. The Company's environmental policy defines three focus areas related to environmental responsibility: sustainable, carbon-neutral, and plastic-free experiences.

Anti-corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery.

Blue Lagoon's policy on social responsibility aims to ensure ethical operating conditions, that legal requirements are always followed and that international standards are taken into account. The Company evaluates its performance based on the social, economic, and environmental impacts of the operation, both in the local community and internationally.



Sustainable development goals

Blue Lagoon contributes to supporting the United Nations' ambitious sustainable development goals.



Goal analysis
In 2023, emphasis was placed on a comprehensive analysis of goals related to all sustainable development goals in order to find direct opportunities to increase the Company's positive contribution. Blue Lagoon is still a firm supporter of sustainability and plays an important role in a fairer and more environmentally conscious future on a global scale.

See the table *Focus areas of the United Nations Sustainable Development Goals (SDGs)* in the appendix.

impact on the Company's governance and goal setting, along with the presentation of data in the Company's sustainability report for the coming years.

The SDGs serve as a guide to the goal of eradicating poverty, protecting the planet, and ensuring prosperity by 2030. Blue Lagoon adopted this plan and implemented a Response Director to lead all sustainability work. The plan shapes a journey towards a more sustainable future while enabling the entire company to align with the SDGs.

Response director
The implementation of the Sustainable Development Goals Response Director, a tool provided by the United Nations Global Compact on Ethics and Responsibility in Business, is a sign of Blue Lagoon's focused intent to align its operations with the UN's SDGs. The implementation of the tool will have an

An assessment of the operations based on all 17 SDGs revealed strengths, weaknesses, and opportunities for improvement. The Company is focused on doing better, setting ambitious goals and fostering partnerships. The intention is to increase the Company's impact and have a measurable impact on sustainability goals on a global scale.



SDG Response Director

The Response Director combines B Lab™'s impact assessment with the ten principles of the UN Global Compact, which helps the Company prioritise decisions and actions through self-assessment, improvement projects, and benchmarking with others.

The columns in the attached figure indicate the goals where the company has demonstrated good performance as well as the goals where the Company has the opportunity to have a positive impact. The basic criteria reflect the Company's performance in human rights, work practices, environmental management, and good governance. The dotted line depicts the average of other B Corp™ certified companies in the same size category.



Blue Lagoon's contribution to the United Nations' goals



Wellbeing for people and planet

Our core activities aim to promote the improved health and wellbeing of our guests and customers. Part of our business is offering treatments for psoriasis patients. Our skin care products are the result of more than 30 years of research and development, and one of the Company's skin care lines, DERMA, is intended for those who are struggling with skin conditions.

At Blue Lagoon, we have implemented safety measures for both our staff and guests, but we also support a variety of health and welfare projects to raise awareness of the issue.



Energy

We use 100% renewable energy from HS Orka's geothermal plant. Numerous projects have been launched in recent years to improve energy efficiency in equipment and buildings. We aim to draw more attention to the responsible use of energy resources worldwide.



Sustainable operations

Our operations are based on the ecological cycle of the geothermal seawater on the Reykjanes peninsula. We actively participate in initiatives in the Reykjanes UNESCO Geopark to improve sustainable infrastructure and support activities in our local environment. We promote development and technology to create value for the region.



Circular economy

We strongly support the implementation of responsible standards for production and consumption. Whenever possible, we source locally or from the local community, and we buy materials that can be easily reused or recycled. In this way, we try to minimise both waste and the generation of waste. We work closely with other parties in the region to promote sustainability and the protection of natural resources.



Climate action

At Blue Lagoon, we measure our carbon emissions and work systematically to reduce and offset our carbon footprint. We support and promote sustainable transport, and work to raise awareness about climate change both inside and outside the Company.

Major stakeholders

Blue Lagoon focuses on raising public and stakeholder awareness regarding sustainability.

In 2022-2023, a stakeholder analysis was carried out to assess which key influencing factors should be monitored and reported on in the Company's operations. The results of the analysis had a formative effect on the layout and organisation of this sustainability report.

The stakeholders' feedback was collected anonymously with questionnaires in both English and Icelandic. The survey provided

both quantitative and qualitative data from the Company's key stakeholders, with an emphasis on sustainability and opportunities for improvement. Over 740 stakeholders participated in the survey.

The survey revealed the agreement of stakeholders on the following subjects, where the average score was above 4 on a scale of 1 to 6. Further information on the implementation and results of the survey can be found in the 2022 sustainability report.

Economic issues	Environmental issues	Social issues
Economic and financial performance Indirect economic impact that Blue Lagoon could have on the local community Anti-corruption and anti-competitive measures Taxation Acquisition and utilisation of resources Transactions with the local community	Energy efficiency Water use Impact on biological diversity Emissions and climate change Recycling of waste Reduction of disposable plastics	Employment and corporate culture Health and safety of staff and guests Training and education Diversity and equal opportunities Human rights Supporting the local community Freedom of association and collective agreements Child and forced labour Equality

Prioritisation of issues according to stakeholders

1. Health and safety of staff and guests

2. Indirect economic impact on society

3. Emissions and climate change

4. Equal competition and anti-corruption

5. Reduce the use of disposable plastics
6. Procurement in the local community

7. Economic performance

8. Human rights

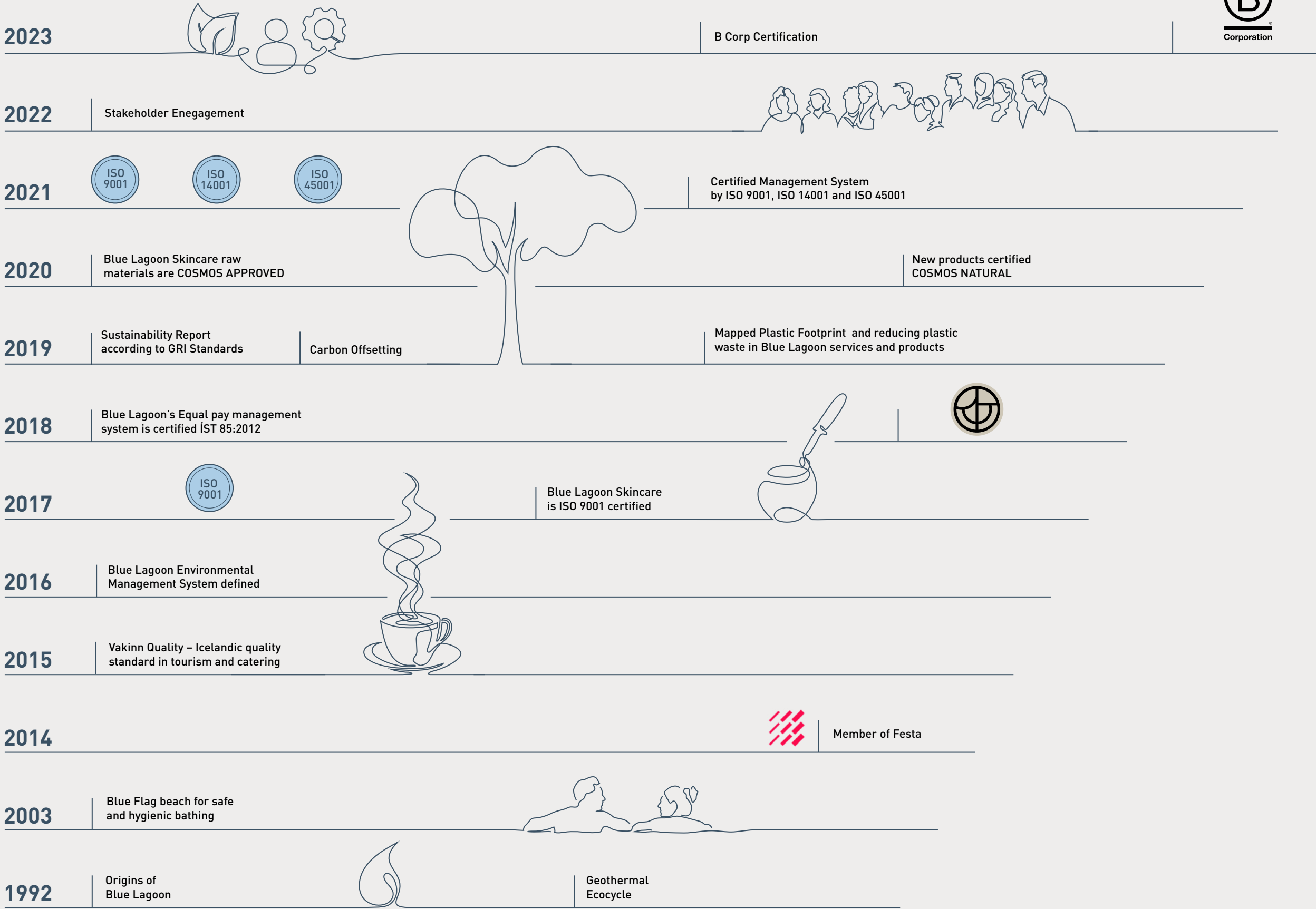
9. Impact on biological diversity

10. Recycling of waste

Main stakeholders of Blue Lagoon 2023



Blue Lagoon's sustainability journey



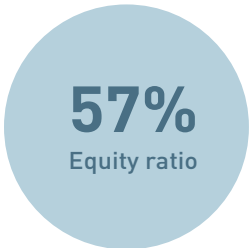
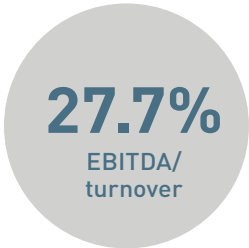


Economic
impact

08

Economic impact

Blue Lagoon emphasises doing business that creates shared value among stakeholders.



The operation of Blue Lagoon was very successful for most of 2023, but seismic activity and volcanic eruptions left their mark on the operation towards the end of the year. After the earthquakes in November and the eruption in December, Blue Lagoon was made to cease operations at the premises at Svartsengi. In 2023 this was a total of 53 days. Despite this disruption to operations, the Company's financial position is strong.

Blue Lagoon emphasises doing business that creates shared value among stakeholders, particularly in the local community. This approach has several benefits. By purchasing fresh produce from nearby suppliers, the quality is guaranteed while at the same time promoting local development and safer availability of products. It also reduces greenhouse gas emissions due to shorter transport routes and less packaging to ensure product quality. All of this plays a role in being able to offer Blue Lagoon customers more environmentally friendly, high-quality products from the local community, to everyone's benefit.

Last year, the Company's economic contribution amounted to 82% of its turnover, or ISK 17.1 billion. Of this amount, the Company's tax footprint was about 4.9 billion, which went to the state and municipalities in the form of taxes and fees.

During the adoption of international accounting standards (IFRS 1), the Company made use of an authorisation to increase

the fair value of its real estate. The total increase of real estate amounted to EUR 180m and takes place on the date of implementation which is considered to be 1 January 2022. With the increase, equity increases by EUR 144m and a tax liability by EUR 36m

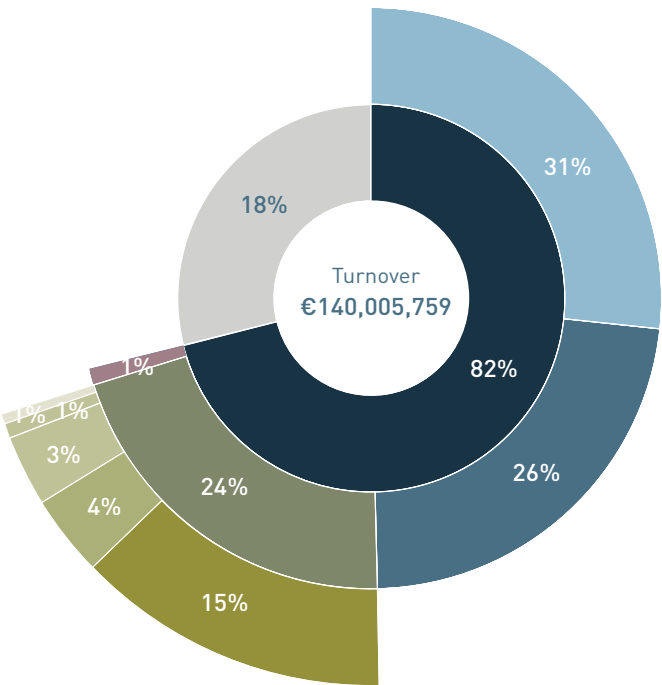
Company growth

This year saw continued efforts on ambitious development projects within the group. At the beginning of July, operations commenced in a new and splendid facility at Kerlingarfjöll. A diverse selection of lodging options is available for visitors there, along with hot baths and diverse recreation. Preparation for the building of a hotel, baths, and visitor centre in Þjórsárdalur valley is underway. Ground preparations began at the end of the year and construction is set to begin at full force in 2024.

The year saw the addition of two companies to Blue Lagoon: Hrauneyjar ehf. and Ferðapjónustan Hoffell ehf. Both companies include accommodation and restaurant services. The purchase of the companies provides support to the group's interests. Further construction and development of operations is planned in the coming years.

The audited, consolidated financial statements of Blue Lagoon for the year 2023 can be found [here](#).

Economic impact



- 18% economic benefit
- 82% economic contribution
- 31% to suppliers and contractors in the form of operating costs
- 26% to human resources in the form of net wages of staff
- 24% to the state
- 15% to wage-related expenses
- 4% paid VAT
- 3% income tax
- 1% property taxes
- 1% customs payments
- 1% community grants

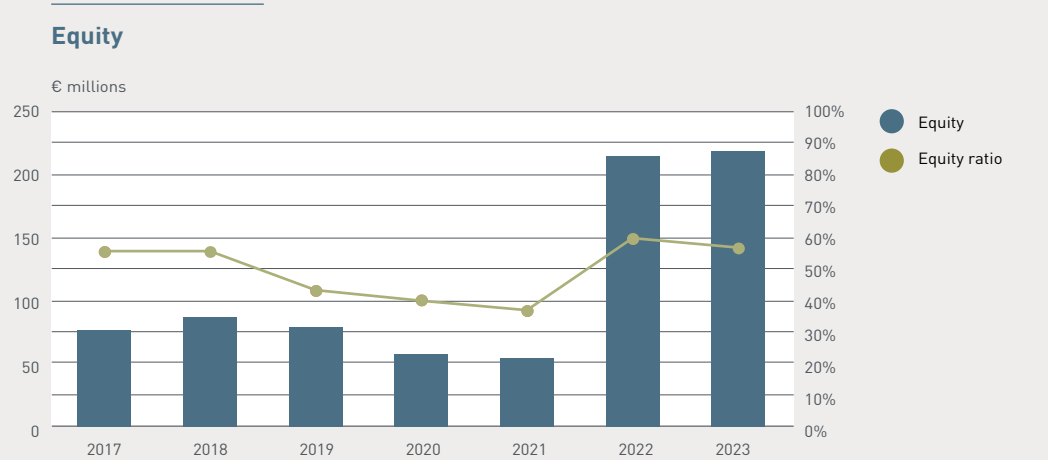
Turnover
€140,005,759

EBITDA
€38,833,956

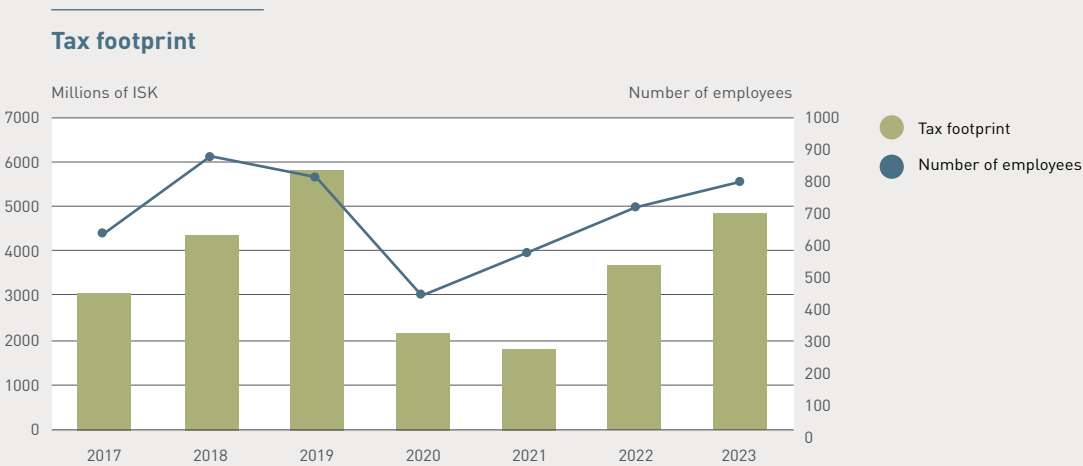
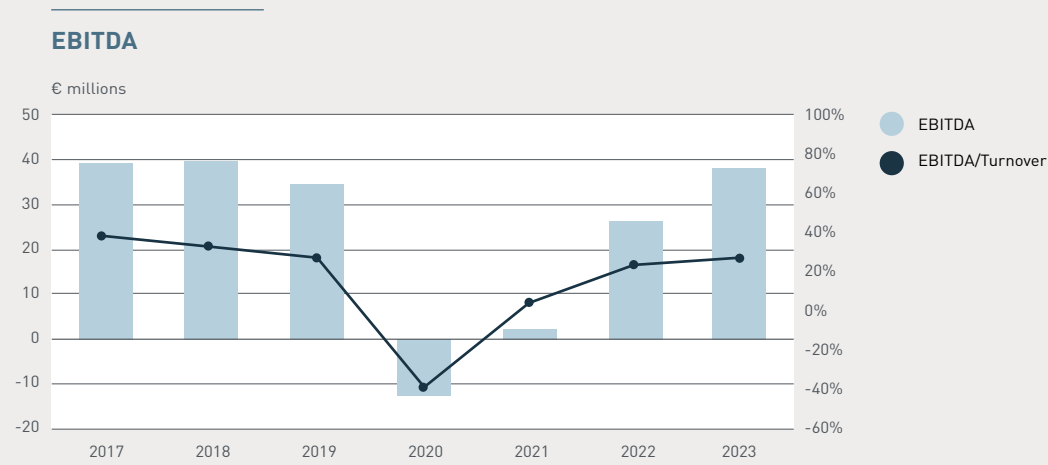
Income after taxes
€18,257,940

Equity
€219,006,650

Cash and cash equivalents
€14,105,418



*Reconstructed income statement due to the adoption of International Accounting Standards. The implementation date was 1.1. 2022. See explanation 22 in the Group's Annual Financial Statements for 2023.



Sustainable procurement

Blue Lagoon promotes responsible business practices and ecological business relationships in the local community.

Blue Lagoon promotes responsible business practices and procurement of goods and services. When choosing suppliers and contractors, the emphasis is on cost-effective and ecological business relationships in the Company's local community. The Company has set a policy with an emphasis on sustainability in procurement and clear procurement rules to enforce it. Within the Company, there is a team of procurement officers who meet regularly and review the policy, rules, and optimisation of procurement. The team also conducts an annual supplier and contractor assessment based on the following factors:

- Importance for operations
- Frequency and severity of deviations
- Costs
- Quality of product/services
- Delivery time
- Health and safety
- Environment
- Image

Location of the main suppliers and contractors of Blue Lagoon in Iceland:



The assessment provides a rating for each supplier or contractor that determines whether business with that entity will continue. If the assessment results in a low rating, ways are sought to improve it with the entity concerned.

The positive impact of the operation of Blue Lagoon is great, whether you look at society as a whole or the local community in particular. For example, Blue Lagoon purchased goods and services from suppliers and contractors to the amount of ISK 6.2 billion during the year. About 90% of those transactions were with Icelandic suppliers and contractors, and ISK 5.6 billion was thus returned to the Icelandic economy. Most of the transactions were with suppliers and contractors within 80km of Svartsengi. Furthermore, over 20% of transactions were with Icelandic suppliers and contractors within Suðurnes.

The goal for the year 2023 was to increase trade within Suðurnes to the extent that more than 25% of domestic trade takes place within that region. The goal was not met, but will be revised for next year.

The Company constantly monitors its procurement with an emphasis on increasing it within Iceland, and particularly within 80km of the operating centres, especially within Suðurnes. Thus, Blue Lagoon ensures that the local community benefits from the continued growth of the Company, and increases reliability in supplies and specialisation in service for the future. By procuring from the local community, Blue Lagoon also reduces carbon emissions from transporting goods, shortens waiting times, and simplifies inventory management. With the introduction of new business units such as Kerlingarfjöll, procurement in the Company's local community will be thoroughly analysed next year.

Environmental impact

09



Environmental impact

Blue Lagoon's environmental goals are reflected in the Company's environmental policy and sustainability matters.

Sustainable use of resources and environmental protection to ensure the quality of life for future generations go hand in hand with value creation and sustainable development of Blue Lagoon. The direct connection between man and nature has become a rare experience in our busy daily lives. Blue Lagoon creates these connections with a unique experience in the form of services in Iceland and skincare products around the world.

Goals and improvement projects in environmental issues
Blue Lagoon's environmental goals are reflected in the Company's environmental policy and sustainability matters. Special emphasis is placed on reducing the Company's environmental footprint in terms of greenhouse gas emissions, plastic use, and increased sustainability in operations.

Ever since Blue Lagoon was established, there has been a strong emphasis on the multiple use of resource streams and reducing waste in the Company's operations. The ecological cycle of geothermal seawater is a unique example of how resource streams can be efficiently reused in harmony with society and nature. This ideology has followed the Company ever since, e.g. in the development of the Company's products and experiences and in setting the Blue Lagoon's goals for the future.

Risk assessments are performed for environmental impact and monitored according to importance to the Company's environmental management system, in order to minimise its environmental footprint on both the immediate and distant environment. The environmental management system is constantly updated and maintained in accordance with changes in operations and it is certified according to ISO 14001 by BSI in Iceland.



Goal results

Numerous environmental improvement projects were undertaken in 2023 to maintain the environmental management system and minimise the Company's environmental impact.

Important milestones achieved during the year were:

- ☒ Blue Lagoon and Blue Lagoon Skincare received a B Corp™ certification in the middle of the year by reaching over 80 points in the B Lab™ evaluation system. The Company then became one of two companies in Iceland with that certification.
- ☒ Taxonomy's requirements were reviewed, and the Company's accounting was adapted to them.
- ☒ ESRS requirements according to CSRD were reviewed, and the sustainability report was adapted to those requirements, as well as to GRI.
- ☒ An evaluation system for the Global Goals by B Lab™ was completed, and its results can be seen in this report.
- ☒ New refill stations were installed in the Blue Lagoon skincare stores on Laugavegur and in Kringlan. The Company's customers can now bring empty packaging and have it refilled at the store at a lower cost.
- ☒ Investment was made in new measuring equipment to monitor outdoor air quality at the Blue Lagoon operating area in Svartsengi. The meters measure both hydrogen sulfide (H₂S) and sulphur dioxide (SO₂).
- ☒ The Company began discussions with the Agricultural University of Iceland and a vegetation expert from energy company *Orka náttúrunnar* to promote the growth of racomitrium moss in the local environment of the Blue Lagoon in Svartsengi.
- ☒ Monitoring of procurement from the local community was improved so that it can be continuously assessed.
- ☒ The Company's new business units were added to its environmental accounting so that Blue Lagoon reflects all its business units, and that they can be separated.

Some projects could not be completed during the year as planned due to seismic activity in the second half of the year, which affected the prioritisation of projects. The projects that are still considered to be environmentally important for the Company will be carried over to the next year.

Focus areas 2024

Towards net zero

- ☐ Adjust the Company's carbon accounting to ESRS requirements
- ☐ Implement electronic reports for the Company's carbon footprint
- ☐ Plant more carbon-certified forests

Towards a circular economy

- ☐ Continue to reduce waste generation and increase recycling rates
- ☐ Make Blue Lagoon Skincare skin products plastic neutral
- ☐ Adjust the calculations of the Company's plastic footprint to the requirements of third parties

Towards sustainability

- ☐ Define a community fund that covers all business units of the Company
- ☐ Continue to implement new business units into the Company's environmental accounting
- ☐ Improve the process for supplier and contractor evaluation in accordance with the Company's procurement rules
- ☐ Launch improvement projects according to B Corp™'s roadmap

These priorities will be pursued for the remainder of the year, and success will be evaluated based on the environmental goals set in 2024.

Sustainability from the ground up

The core and source of Blue Lagoon’s operations have been based on sustainability from the very beginning.

Sustainable operations

The first reservoir formed in 1976 due to the overflow of groundwater from the geothermal plant HS Orka, which was then under construction. As the silica-rich subterranean seawater cooled in the lava, silica deposits began to form in the liquid. They gradually filled up the fissures of the lava and as a result a lagoon was formed. Soon after, residents of nearby areas began to bathe in the lagoon, and tales began to spread about the positive effects the geothermal seawater had on the skin, especially for those suffering from psoriasis.

It was the enthusiasm of the Company’s founder and CEO, Grímur Sæmundsen, that then led to the establishment of Blue Lagoon. Grímur, who is a doctor, did a lot of research on the properties of the geothermal seawater to understand its effects on the skin. First, he established a skin treatment centre, and then in 1992 he founded the world-famous spa, the Blue Lagoon.

The core and source of Blue Lagoon’s operation have therefore been based on sustainability considerations from the very beginning. The Company’s guiding principle has always been to make full use of resource streams from the bowels of the earth, which are reused from the nearby geothermal plant, in order to create value. This value is evident in both guest experiences and product development. This philosophy is reflected in the design of the Company’s experiences, products, and buildings, which are always developed in harmony with their environment.

The ecocycle of geothermal seawater

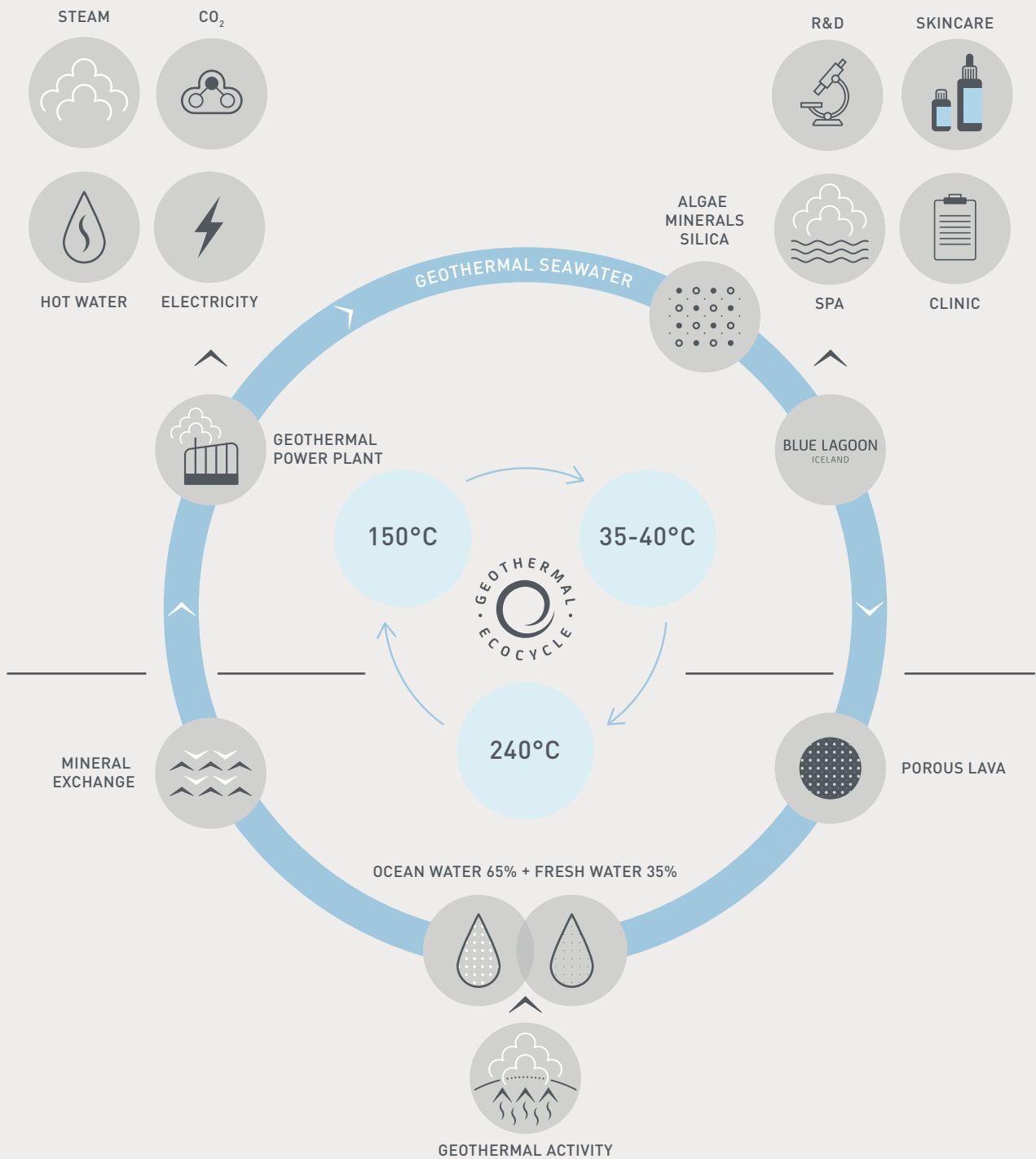
The origin of the Blue Lagoon can be traced to geothermal seawater extracted from strata at a depth of about 2,000 metres below the surface of the lava that surrounds the operations. The seawater is composed of 2/3 sea and 1/3 fresh water and is at a temperature of around 240°C when it is extracted. The chemical composition of the water, which is rich in minerals, makes it unique. For example, the silica deposits in the water give it its world-famous blue colour. The liquid also forms a unique ecosystem where special blue-green microalgae bloom under ideal conditions.

Years of scientific research on the microalgae, their interaction with silica, and on the properties of the geothermal seawater have demonstrated the amazing healing powers of the water, both in terms of treating skin disorders such as psoriasis, and its effectiveness against visible signs of skin aging.

Natural raw materials

The geothermal seawater is first used to produce green energy for the local community, and then it is used for many purposes in the Company’s operations. Finally, it is returned down to the strata and thus back into the circular system. Steam from the geothermal plant is used to produce sea salt from the geothermal seawater, and carbon dioxide from the geothermal plant is used to feed blue-green microalgae that have been isolated from the lagoon’s unique ecosystem and cultivated in the Company’s Research and Development Centre. Although the geothermal plant pro-

The ecocycle of geothermal seawater of Blue Lagoon



duces green energy, natural carbon dioxide is always released from the boreholes. It is collected and part of it is used in the cultivation of microalgae.

The blue-green microalgae of the Blue Lagoon are unique and were not known until the first lagoon formed. Suddenly, perfect growing conditions were created that allowed the microalgae to bloom, which is quite unusual for microalgae. The high temperature, salinity, and silica of the geothermal seawater create a perfect environment for this particular microalgae. It is now grown in the Company's Research and Development Centre, and fed with green energy and natural carbon dioxide from the geothermal plant.

Blue Lagoon Skincare Ltd. produces high-quality raw materials for the skincare products by reusing subterranean seawater and other resource streams from the geothermal plant. Thus, the Company contributes to the sustainable use of renewable resources and sequestration of carbon dioxide by cultivating microalgae. All the Company's ingredients used in its skincare products are COSMOS approved and can therefore be used in COSMOS natural certified products.

Green energy

Blue Lagoon's electricity and geothermal energy consumption all comes from the nearby geothermal plant and is completely renewable. In the Company's procurement policy, energy-efficient equipment is deliberately chosen over others, and energy-efficient LED lighting is chosen where possible. In its operations, the Company is constantly working to find new ways to reduce waste and thereby minimise its environmental footprint. Energy waste is one of its facets. Electricity in Iceland emits only 8.54g of carbon dioxide equivalents (CO₂eq) per kilowatt hour, which is one of the lowest in Europe, and about 30 times lower than the European average.

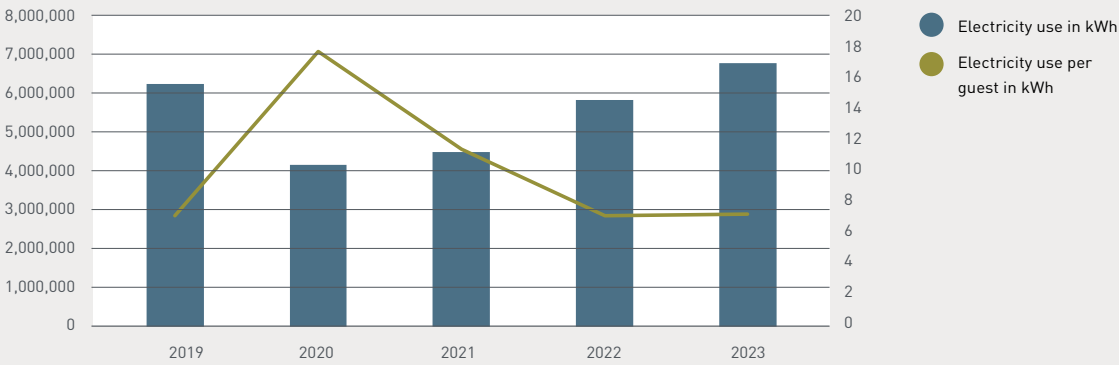
Electricity use was reduced in 2020 and 2021 compared to previous years, or by

about a third compared to the previous years. This decrease can be attributed to the downturn in operations due to COVID-19. However, the average consumption per guest rose considerably, because buildings and equipment must always be operated on minimum electricity even if there are no guests on the premises. The increase in 2022 is a direct result of the increase in the number of visitors, and the increase in 2023 was due to the introduction of new business units into the accounting. However, usage per visitor has remained fairly constant over the last two years. The Company is constantly looking for new ways to maximise the efficiency of energy streams every year by reducing waste and investing in more environmentally friendly equipment. The Company invested in a new cold room in its warehouse in Grindavík with increased thermal efficiency and an environmentally friendly refrigerant: carbon dioxide. This refrigerant has a GWP factor many times lower than conventional refrigerants. Improvements to the geothermal seawater system were also undertaken so that the number of pumping equipment units could be reduced and reliability increased with improved energy efficiency.

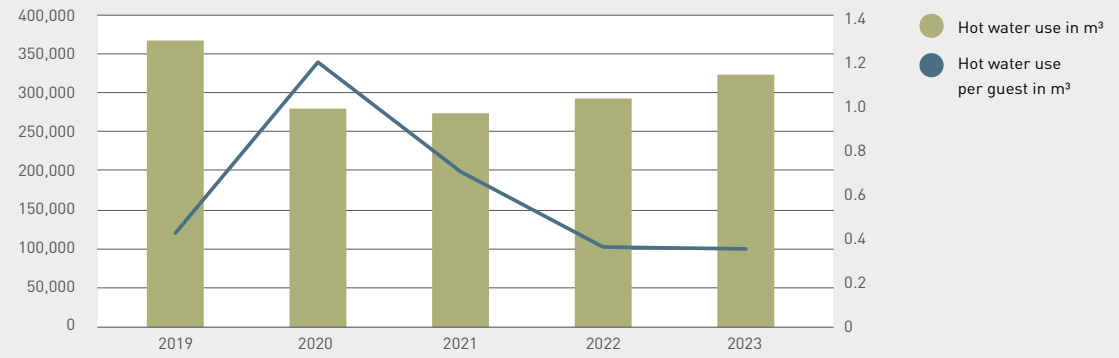
Water consumption

The full utilisation of resource streams is what characterises the operation and products of Blue Lagoon. It is part of the Company's strategy to maximise the use of geothermal seawater and other resource streams to create unique experiences and natural value. The use of geothermal seawater in recent years has not increased despite the introduction of new business units with new bathing lagoons. The reason is the Company's optimisation of geothermal seawater pumping equipment by equalising flow and temperature control in its bathing lagoons. A decline in the use of geothermal seawater and other resource streams is directly related to a downturn in operations due to the pandemic or natural disasters. Optimising operations has led to lower water consumption per guest in recent years.

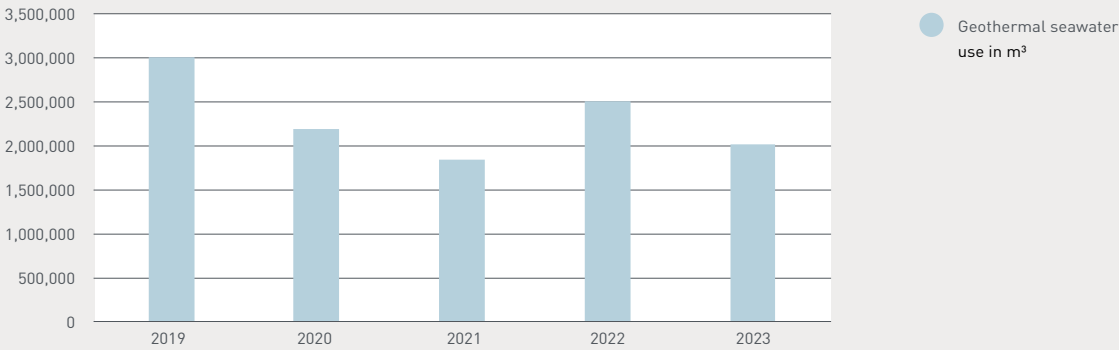
Electricity use



Hot water use



Geothermal seawater use



Climate change action

Blue Lagoon strives to be a role model in giving visitors an environmentally friendly experience with wellbeing and sustainability as a guiding principle.

Climate change and global warming are humanity’s biggest environmental threats and challenges. Blue Lagoon takes responsibility in these issues and strives to be a role model in giving visitors an environmentally friendly experience with wellbeing and sustainability as a guiding principle.

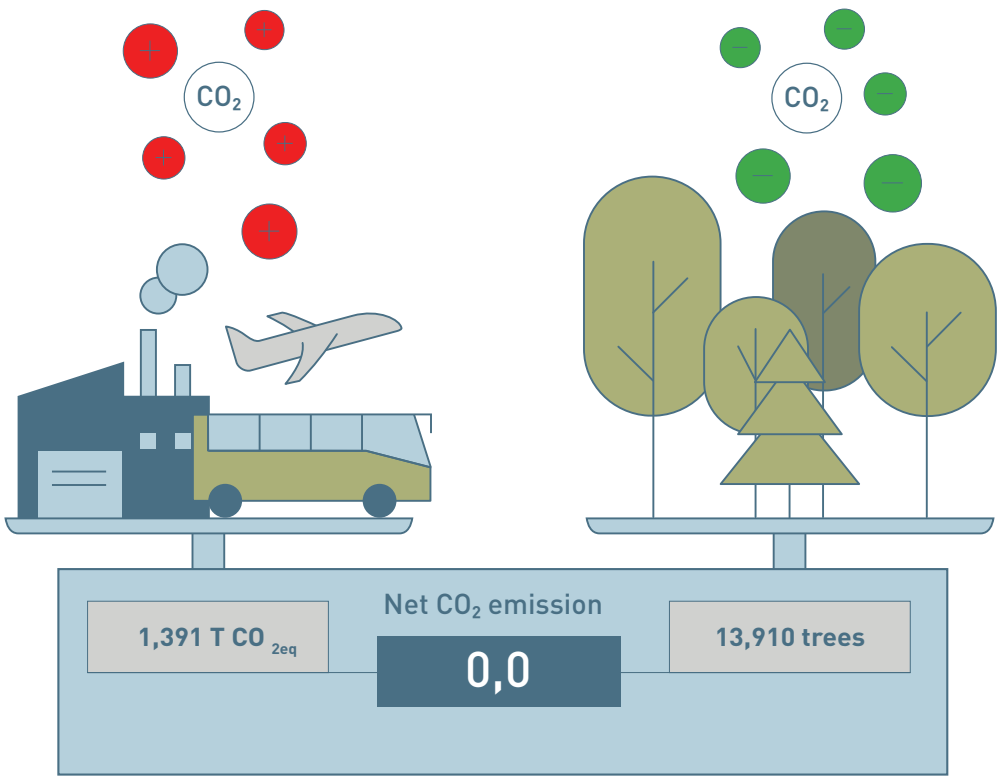
A net zero experience

The Company has been managing its carbon accounting since 2015 and has been collaborating with Kolviður regarding the carbon offset of all emissions from Blue Lagoon since 2019. Through that partnership, the Company has planted 52,700 trees in five years. The carbon offset for the year

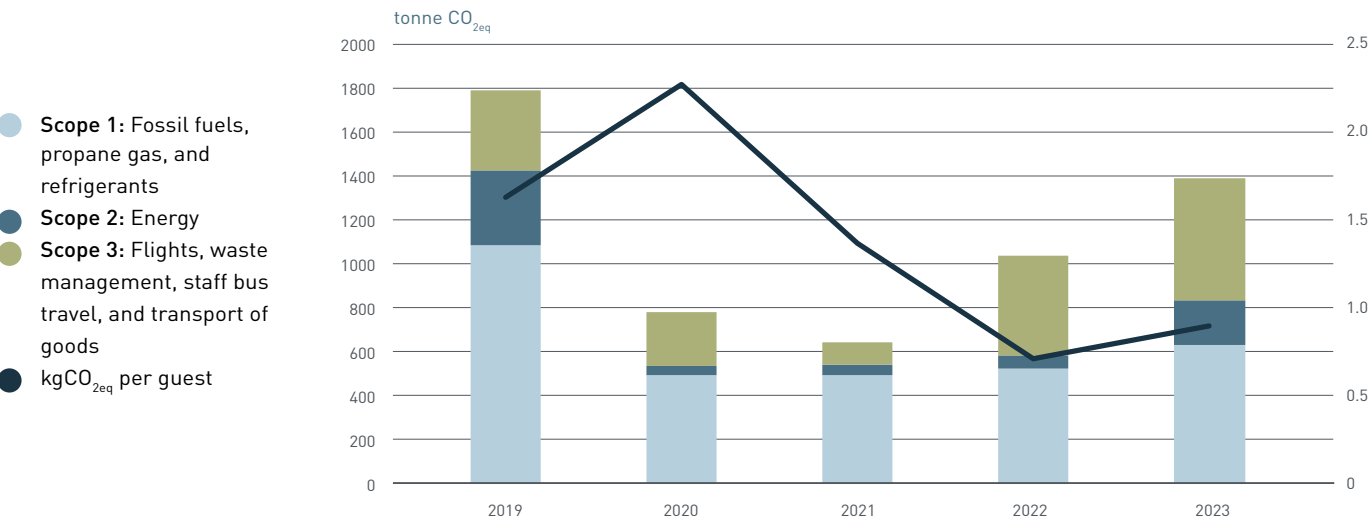
2023 covered electricity, thermal energy, fuel consumption, refrigerants, gas consumption, emissions due to waste, staff air travel, staff bus travel, and transportation of the Company’s products from warehouses abroad to the customer’s door.

In 2023, the total emission of greenhouse gases from Blue Lagoon was 1,391 tonnes of CO_{2eq}, and Kolviður will therefore plant trees to offset that emission.

A new 46-hectare forest in the land of Skriðufell in Þjórsárdalur, close to the development of a new experience area, will yield certified carbon credits for both the



Greenhouse gas emissions



construction and operation of the Mountain Baths. The Icelandic Forestry Association managed the planting in 2022, and manages both maintenance and certification of the forest. The Forestry Association also chose the combination of tree species so that the forest fits the environment in the area as well as possible and supports the diversity of flora and fauna.

New business units

A number of improvement projects in recent years have been successful in reducing greenhouse gas emissions, but with the introduction of new business units, total emissions increased. The largest contributor to the Company’s emissions last year was fossil fuel emissions. The amount of fossil fuel increased considerably in 2023 with the introduction of new business units in the highlands of Iceland, as this

is an area that is difficult to reach without specially equipped vehicles, especially in winter.

Emission factors updated

Emissions due to energy consumption increased considerably between years, which can primarily be attributed to changes in emission factors for hot water and electricity. The Company has based its emission factors on the published emission factors from the Environment Agency. The institute bases its factors primarily on IPCC recommendations, but also on Icelandic conditions. Emissions from hot water use have long been incorporated in the emission factor for electricity use, with the hot water being considered a by-product. In 2023, these factors were broken down into the use of electricity on the one hand, and the use of hot water on the other.

Towards a circular economy

The sustainable use of resource streams creates added value for the Company and society.

Society without waste is Blue Lagoon’s motto in environmental matters, and the objective of the Natural Resources Park in the utilisation of resource streams. When designing and developing new experiences or products, we always look to the resource and the waste flows from it to assess how they can be utilised better. With the operation of the Blue Lagoon come various other waste flows (waste materials), which the Company works systematically to sort and separate for reuse or recycling, thus creating added value for the Company and society.

Circular packaging

All of the Blue Lagoon’s new skincare lines are designed and produced in environmentally friendly recycled packaging, in particular cardboard, aluminum, and glass instead of plastics. Products in plastic packaging are only sold to deplete stock, but will then be produced in more environmental-

ly friendly packaging. All paper used for packaging comes from responsible forestry and is FSC (Forest Stewardship Council) certified. We are constantly working to reduce waste in operations by reducing the amount of packaging and choosing multi-use over single-use whenever possible. In 2023, a refilling station for hand soap, body lotion, hand cream, shower gel, shampoo, and conditioner was implemented in the Blue Lagoon store in Kringlan. Customers can bring empty packaging and get refills at a lower price compared to buying the products in new packaging.

Waste management

We are constantly working to improve the Company’s waste management towards a circular economy, with an emphasis on reducing the amount of waste and reusing or increasing the recycling of materials in operations. The total amount of waste decreased during the pandemic, but the

percentage of recycled waste increased as a result and has remained constant for the past two years at 57%. Blue Lagoon sorts waste materials from operations into 13 categories that are distributed throughout the Company’s operating area according to needs and efficiency.

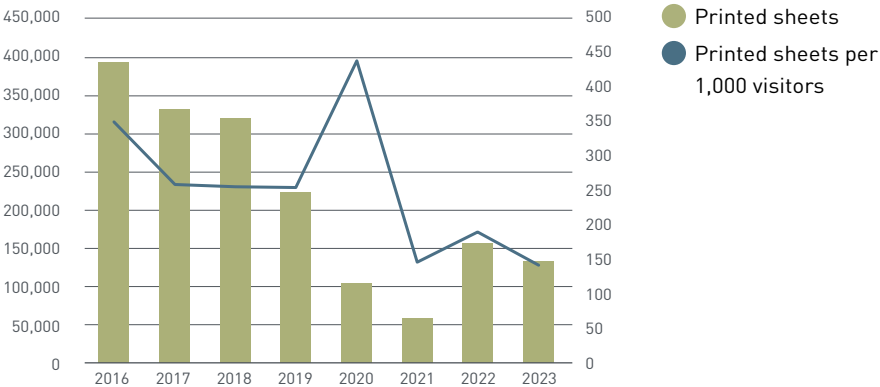
Digital processes and procedures

Optimising operations through the use of technology and new products to promote digital development and customer service has been a priority at Blue Lagoon in recent years. The Company continues to improve its booking and software system, thus simplifying procedures and reducing unnecessary printing and waste generation.

All paper that the Company buys is PEFC or FSC certified, i.e. the producer practices responsible use and cultivation of forests. In 2023, 15% fewer A4 sheets were printed at the Company than the previous year, despite more visitors, more staff, and increased turnover. It can be estimated that the printing of papers in 2023 is equivalent to the use of 19 trees.

The Company now only offers its customers paper bags and reusable bags for sale in order to reduce unnecessary waste and plastic use. The number of paper bags sold increased in line with the number of visitors, but the number of reusable bags sold remained almost the same between years. In 2023, 9 out of every 100 bags sold were reusable. Customers are generally encouraged to bring their own bags but purchase bags on-site if needed. It is also important that reusable bags are versatile, and therefore the reusable bags from Blue Lagoon have been designed to be both durable and beautiful. They are made of cotton so it is

Blue Lagoon’s paper use

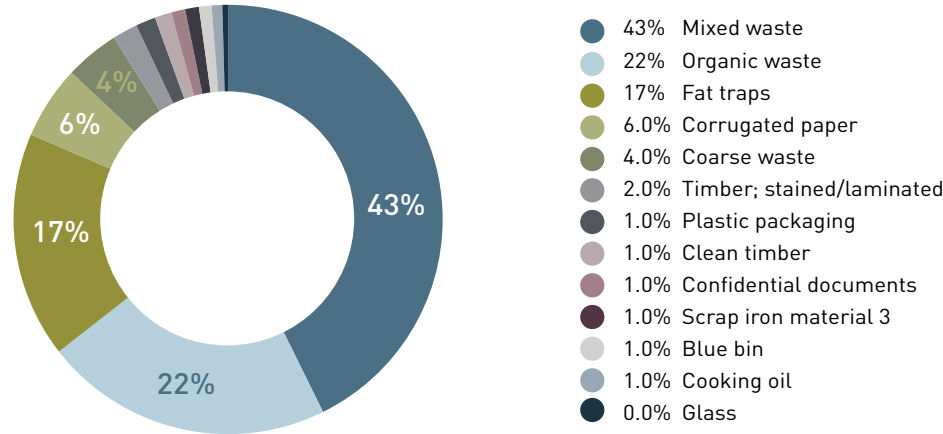


easy to recycle them once they have been fully used.

Disposable plastics

In recent years, Blue Lagoon has mapped its plastic footprint in relation to disposable plastics in their customers’ experiences and products. During this time, the Company has worked systematically to reduce its plastic footprint and aims to eliminate all disposable plastics from the experience of its guests. The Company’s plastic footprint has decreased by 87% since 2019. This success can be attributed to changes in the availability of sandals, reusable glass in the lagoon, reusable carrier bags, environmentally friendly packaging for the Company’s food and skincare products, and other improvement projects. This is clearly addressed in the Company’s environmental policy, followed by goals and projects to reduce disposable plastics.

Blue Lagoon’s waste management in 2023



Social impact

10



Healing power

The medical clinic's skin treatments are intertwined with the history of Blue Lagoon.

The medical operation is intertwined with the history of Blue Lagoon. Since 1994, the Company has offered treatment for psoriasis based on the unique healing powers of the subterranean seawater and the use of Blue Lagoon treatment products.

Psoriasis patients need a request from a dermatologist to come for treatment, and it takes place under the supervision of a dermatologist and a nurse at the medical clinic.

For many years, the Company has offered Icelanders natural treatment for psoriasis at its Clinic free of charge, and free of charge to the state. The treatment is approved by health authorities as a treatment option for psoriasis patients.

Last year, Blue Lagoon treated psoriasis patients who are insured in Iceland free of charge, just like in previous years. The number of treatment sessions during the year was almost 1,400.



Cooperation and collaboration

Broad cooperation on sustainable value creation.

Blue Lagoon is part of the Natural Resources Park in Suðurnes and operates within the UNESCO Reykjanes Global Geopark. Thus, the Company belongs to a broad cooperative of various business units on the Reykjanes peninsula. This cooperation is intended to promote the area as a destination; support the sustainable use of resources in harmony with nature; and increase knowledge, awareness and protection of geological formations in the area.

Blue Lagoon is actively involved in diverse collaborative projects that promote Iceland as a destination, especially in terms of health and well-being. These include projects in sales and promotion, sustainability, and environmental issues and innovation. By participating in these projects, the Company contributes to value creation and Iceland's competitiveness in the field of tourism.



Networking meeting

Consensus and solidarity on increased sustainability.

At the Blue Lagoon office in Urriðaholt, a networking meeting was held with representatives of Festa-Centre for sustainability. The meeting was extremely informative. Emphasis was placed on the important role of sustainability, both in the local community and outside it.

During the meeting, lively discussions took place and the upcoming requirements in sustainability in Iceland were highlighted. Like Helga Árnadóttir, Blue Lagoon's Director of Sales, Marketing, and Development, pointed out, sustainability is not an option but a responsibility that we owe both to the environment and to future generations. Fannar Jónsson, the company's Quality and Environment Manager, agreed with that point of view and also emphasised the importance of local residents' commitment and that they take the initiative.

Helga and Fannar talked about Blue Lagoon's interesting journey in terms of sustainability, emphasis on environmentally friendly operations, and the recent achievement of receiving the prestigious and international quality certification B Corp™. This discussion was a testament to the Company's sincere interest in sustainability and supports its guiding principle of wellbeing for people and planet.

Blue Lagoon would like to express its gratitude to Festa for creating a platform where interested individuals can come together, exchange opinions, and work together to find new ways to increase sustainability in operations. Together, we can have a big impact and create a more sustainable future for society and the world as a whole.



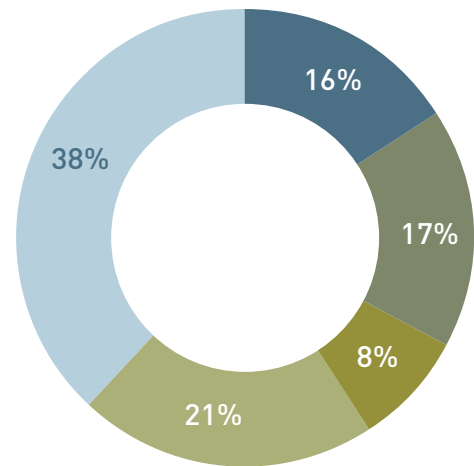
Supporting the local community

Targeted and extensive support for the local environment and community.

Every year, Blue Lagoon supports its local environment and local community in an extensive and targeted way. In addition to directing business and purchases to suppliers and partners in the local area, the Company supports a variety of projects with direct financial support, with sports and youth work at the forefront, along with various grants for health, culture and environment-related issues. In 2023, Blue Lagoon awarded community grants amounting to around ISK 220 million.

On the initiative of Blue Lagoon, work began in 2021 to improve the facilities at Reykjanes lighthouse, in good cooperation with *Hollvinasamtök Reykjanesvita* and Reykjanesbær municipality, among others. The project has been in constant development since then. The old lighthouse keeper residence was renovated and conditions improved for visitors to the area.

Blue Lagoon's community projects and grants



- Sports activities
- Culture and education
- Health and well-being
- Medical Clinic
- Reykjanes Lighthouse



Blue Lagoon was a sponsor of Design March, and in 2023 the Company's design history was illustrated visually at the festival. The artist Þórdís Erla Zoega designed a visual experience of the lagoon.



Blue Lagoon's annual women's golf tournament was held at Húsatóftavöllur in Grindavík.

Blue Lagoon Challenge, Iceland's biggest mountain bike competition, was held for the 27th time this year.

As in previous years, Blue Lagoon supported the renovation of Reykjanes lighthouse.

Blue Lagoon belongs to a group of companies that support For-skot, a fund intended to promote young, high-achieving golfers.

The Company is a sponsor of Iceland Airwaves music festival and this year it was celebrated with a collaboration with two artists who encouraged people to slow down and enjoy the present moment.





Methodology

About this report

This report is prepared and continuously improved in accordance with GRI standards.



The annual report has been prepared and consistently refined in alignment with the priorities set forth by the Global Reporting Initiative (GRI). For over a decade, Blue Lagoon has been releasing the Company’s annual report, encompassing both financial and non-financial information.

In the past four years, the annual report has undergone further enhancement and is currently structured in reference to the Global Reporting Initiative Standards (GRI Standards), with a specific emphasis on Corporate Social Responsibility (CSR). GRI, as a non-profit organization, actively promotes economic sustainability and is renowned for producing one of the world’s most recognized standards for corporate social responsibility reporting. In 2022, GRI introduced a revised version of the GRI Universal Standards, and the current report

has been prepared in reference to this updated version.

The preparation of this report adheres to a set of guiding principles, including **accuracy, balance, clarity, basis of comparison, completeness, sustainability context, timeliness, and verification.**

This comprehensive report pertains to the calendar year 2023 (January–December) and is presented alongside the annual accounts of Blue Lagoon and its subsidiaries.

Published in April 2024, this report serves as a valuable resource for stakeholders seeking insights into the Company’s performance and commitment to responsible business practices. For additional details regarding the report and its contents, inquiries can be directed to the email sustainability@bluelagoon.is

GRI requirements

Last report published	2024 for the year of 2023
Reporting period	January 2023 – December 2023
Report frequency	Annually
GRI Standards	Refer to GRI sources

The European Union’s (EU) taxonomy

The EU taxonomy is issued by the EU executive branch to define environmentally sustainable economic activities. It provides a common framework for investors and indicates which investment choices are considered supportive of carbon neutrality and the Paris Agreement on climate change. The goal of is to classify economic activities with respect to their contribution to six specified environmental objectives:

- 1. Mitigating climate change
- 2. Adaptation to climate change
- 3. Sustainable use and protection of water and marine resources

- 4. Transition to a circular economy
- 5. Pollution prevention and monitoring
- 6. Conservation and restoration of biodiversity and ecosystems

Blue Lagoon aligns with environmental goal number 4, ‘Transition to a circular economy,’ and its operations are in harmony with all other environmental objectives. In fact, Blue Lagoon serves as a distinctive model of a circular economy through the responsible utilization of renewable geothermal resources. For more details, refer to the environmental sustainability section in Chapter 9 of this report.

EFRAG sectors classification

The European Financial Reporting Advisory Group (EFRAG) is a technical private group that is working on defining the European Sustainability Reporting Standards (ESRS) to outline requirements for detailed corporate reporting on environmental, social, and governance (ESG) issues.

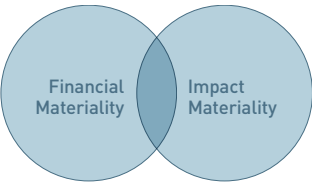
To better understand our impact and sustainability matters we looked into their last published sector classification standard.

Sector groups	Sectors	Sustainability matters
Hospitality	Food & Beverage Services Hotels & Lodging	Energy consumption & mix Resources inflow Waste and emissions Financial exposure to physical and transition risks, opportunities Pollution of water Pollution of soil Working conditions Personal safety
Entertainment	Leisure Facilities	Energy consumption & mix Working conditions Products and services

EFRAG sector classification (ESRS SEC1)

Double materiality

The double materiality concept combines the perspective of the financial materiality and the impact materiality. By publishing a non-financial report in accordance with the GRI Standards, Blue Lagoon evaluates the impact materiality of sustainability topics. By applying this double criteria, Blue Lagoon aims to address both perspectives in its sustainability report in future, by using future EFRAG guidelines.



Financial materiality	Impact materiality
A sustainability topic is material from a financial perspective if it triggers financial effects on undertakings, i.e. generates risks or opportunities that influence or are likely to influence the future cash flows and therefore the enterprise value of the undertaking in the short, medium or long term but are not captured by financial reporting at the reporting date.	A sustainability topic or information is material from an impact perspective if the undertaking is connected to actual or potential significant impacts on people or the environment and is related to the sustainability topic over the short, medium or long term.

European Sustainability Reporting Standards (ESRS)

The Corporate Sustainability Reporting Directive (CSRD) mandates EU undertakings to include EU Taxonomy disclosures and ESRS statements in their management reports, starting from FY 2024. While the CSRD establishes the legal framework and reporting obligations, the ESRS serves as a roadmap for compliance.

Blue Lagoon has been publishing sustainability reports since 2019, adhering to GRI standards. Recognising the need to align with ESRS requirements, GRI has introduced the GRI-ESRS Interoperability Index, facilitating the integration of GRI reporting practices with ESRS mandates. In our current report, a linkage between material topics and ESRS indicators is provided in the GRI index. The next step entails conducting a GAP analysis to identify disparities between our current reporting and ESRS requirements.

Key steps in this process include:

- Conducting a double materiality assessment to identify relevant reporting areas.
- Completing a data gap analysis to address discrepancies in data availability.
- Collecting additional data on material topics to meet ESRS requirements.
- Conducting an ESG risk assessment to identify potential risks and opportunities.
- Assessing governance (GOV), strategy (SBM), impact, risk and opportunity management (IRO), and metrics and targets (MT) for material topics.
- Structuring the sustainability statement in accordance with ESRS guidelines.

By following these steps, Blue Lagoon aims to enhance the transparency and accuracy of its sustainability reporting and ensuring compliance with evolving regulatory standards while reinforcing its commitment to responsible business practices.

ESG risk assessment

Conducting an ESG (Environmental, Social, and Governance) risk assessment is crucial for Blue Lagoon to navigate its sustainability efforts effectively. This process acts as a compass, helping the company identify potential challenges and discover new opportunities in environmental impact, social responsibilities, and governance practices.

For Blue Lagoon, the ESG risk assessment will be used as a roadmap that highlights areas of strength and potential vulnerabilities in its commitment to responsible practices. This proactive approach allows the company to define actionable measures to address risks and capitalise on opportunities.

In the dynamic landscape where stakeholders value transparency and ethical business conduct, implementing ESG risk assessment is a strategic approach. It not only aligns the company with global sustainability goals but also reinforces its commitment to responsible practices. This builds trust among both internal and external stakeholders, contributing to long-term success.

In 2024 the company will move on to develop an ESG risk assessment on the material topics previously identified to support and navigate the complexities of sustainability. This will ensure that potential challenges are addressed effectively while uncovering opportunities to make a positive impact on both society and the environment.

Sustainability due diligence

We have undertaken the integration of sustainability with great commitment to ensure that our operations are guided by the values of sustainability, transparency, and social responsibility.

01

Kick-off: We formed a dedicated CSR Committee consisting of sustainability experts. We actively engaged our employees in sustainability initiatives, educating them about the importance of sustainability in our operations and industry.

02

Stakeholder identification and dialogue: We set multiple opportunities to carefully listen to our stakeholders' concerns and perspectives through meetings, consultations, and questionnaires. This process has helped us gain a better understanding of our stakeholders' needs and involve them in our decision-making process.

03

Impact identification and assessment: Through the years we have identified and assessed the impacts of our operations on multiple stakeholders, society, and the environment. This assessment allows us to pinpoint areas where intervention is necessary and plan actions to address adverse impacts

04

Definition and implementation of corrective actions: We constantly develop action plans to mitigate adverse impact and leverage the opportunities identified. Our key and affected stakeholders are actively involved in the implementation process.

05

Integration into governance, strategy, and business model: The results of the due diligence have been integrated into our decision-making processes and our corporate strategy. We have also reviewed our business model to ensure alignment with sustainability goals.

06

Results communication, monitoring, and adaptation: We provide transparent information through our sustainability reports, inclusive of the due diligence findings and the corrective actions taken. We aim to share our progress and demonstrate our commitment to sustainability goals. We have implemented a continuous monitoring system to assess the effectiveness of corrective actions over time. At Blue Lagoon, we are ready to adapt our strategies based on the evolution of sustainability requirements and emerging challenges.

Blue Lagoon stakeholders

Internal	External
Board (Shareholders) CEO and key members Employees Internal contractors Directors of business units	HS Orka Suppliers Guests Consumers Local community Unions Agencies - PR and marketing Competitors Public administration Agents - B2B partners Non-profit organisations/associations Distributors of BL skincare products External contractors

Materiality assessment process and results

Blue Lagoon supports sustainable development, as it is an integral part of the Company’s core values and built into its resources.



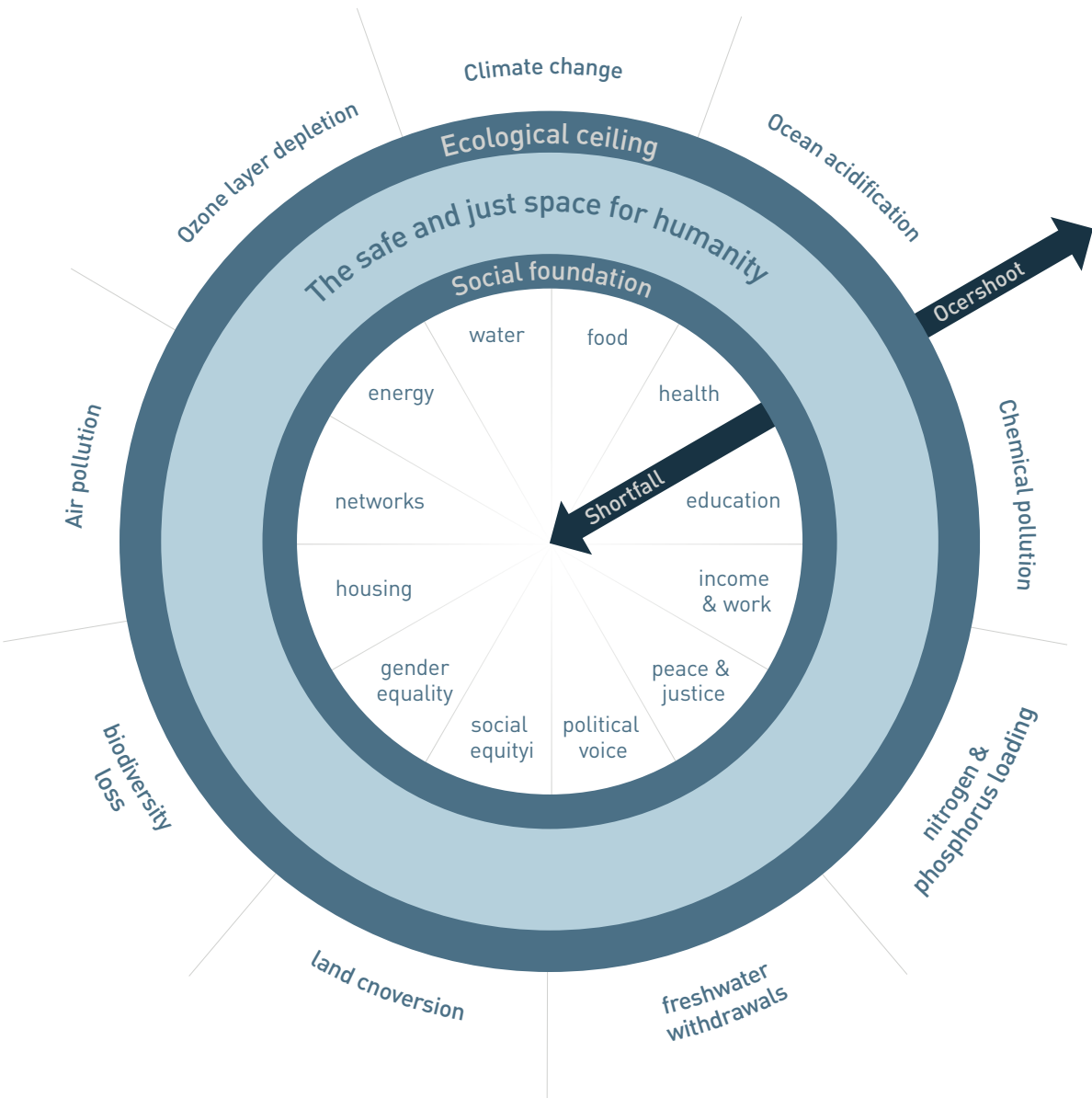
1. Context analysis

„How can Iceland become a home to thriving people in a thriving place while respecting the wellbeing of all people and the health of the whole planet?“

This question comes from the doughnut economics action lab, which integrates local aspiration and global responsibility, both the ecological and social boundaries. Iceland is fully committed to achieve sustainable development both nationally and internationally. The SDGs have been integrated into government policy on social, economic ,and environmental affairs, with a particular emphasis on building a peaceful and just society, free from fear and violence.

On the national level, Iceland aims to identify and better serve marginalised groups in society and to build partnerships to address the large environmental footprint of the modern lifestyle. Iceland is still a net contributor to climate change, but heads for carbon-neutrality at the latest in 2040. On the international level, Iceland shares its expertise in gender equality, land restoration, and the use of sustainable natural marine and energy resources through its international cooperation. It promotes human rights for all, gender equality and the empowerment of women.

*Source: sustainabledevelopment.un.org



By starting from here, we at Blue Lagoon are aware of our role in contributing to support and achieve sustainable development. Since its establishment, Blue Lagoon has placed great emphasis on social responsibility, which has evolved over the years in line with changes within the Company and society. Sustainability is at our core and we aim to have positive social and environmental impact on society.

2. Impact assessment

In 2022 we conducted a comprehensive review of our impact, based on our sector, operational context, products, services, activities, and company business model.

Blue Lagoon operates in the hospitality and wellness industry. To better understand our operations and related impact we analysed the EFRAG sector classification and sustainability matters.

In addition to this, we carried out desk research and reviewed our policies, activities, products, processes, and value chain. In order to ensure comparability we also considered our previous sustainability reports and material topics.

The outcome of this step shaped a comprehensive list of topics that were tested with information from users and experts through stakeholder consultation.



3. Stakeholder consultation

Blue Lagoon serves a diverse group of stakeholders and we believe that an effective engagement is crucial to understanding their viewpoints so that we can better align our business with their goals. We actively engage both internal and external stakeholders through various avenues, including employees, local and international guests and customers, suppliers and contractors, and sales agents.

We followed a 6-step process to classify material topics for our sustainability report:

- 01 Identify Blue Lagoon’s stakeholders through internal assessment by applying the process of ISO 26000 guidelines;
- 02 Categorise stakeholders into groups to better plan the engagement according to

target, communication channels, and other factors;

- 03 Prioritise groups of stakeholders to engage for the materiality assessment;
- 04 Carry out the engagement, ask for relevance and preference on impact, and to contribute with other concerns (see appendix);
- 05 Define a list of relevant topics to consider for sustainability reporting;
- 06 Gather data and develop content to build sustainability reporting.

4. Material topics for reporting

After the stakeholder consultation, we updated our list of material topics for 2022-2024.

Blue Lagoon material topics










2019-2021	2022-2024
Economic <ul style="list-style-type: none">· Economic performances· Market presence· Procurement practices	Economic <ul style="list-style-type: none">· Economic and financial performance· Indirect economic impact that Blue Lagoon could have on the community· Local procurement· Anti-corruption and anti-competitive behaviour· Taxation
Environmental <ul style="list-style-type: none">· Materials· Energy· Water and effluents· Emissions· Effluents and waste· Environmental compliance	Environmental <ul style="list-style-type: none">· Reduction of single use plastic· Procurement and utilisation of resources· Energy efficiency· Water use· Impact on biodiversity· Emissions and climate change· Waste recycling· Supplier environmental assessment
Social <ul style="list-style-type: none">· Employment· Occupational health and safety· Training and education· Diversity and equal opportunity· Non-discrimination· Local communities· Customer health and safety	Social <ul style="list-style-type: none">· Employment company culture· Marketing and labelling· Health and safety of employees and guests· Training and education· Diversity and equal opportunity· Human rights· Supporting local communities· Supplier social assessment· Freedom of association and collective bargaining· Privacy· Child or forced labor· Non- discrimination

GRI standards




















Blue Lagoon’s CSR Report is published in accordance with the GRI standards as they stood between January 2023 and December 2023. GRI 1 Foundation 2021 was further-more used as a reference.






From Blue Lagoon material topics to GRI standards topics

2022-2024	GRI standards
Economic <ul style="list-style-type: none">· Economic and financial performance· Indirect economic impact that Blue Lagoon could have on the community· Local procurement· Anti-corruption and anti-competitive behaviour· Taxation	Economic (200) <ul style="list-style-type: none">Disclosure 201 Economic PerformanceDisclosure 203 Indirect Economic ImpactsDisclosure 204 Procurement PracticesDisclosure 205 Anti-corruptionDisclosure 206 Anti-competitive behaviorDisclosure 207 Tax
Environmental <ul style="list-style-type: none">· Reduction single use plastic· Procurement and utilization of resources· Energy efficiency· Water use· Impact on biodiversity· Emissions and climate change· Waste recycling· Supplier environmental assessment	Environmental (300) <ul style="list-style-type: none">Disclosure 301 MaterialsDisclosure 302 EnergyDisclosure 303 WaterDisclosure 304 BiodiversityDisclosure 305 EmissionsDisclosure 306 WasteDisclosure 308 Supplier Environmental Assessment
Social <ul style="list-style-type: none">· Employment company culture· Marketing and labelling· Health and safety of employees and guests· Training and education· Diversity and equal opportunity· Human rights· Supporting local communities· Supplier social assessment· Freedom of association and collective bargaining· Privacy· Child or forced labor· Non-discrimination	Social (400) <ul style="list-style-type: none">Disclosure 401 EmploymentDisclosure 403 Occupational health and safetyDisclosure 404 Training and educationDisclosure 405 Diversity and equal opportunityDisclosure 406 Non-discriminationDisclosure 407 Freedom of association and collective bargainingDisclosure 408 Child laborDisclosure 409 Forced or compulsory laborDisclosure 414 Supplier social assessmentDisclosure 416 Customer health and safetyDisclosure 417 Marketing and labellingDisclosure 418 Customer privacy

GRI Standards—general disclosures	Reference	Not fulfilled, reason	UN SDGs	ESRS	Nasdaq
GRI 2 General Disclosures 2021					
2-1 Organizational details	Financial Statement			See requirements of Directive 2013/34/EU	
2-2 Entities included in the organization's sustainability reporting	P.22-23			ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	
2-3 Reporting period, frequency and contact point	P.120			ESRS 1 §73	
2-4 Restatements of information	P.120-121			ESRS 2 BP-2 §13, §14 (a) to (b)	
2-5 External assurance	Financial Statement			See external assurance requirements of Directive (EU) 2022/2464	G10.1
2-6 Activities, value chain and other business relationships	P.31, Financial Statement			ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	
2-7 Employees	P.158-173			ESRS 2 SBM-1 §40 (a) iii; ESRS S1 S1-6 §50 (a) to (b) and (d) to (e), §51 to §52	S5.1, S4.1, S4.2, S4.3
2-8 Workers who are not employees	P.128-129			ESRS S1 S1-7 §55 to §56	S5.2
2-9 Governance structure and composition	P.22-27			ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b). See also corporate governance statement requirements of Directive 2013/34/EU for public-interest entities	G2.1, G2.2
2-10 Nomination and selection of the highest governance body	P.26-27, Financial Statement			This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	G2.1, G2.2
2-11 Chair of the highest governance body	P.26-27, Financial Statement			This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
2-12 Role of the highest governance body in overseeing the management of impacts	P.26-27, Financial Statement			ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	
2-13 Delegation of responsibility for managing impacts	P.26-27, Financial Statement			ESRS 2 GOV-1 §22 (c) i; GOV-2 §26 (a); ESRS G1 G1-3 §18 (c)	
2-14 Role of the highest governance body in sustainability reporting	P.26-27, Financial Statement			ESRS 2 GOV-5 §36; IRO-1 §53 (d)	
2-15 Conflicts of interest	-	Data missing		This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
2-16 Communication of critical concerns	-	Data missing		ESRS 2 GOV-2 §26 (a); ESRS G1; G1-1 AR 1 (a); G1-3 §18 (c)	
2-17 Collective knowledge of the highest governance body	-	Data missing		ESRS 2 GOV-1 §23	
2-18 Evaluation of the performance of the highest governance body	-	Data missing		This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
2-19 Remuneration policies	-	Data missing		ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13 See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings	
2-20 Process to determine remuneration	-	Data missing		ESRS 2 GOV-3 §29 (e). See also remuneration report requirements of Directive (EU) 2017/828 for listed undertakings	
2-21 Annual total compensation ratio	-	Data missing		ESRS S1 S1-16 §97 (b) to (c)	
2-22 Statement on sustainable development strategy	P.88-101			ESRS 2 SBM-1 §40 (g)	
2-23 Policy commitments	P.177-185			ESRS 2 GOV-4; MDR-P §65 (b) to (c) and (f); ESRS S1 S1-1 §19 to §21, and §AR 14; ESRS S2 S2-1 §16 to §17, §19, and §AR 16; ESRS S3 S3-1 §14, §16 to §17 and §AR 11; ESRS S4 S4-1 §15 to §17, and §AR 13; ESRS G1 G1-1 §7 and §AR 1 (b)	E7.1, E7.2, S6.1, S8.1
2-24 Embedding policy commitments	P.177-185			ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)	
2-25 Processes to remediate negative impacts"	-	Data missing		ESRS S1 S1-1 §20 (c); S1-3 §32 (a), (b) and (e), §AR 31; ESRS S2; S2-1 §17 (c); S2-3 §27 (a), (b) and (e), §AR 26; S2-4 §33 (c); ESRS S3 S3-1 §16 (c); S3-3 §27 (a), (b) and (e), §AR 23; S3-4 §33 (c); ESRS S4 S4-1 §16 (c); S4-3 §25 (a), (b) and (e), §AR 23; S4-4 §32 (c)	
2-26 Mechanisms for seeking advice and raising concerns	P.98-99, 134-137			ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3- 3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	
2-27 Compliance with laws and regulations	P.98-99, 134-137			ESRS 2 SMB-3 §48 (d); ESRS E2; E2-4 §AR 25 (b); ESRS S1 S1-17 §103 (c) to (d) and §104 (b); ESRS G1 G1-4 §24 (a)	
2-28 Membership associations	P.31, Financial Statement			'Political engagement' is a sustainability matter for G1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
2-29 Approach to stakeholder engagement	P.98-99, 134-137			ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21	
2-30 Collective bargaining agreements	P.78-81			ESRS S1 S1-8 §60 (a) and §61	G4.1

GRI Standards—general disclosures	Reference	Not fulfilled, reason	UN SDGs	ESRS	Nasdaq
GRI 3 Material topics 2021					
3-1 Process to determine material topics	P.134-137			"ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv"	
3-2 List of material topics	P.137			ESRS 2 SBM-3 §48 (a) and (g)	
3-3 Management of material topics	P.90-93			ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR- A, MDR-M, and MDR-T; ESRS S1 S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4- 5 §41 (b) to (c). See below for additional linkages to specific topics.	
GRI 201 Economic Performance					
3-3 Management of material topics	P.104-106			-	
201-1 Direct economic value generated and distribute	P.104-106, 174-175			This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
GRI 203 Indirect Economic Impacts					
3-3 Management of material topics	P.122-123, 175				
GRI 204 Procurement Practices					
3-3 Management of material topics	P. 107			ESRS G1 G1-2 §12	
204-1 Proportion of spending on local suppliers	P. 175			Communities' economic, social and cultural rights' is a sustainability matter for S3 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
GRI 205 Anti-corruption					
3-3 Management of material topics	P. 175			ESRS G1 G1-1 §7; G1-3 §16 og §18 (a) og §24 (b)	
205-3 Confirmed incidents of corruption and actions taken	P. 175			ESRS G1 G1-4 §25	
GRI 206 Anti-competitive Behavior					
3-3 Management of material topics	P. 175				
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P. 175			This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
GRI 207 Tax					
3-3 Management of material topics	P. 105, 175				
207-2 Tax governance, control, and risk management	P. 105, 175			This topic is not covered by the list of sustainability matters in ESRS 1 AR §16.	
GRI 301 Materials					
3-3 Management of material topics	P.118-119			ESRS E5 E5-1 §12; E5-2 §17; E5- 3 §21	
ATH.	P.118-119, 154			ESRS E5 E5-4 §31 (a)	
GRI 302 Energy					
3-3 Management of material topics	P.112-114			ESRS E1 E1-2 §25 (c) til (d); E1-3 §26; E1-4 §33	
302-1 Energy consumption within the organization	P.112-115, 154			ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	E3.1, E5.1
302-3 Energy intensity	P.112-115, 154			ESRS E1 E1-5 §40 to §42	
302-4 Reduction of energy consumption	P.112-115, 154			'Energy' is a sustainability matter for E1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	E4.1
GRI 303 Water and Effluents					
3-3 Management of material topics	P.112-114			ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 til §18; E3-3 §20	
303-5 Water consumption	P.112-115, 155			ESRS E3 E3-4 §28 (a), (b), (d) and (e)	E6.1

GRI Standards—general disclosures	Reference	Not fulfilled, reason	UN SDGs	ESRS	Nasdaq
GRI 304 Biodiversity					
3-3 Management of material topics	P.155			ESRS E4 E4-1 §AR 1 (b) and (d); E4-2 §20 og §22; E4-3 §25 and §28 (a); E4-4 §29	
GRI 305 Emissions					
3-3 Management of material topics	P.116-117			ESRS E1 E1-2 §22; E1-3 §26; E1-4 §33 og §34 (b); E1-7 §56 (b) and §61 (c); ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20	
305-1 Direct (Scope 1) GHG emissions	P.116-117, 156			ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	E1.1
305-2 Energy indirect (Scope 2) GHG emissions	P.116-117, 156			ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) to (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)	E1.2
305-3 Other indirect (Scope 3) GHG emissions	P.116-117, 156			ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	E1.3
305-4 GHG emissions intensity	P.116-117, 156			ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	E2.1, E2.2
305-5 Reduction of GHG emissions	P.116-117, 156			ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56	
GRI 306 Waste					
3-3 Management of material topics	P.118-119			ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21	
306-1 Waste generation and significant waste-related impacts	P.118-119, 156-157			ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30	
306-3 Waste generated	P.118-119, 156-157			ESRS E5 E5-5 §37 (a), §38 to §40	
GRI 308 Supplier Environmental Assessment					
3-3 Management of material topics	P.156			ESRS G1 G1-2 §12 and §15 (a)	
GRI 401 Employment					
3-3 Management of material topics	P.78-81			ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	
401-1 New employee hires and employee turnover	P.78-81, 158-159, 164-167			ESRS S1 S1-6 §50 (c)	S3.1, S3.2, S3.3
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P.78-81, 158-159, 164-167			ESRS S1 S1-11 §74; §75; §AR 75	
401-3 Parental leave	P.161			ESRS S1 S1-15 §93	
GRI 403 Occupational Health and Safety					
3-3 Management of material topics	P.84			ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	S7.1, S8.1
403-1 Occupational health and safety management system	P.84, 168-171			ESRS S1 S1-1 §23	
403-2 Hazard identification, risk assessment, and incident investigation	P.84, 168-171			ESRS S1 S1-3 §32 (b) and §33	
403-3 Occupational health services	P.84, 168-171			'Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
403-4 Worker participation, consultation, and communication on occupational health and safety	P.84, 168-171			'Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
403-5 Worker training on occupational health and safety	P.84, 168-171			'Health and safety' and 'Training and skills development' are sustainability matters for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
403-6 Promotion of worker health	P.84, 168-171			'Social protection' is a sustainability matter for S1 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity- specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M."	
403-8 Workers covered by an occupational health and safety management system	P.84, 168-171			ESRS S1 S1-14 §88 (a); §90	
403-9 Work-related injuries	P.84, 168-171			ESRS S1 S1-4, §38 (a); S1-14 §88 (b) og (c); §AR 82	S7.1
403-10 Work-related ill health	P.84, 168-171			ESRS S1 S1-4, §38 (a); S1-14 §88 (b) og (d); §89; §AR 82	

GRI Standards—general disclosures	Reference	Not fulfilled, reason	UN SDGs	ESRS	Nasdaq
GRI 404 Training and Education					
3-3 Management of material topics	P.82-83			ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) og (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) og (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) og (c)	
404-1 Average hours of training per year per employee	P.82-83, P.162-163			ESRS S1 S1-13 §83 (b) and §84	
404-2 Programs for upgrading employee skills and transition assistance programs	P.82-83, P.162-163			ESRS S1 S1-1 §AR 17 (h)	
GRI 405 Diversity and Equal Opportunity					
3-3 Management of material topics	P.81			ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b); ESRS S1 §24 (a) §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	
405-1 Diversity of governance bodies and employees	P.81, 158-159, 164-167			ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	S4.1, S4.2, S4.3, G1.1, G1.2
405-2 Ratio of basic salary and remuneration of women to men	P.81, 158-159, 166			ESRS S1 S1-16 §97 and §98	S2.1
GRI 406 Non-discrimination					
3-3 Management of material topics	P.173			ESRS S1 S1-1 §17; §20 (c); §24 (a) and (d); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2- 1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c); ESRS S4 §10 (b); S4-1 §13; §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b); §35; §AR 30; §AR 33 (a); S4-5 §38; §41 (b) and (c)	S6.1
406-1 Incidents of discrimination and corrective actions taken	P.173			ESRS S1 S1-17 §97, §103 (a), §AR 103	
GRI 407 Freedom of Association and Collective Bargaining					
3-3 Management of material topics	P.172			ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2- 2 §22; S2-4 §32; §33 (a) and (b);	
GRI 408 Child Labor					
3-3 Management of material topics	P.173			ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)"	
GRI 409 Forced or Compulsory Labor					
3-3 Management of material topics	P.173			ESRS S1 S1-1 §17; §20 (c); §22; S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); §18; S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and (c)	
GRI 414 Supplier Social Assessment					
3-3 Management of material topics	P.156			ESRS G1 G1-2 §12 and §15 (a)	
GRI 416 Customer Health and Safety					
3-3 Management of material topics	P.84			ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)	
416-1 Assessment of the health and safety impacts of product and service categories	P.84, 168-171			'Personal safety of consumers and end-users' is a sustainability matter for S4 covered by ESRS 1 §AR 16. Hence this GRI disclosure is covered by MDR-P, MDR-A, MDR-T, and/or as an entity-specific metric to be disclosed according to ESRS 1 §11 and pursuant to MDR-M.	
GRI 417 Marketing and Labeling					
3-3 Management of material topics	P.173			ESRS S4 §10 (b); S4-1 §13, §16 (c); S4-2 §20; S4-4 §31; §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)	
GRI 418 Customer Privacy					
3-3 Management of material topics	P.172			ESRS S4 §10 (b); S4-1 §13 og §16 (c); S4-2 §20; S4-4 §31, §32 (a) and (b), §35, §AR 30, §AR 33 (a); S4-5 §38, §41 (b) and (c)	

From GRI Standards to the B Impact Assessment (BIA) of the B Corp™ Certification

In 2023, Blue Lagoon achieved a B Corp™ certification. This is the correlation between the GRI Standards topics associated with Blue Lagoon’s materiality and the operational topics assessed in B Lab’s B Impact Assessment.

GRI Topic/ Section	Mapped to BIA Operational Topics
<div><div>· Strategy (General Disclosures)</div><div>· Ethics and integrity (General Disclosures)</div><div>· Governance (General Disclosures)</div><div>· Stakeholder engagement (General Disclosures)</div><div>· Reporting practice (General Disclosures)</div><div>· Management Approach</div><div>· Economic Performance</div><div>· Indirect Economic Impacts</div><div>· Procurement Practices</div><div>· Anti-corruption</div><div>· Anti-competitive Behavior</div><div>· Tax</div><div>· Materials</div><div>· Energy</div><div>· Water and Effluents</div><div>· Biodiversity</div><div>· Emissions</div><div>· Waste (2020)</div><div>· Supplier Environmental Assessment</div><div>· Employment</div><div>· Occupational Health and Safety</div><div>· Training and Education</div><div>· Diversity and Equal Opportunity</div><div>· Non-discrimination</div><div>· Freedom of Association and Collective Bargaining</div><div>· Child Labor</div><div>· Forced or Compulsory Labor</div><div>· Human Rights Assessment</div><div>· Local Communities</div><div>· Supplier Social Assessment</div><div>· Customer Health and Safety</div><div>· Marketing and Labeling</div><div>· Customer Privacy</div></div>	<div><div>· Mission & Engagement; Supply Chain Mannagement</div><div>· Ethics and Transparency; Mission & Engagement</div><div>· Ethics & Transparency; Mission & Engagement; Diversity, Equity, & Inclusion</div><div>· Mission & Engagement; Civic Engagement & Giving; Engage ment and Satisfaction</div><div>· Mission & Engagement; Ethics & Transparency</div><div>· Supply Chain Management; Mission & Engagement; Environmental Management; Ethics & Transparency</div><div>· Civic Engagement & Giving</div><div>· Civic Engagement & Giving</div><div>· Economic Impact; Supply Chain Management</div><div>· Ethics & Transparency; Disclosure Practices</div><div>· Disclosure Outcomes & Penalties</div><div>· Ethics and Transparency; Governance Metrics; Disclosure Practices</div><div>· Land and Life</div><div>· Air and Climate</div><div>· Water</div><div>· Land and Life; Disclosure Industries; Disclosure Practices</div><div>· Air and Climate</div><div>· Land and Life</div><div>· Supply Chain Management; Land & Life</div><div>· Engagement & Satisfaction; Financial Security; Health, Wellness, & Safety</div><div>· Health, Wellness, and Safety; Disclosure Outcomes; Engagement & Satisfaction</div><div>· Career Development; Engagement & Safisfaction</div><div>· Diversity, Equity, and Inclusion</div><div>· Disclosure Outcomes & Penalties</div><div>· Disclosure Practices</div><div>· Supply Chain Disclosure; Engagement & Satisfaction</div><div>· Supply Chain Disclosure; Engagement & Satisfaction</div><div>· Engagement & Satisfaction</div><div>· Civic Engagement & Giving; Land & Life</div><div>· Supply Chain Management</div><div>· Customer Stewardship</div><div>· Supply Chain Management; Disclosure Outcomes & Penalties; Land & Life</div><div>· Disclosure Outcomes & Penalties; Disclosure Practices</div></div>

NASDAQ index

Environment		
E1. GhG Emissions		
E1.1	Total amount, in CO2 equivalents, for Scope 1 (if applicable)	P.116-117, 156
E1.2	Total amount, in CO2 equivalents, for Scope 2 (if applicable)	P.116-117, 156
E1.3	Total amount, in CO2 equivalents, for Scope 3 (if applicable)	P.116-117, 156
E2. Emissions Intensity		
E2.1	Total GhG emissions per output scaling factor	P.116-117, 156
E2.2	Total non-GhG emissions per output scaling factor	P.116-117, 156
E3. Energy Usage		
E3.1	Total amount of energy directly consumed	P.112-115, 154
E3.2	Total amount of energy indirectly consumed	P.112-115, 154
E4. Energy Intensity		
E4.1	Total direct energy usage per output scaling factor	P.112-115, 154
E5. Energy Mix		
E5.1	Percentage: Energy usage by generation type	P.112-115, 154
E6. Water Usage		
E6.1	Total amount of water consumed	P.112-115, 155
E6.2	Total amount of water reclaimed	P.112-115, 155
E7. Environmental Operations		
E7.1	Does your company follow a formal Environmental Policy? Yes, No	Yes, link in policy
E7.2	Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	Yes, part of Envi-ronmental policy
E7.3	Does your company use a recognized energy management system? Yes/No	No
E8. Climate Oversight / Board		
E8.1	Does your Board of Directors oversee and/or manage climate-related risks? Yes/No	Yes
E9. Climate Oversight / Management		
E9.1	Does your Senior Management Team oversee and/or man-age climate-related risks? Yes/No	Yes
E10. Climate Oversight / Management		
E10.1	Total amount invested, annually, in climate-related infra-structure, resilience, and product development	-

Viðmið NASDAQ

Social		
S1. CEO Pay Ratio		
S1.1	Ratio: CEO total compensation to median FTE total compensation	-
S1.2	Does your company report this metric in regulatory filings? Yes/No	No
S2. Gender Pay Ratio		
S2.1	Ratio: Median male compensation to median female compensation	P.166
S3. Employee Turnover		
S3.1	Percentage: Year-over-year change for full-time employees	P.159
S3.2	Percentage: Year-over-year change for part-time employees	P.159
S3.3	Percentage: Year-over-year change for contractors and/or consultants	-
S4. Gender Diversity		
S4.1	Percentage: Total enterprise headcount held by men and women	P.158-159, 164-167
S4.2	Percentage: Entry- and mid-level positions held by men and women	P.158-159, 164-167
S4.3	Percentage: Senior- and executive-level positions held by men and women	P.158-159, 164-167
S5. Temporary Worker Ratio		
S5.1	Percentage: Total enterprise headcount held by part-time employees	P.158-159
S5.2	Percentage: Total enterprise headcount held by contractors and/or consultants	-
S6. Non-Discrimination		
S6.1	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes
S7. Injury Rate		
S7.1	Percentage: Frequency of injury events relative to total work-force time	P.171
S8. Global Health & Safety		
S8.1	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Já
S9. Child & Forced Labor		
S9.1	Does your company follow a child and/or forced labor policy? Yes/No	P.173
S9.2	If yes, does your child and/or forced labor policy cover suppliers and vendors? Yes/No	No
S10. Human Rights		
S10.1	Does your company follow a human rights policy? Yes/No	Yes
S10.2	If yes, does your human rights policy cover suppliers and vendors? Yes/No	No

Viðmið NASDAQ

Governance		
G1. Board Diversity		
G1.1	Percentage: Total board seats occupied by women (as compared to men)	P.22-27, 158-159, 164-167
G1.2	Percentage: Committee chairs occupied by women (as compared to men)	P.22-27, 158-159, 164-167
G2. Board Independence		
G2.1	Does company prohibit CEO from serving as board chair? Yes/No	No
G2.2	Percentage: Total board seats occupied by independents	-
G3. Incentivized Pay		
G3.1	Are executives formally incentivized to perform on sustainability? Yes/No	No
G4. Collective Bargaining		
G4.1	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	100%
G5. Supplier Code of Conduct		
G5.1	Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	No
G5.2	If yes, what percentage of your suppliers have formally certified their compliance with the code?	-
G6. Ethics & Anti-Corruption		
G6.1	Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes
G6.2	If yes, what percentage of your workforce has formally certified its compliance with the policy?	-
G7. Data Privacy		
G7.1	Does your company follow a Data Privacy policy? Yes/No	Yes
G7.2	Has your company taken steps to comply with GDPR rules? Yes/No	Yes
G8. ESG Reporting		
G8.1	Does your company publish a sustainability report? Yes/No	Yes
G8.2	Is sustainability data included in your regulatory filings? Yes/No	Yes
G9. Disclosure Practices		
G9.1	Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	Yes
G9.2	Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
G9.3	Does your company set targets and report progress on the UN SDGs? Yes/No	Yes
G10. External Assurance		
G10.1	Are your sustainability disclosures assured or validated by a third party? Yes/No	No



Appendix

Year-over-year comparison of key factors

Material topic		ESG Key data		2021	2022	2023
Economic and financial performance	Revenue (million ISK)			7,224	15,879	20,880
Local procurement	Spending on local suppliers (80km)			94.4%	97.4%	97.6%
Local procurement	Procurement within Suðurnes (%)			23.1%	22.5%	19.8%
Economic and financial performance	EBITDA (€)			2,139	27,800	38,834
Economic and financial performance	Turnover (€)			48,097	111,571	140,006
Economic and financial performance	Equity (€)			54,541	215,304	219,007
Taxation	Tax footprint (billion ISK)			1.8	3.7	4.9
Economic and financial performance	Total economic contribution			7,512	13,546	17,084
Economic and financial performance	Proportion of economic contribution			104%	85%	82%
Anti-corruption and anti-competitive behavior	Assessed cases of corruption (n.)			0	0	0
Anti-corruption and anti-competitive behavior	Assessed cases of competitive behavior (n.)			0	0	0

Energy efficiency	Energy consumption (kWh)			4,509,743	5,837,915	6,791,187
Energy efficiency	Energy consumption per guest (kWh/guest)			11.4	7.15	7.28
Water use	Hot water usage (m3)			274,679	292,679	323,859
Water use	Hot water usage per guest (m3/guest)			0.7	0.36	0.35
Water use	Cold water usage (m3)			129,605	184,909	-
Water use	Cold water usage per guest (m3/guest)			0.33	0.23	-
Water use	Geothermal sea water usage (m3)			1,844,411	2,517,195	2,018,466
Emissions and climate change	Emissions Scope 1 (tons of CO2eq)			493	524	635
Emissions and climate change	Emissions Scope 2 (tons of CO2eq)			48	60	199
Emissions and climate change	Emissions Scope 3 (tons of CO2eq)			163	454	556
Emissions and climate change	Heildarlosun GHL (Tonn CO2eq)			643	1.038	1.391
Emissions and climate change	Total emissions per guest (tons of CO2eq/guest)			1.63	0.7	0.9
Emissions and climate change	Planted trees			6,430	10,130	12,670
Waste recycling	Organic waste			25%	21.9%	22%
Waste recycling	General waste			65%	42%	43%

Material topic		ESG Key data		2021	2022	2023
Reduction single use plastic	Plastic packaging			1%	1.6%	2%
Waste recycling	Corrugated cardboard			4%	5.6%	6%
Waste recycling	Coarse waste			3%	5.4%	4%
Waste recycling	Painted wood/plastic coated			2%	2.5%	3%
Waste recycling	Paper (A4 sheets)			57,500	155,000	132,500

Employment company culture	Employees (n.)			567	712	794
Diversity and equal opportunity	Male (%)			42%	45%	43%
Diversity and equal opportunity	Females (%)			58%	55%	57%
Employment company culture	Nationalities (n.)			28	40	40
Employment company culture	Average age			35	34.2	34.9
Diversity and equal opportunity	Icelandic (%)			72%	60%	51%
Diversity and equal opportunity	Foreign (%)			28%	40%	49%
Diversity and equal opportunity	Age >50 (%)			12%	11%	11%
Diversity and equal opportunity	Age 30-50 (%)			48%	47%	48%
Diversity and equal opportunity	Age <30 (%)			40%	42%	41%
Diversity and equal opportunity	Part time (%)			16%	14%	10%
Diversity and equal opportunity	Full time(%)			84%	86%	90%
Diversity and equal opportunity	Gender pay gap			1.50%	0.60%	0.7%
Diversity and equal opportunity	Coefficient of determination			96.5%	96.2%	95.2%
Training and education	Hours of training accumulated (n.)			2,580	6,408	7,123
Training and education	Online training (%)			5%	2%	-
Training and education	Onsite training (%)			95%	98%	-
Non discrimination	Assessed cases of discrimination (n.)			0	0	0
Child or forced labor	Assessed cases of child labor (n.)			0	0	0
Child or forced labor	Assessed cases of forced labor (n.)			0	0	0
Human rights	Assessed cases of violation of human rights (n.)			0	0	0
Marketing & labeling	Reported cases of non-compliance (n.)			0	0	0
Privacy	Reported cases of non-compliance (n.)			0	0	0
Supporting local communities	Support to the community (million ISK)			50	105	220

Environmental factors

Procurement & utilization of resources (GRI 301-1)

Environmental factor	Unit*	2021	2022	2023	Goal 2023
Fossil fuel use	Liters	95,779	93,784	218,160	
Paper use	Paper	57,500	155,000	132,500	<100,000
Receipt use	Rolls	720	1,998	2,590	<3,000
Sold paperbags in stores	Bags	10,296	21,401	32,829	
Sold reusable bags in stores	Bags	1,601	3,099	3,292	

*Materials quantity

Energy efficiency (GRI 302-1, 302-3, 302-4)

Environmental factor	Unit	2021	2022	2023
Electricity use*	kWh	4,509,743	5,837,915	6,791,187
-Þróunarsetrið	kWh	264,566	290,981	266,864
-Silica Hotel	kWh	239,080	286,659	287,251
-Blue Lagoon	kWh	1,779,349	2,029,463	2,081,062
-Retreat Hotel and Spa	kWh	1,393,007	1,637,868	1,622,410
-Laundry & storage centre	kWh	830,113	1,485,444	1,624,673
-Shop, Laugavegur 15	kWh		23,190	23,190
-Urriðaholt HQ	kWh		60,033	177,970
-Workshop	kWh		24.,77	24,856
-Hraunsetur	kWh			57,142
-Kerlingarfjöll	kWh			548,679
-Rauðukambar	kWh			77,090
Electricity use per guest	kWh/guest	11.44	7.15	7.28

*100% from renewable sources - HS Orka

Standards, methodologies, assumptions, and/or calculation tools used.	Conversion factors
Source of the conversion factors used.	UST (IPCC)

Water use (GRI 303-5)

Environmental factor	Unit	2021	2022	2023	% of growth 2022-2023
Warm water use	m³	274,679	292,679	323,859	11%
-R&D centre	m³	10,895	9,683	14,750	52%
-Silica Hotel	m³	28,265	31,696	29,308	-8%
-Blue Lagoon & Retreat	m³	230,951	242,875	249,642	3%
-Laundry & storage centre	m³	4,568	7,716	9,591	24%
-Workshop	m³	-	709	888	-
-Shop, Laugavegur 15	m³	-	-	1,000**	-
-Urriðaholt HQ	m³	-	-	10,000**	-
-Hraunsetur	m³	-	-	8,680	-
Warm water use per guest	m³/guest	0.70	0.36	0.35	-3%
Cold water use*	m³	129,605	184,909	-	-
Cold water use per guest*	m³/guest	0.33	0.23	-	-
Geothermal sea water use	m³	1,844,411	2,517,195	2,018,466	-20%

*Cold water usage was not separately recorded in 2023, as its payment was included in the Company’s property taxes.

**Estimated based on the total square meters.

Impact on biodiversity (GRI 304)

In 2023, we began to assess the biodiversity impact, aligning with both GRI standards requirements and ESRS E4. Our objective for 2024 is to establish our management approach to cover this topic.

Emissions and climate change [GRI 305-1, 305-2, 305-3, 305-4, 305-5]

Environmental factor	Unit	2021	2022	2023	Goal 2023
GHG emission	ton CO ₂ íg	643	1,038	1,391	
-scope 1	ton CO ₂ íg	493	524	635	
-scope 2	ton CO ₂ íg	47.6	60.1	199	
-scope 3*	ton CO ₂ íg	102	454	556	
GHG emission per guest (S1&2)	kgCO ₂ íg/guest	1.4	0.7	0.9	< 1.5
GHG offset	ton CO ₂ íg	643	1,038	1,391	
Planted trees	amount	6,430	10,130	12,670	
Number of trees	Accumulated since 2019	54,960			

Waste recycling [GRI 306-1, 306-3]

Paper	2020	2021	2022	2023
Printed sheets	103,000	57,500	155,000	132,500
Printed sheets per 1,000 guests	438	146	190	142

Reduction single use plastic

Environmental factor	Unit	2021	2022	2023	Markmið 2023	Markmið 2024
Reduction of plastic used	Ton	55	3	4		
Waste	Ton	40	16	10	<15	<10
Recycling rate	%	256	553	634		
Environmental factor	Unit	35	57	57	>50	>60

Supplier environmental assessment [GRI 308]

Suppliers and contractors are evaluated based on various factors, including environmental management. A specific environmental assessment for each individual supplier has not been conducted.

Waste recycling [GRI 306-1, 306-3]

Waste streams	2023
Coarse waste	4%
Painted wood/plastic coated	3%
Mixed waste	43%
Organic waste	22%
Corrugated cardboard	6%
Plastic packaging	2%
Paper	2%
Metals	1%
Grease traps	17%

Waste categories (Tons)	2022	2023
Mixed waste	233.7	271
Untreated timber	4.0	8
Painted/coated timber	10.0	12
Organic waste	121.3	138
Corrugated cardboard	30.7	35
Coarse waste	30.0	26
Paper	14.1	6
Confidential documents	0.3	6.7
Plastic packaging	8.8	9.5
Unsorted waste	6.8	0
Fish waste	6.4	0
Cooking oil	2.5	5.1
Scrap metal 3	2.2	6.6
Glass	1.4	2.7
Grease traps	81.0	108
Total volume	553.2	634

Social factors

Employment company culture (GRI 401-1, 401-2, 401-3)

KPI at 31.12.2023	Blue Lagoon Iceland	BL Skincare	Kerlingarfjöll	Overall
Number of employees	765	13	16	794
Nationalities	40	2	5	40
Average age	34.7	49	30.2	34.9

General information 2023

	Total number	In percentage	Male	Female
Nationality				
Icelandic	407	51%	180	227
Foreign	387	49%	163	224
Total	794	100%	343	451
Work				
Part-time	79	10%	24	55
Full-time	715	90%	319	396
Total	794	100%	343	451
Work				
Temporary contract	25	3%	9	16
Permanent contract	769	97%	334	435
Total	794	100%	343	451
Living in				
Reykjavík area	351	44%	156	195
Reykjanes	432	55%	182	250
Other	11	1%	5	6
Total	794	100%	343	451

New employee hires and employee turnover 2023

Employees newly hired	Total number	In percentage
Females	279	35%
Males	166	21%
Other	2	0%
Foreign	231	29%
Icelandic	216	7%
Age <30	278	35%
Age from 30 to 50	148	19%
Age >50	21	3%

Employee turnover	Total number	In percentage
Females	96	12%
Males	49	6%
Foreign	62	8%
Icelandic	84	11%
Age < 30	78	10%
Age from 30 to 50	58	7%
Age > 50	9	1%

Employee benefits 2023

Employee benefits	Type of benefit
Gym membership or health grant	Gym membership
Golf courses	Free course
Vök Fellabæ	Free admission + one guest
Geosea Húsavík	Free admission + one guest
Jarðböðin Mývatn	Free admission + one guest
Fontana Laugarvatn	Free admission + one guest
Farmers Market	30% discount
66°North	30% discount
Flothetta	30% discount
Massages for staff at operational facilities in BL, UH and warehouse	Promoting health
Swimming pools in Grindavík, Reykjanesbær and Reykjavík*	Promoting health
Fjölskyldu- og húsdýragarðurinn**	Free admission + one guest and one child

*All employees could visit swimming pools in Grindavík and Keflavík, free of charge, all year. Staff could visit swimming pools in Reykjavík, free of charge, over the summer.
**All employees + one guest and one child were offered one free entrance over the summer months.

Employee social activities 2023

In 2023, Blue Lagoon organised more than 35 activities throughout the year, covering topics such as cancer awareness, employee care, entertainment, family fun, health seminars, mental awareness, talent branding, and environmental awareness. The company received positive feedback from employees who were satisfied with these activities. More than 75% of social activities were offered for employee wellness, care and entertainment.

Social activities	Description
Blátoppur hike	Staff did a joint hike in Kerlingarfjöll
Career days	The Company supported Career days, promoted activities
Mottumars (No-shave March)	An incentive for all staff
Darts and karaoke	Social activity organised by staff entertainment committee
Blue Lagoon annual celebration	Music acts, fine dining, party, annual celebration video premiered
Mini annual celebration	For staff unable to attend main event, organised by entertainment committee
Easter fun	Easter presents, good coffee, good atmosphere
Family day	Family day in Keflavík for staff and families
The big plogging day	Staff at all operational units went out to pick up trash
Spring festival at Urriðaholt / The office games	A fun treasure hunt in the neighbourhood for office workers
Open-mic lunch at Blue Lagoon cafeterias	Staff performed for coworkers during lunch
Summer trip to Hveragerði	Choice between four activities: hike, team building, bike tour, or culture tour, followed by an evening party
Camping trip	Staff entertainment committee organized a one-night camping trip in Hólaskógur
End-of-summer party	Good summer results celebrated at lðnó in Reykjavík
Blue Lagoon Challenge	Healthy lifestyle encouragement
Marathon	Healthy lifestyle encouragement
Golf tournament	Staff encouraged to participate
New quiet room	Healthy lifestyle encouragement
Yellow day	Mental health awareness
Trade presentation	Presentation for teenagers in Reykjanes
Happiness and hospitality month	Happiness and wellbeing month. Massage at operation units, a wall of compliments, feel-good bingo, health week and more
Halloween party	Organised by staff entertainment committee
Pink October	Education and events in cafeteria
Eloomi presentation in Bláberið and Urriðaholt	New Blue Lagoon Academy introduced, quality coffee, baked goods, lottery

Social activities	Description
Employee app presentation event	Game for staff with generous prizes
Holiday discount days	Various discounts offered to staff to reduce holiday stress
New products gifted	Staff received new products as gifts when they launched: BL+ Eye Serum and BL+Eye Cream plus goodie bags for new recruits
Staff discount days	Staff got extra discounts on all skin care products at Blue Lagoon Skincare shops in November and December
To the movies!	A few group movie trips over the year
The month of champions	Emphasis on keeping workstations neat and set personal goals, both big and small
Tidyber	Emphasis on order and tidiness throughout the Company
Streamed meditations	Streamed meditations for staff 6-9 November
Svartsengi closure	At the time of seismic activity, staff were invited to daily coffee and chat events. Second-hand market with clothing and necessities for staff. Professional mental health care, at offices and other locations.
Christmas adventure	Staff and families invited to a holiday play for children
Christmas concert	At Stapinn in Keflavík. Musicians, hot chocolate, holiday cookies. Organised by staff entertainment committee.
Advent joy and holiday gifts	Musicians, holiday food, gifts distributed both at Bláberið and Esja.

Parental leave 2023

Maternity and paternity leave	Females	Males
Total number of employees that were entitled to parental leave	All employees	All employees
Total number of employees that took parental leave	32	28
Total number of employees that returned to work after parental leave ended	9*	25**
Total number of employees that returned to work after parental leave ended one year before that were still employed 12 months after their return to work	6	15
Return to work	88%	96%
Retention rates	-	-

*19 still on leave

** 2 still on leave

Training and education (GRI 404-1, 404-2)

Employee training 2023	
Average training hours per employee	8.97
Total number of training hours provided to employees	7,123
Total number of employees	794
Average training hours per female	8.98
Total number of training hours provided to female employees	4,048
Total number of female employees	451
Average training hours per male	7.59
Total number of training hours provided to male employees	2,602
Total number of male employees	343

Focus Kerlingarfjöll 2023	
Average training hours per employee	58.69
Total number of training hours provided to employees	939
Total number of employees	16
Average training hours per female	87
Total number of training hours provided to female employees	522
Total number of female employees	6
Average training hours per male	41.8
Total number of training hours provided to male employees	418
Total number of male employees	10

Programmes for upgrading employee skills and transition assistance 2023

Training	On site	Online
Better sleep – Teams	x	x
Ari Trausta – Talk with a geophysicist	x	x
Dealing with uncertainty – Líf og sál	x	x
We Create Memories	x	
Difficult customers	x	
BL products training	x	
Train the trainer	x	
Training day	x	
Coffee course	x	
Leadership – Psychological safety	x	
Leadership – Developing leaders	x	
Encouraging leadership	x	
Asana – Project management	x	
Leadership and communication	x	
Leadership across borders and generations	x	
Selling through storytelling – Retreat Academy	x	
Agile	x	
LS Training	x	
Catering service – On-site course for waiters	x	
Retail: Sales and service	x	
The world of AI and ChatGTP	x	
Pension and retirement planning	x	
Increasing your creativity	x	
Hospitality	x	
Wellbeing for Planet – BL sustainability and B Corp certification	x	x
Cross-training	x	
Teamwork	x	
Customer experience training	x	
Pink October – Cancer awareness course	x	x

We offer employees to attend Pension and Retirement Planning courses.

Diversity and equal opportunity (GRI 405-1, 405-2)

Blue Lagoon	Total number	In percentage	Male	Females
Nationality				
Icelandic	385	50%	170	215
Foreign	380	50%	160	220
Total	765	100%	330	435
Work				
Part-time	77	10%	24	53
Full-time	688	90%	306	382
Total	765	100%	330	435
Work				
Temporary contract	21	3%	7	14
Permanent contract	744	97%	323	421
Total	765	100%	330	435
Living in				
Reykjavík area	336	44%	149	187
Reykjanes	420	55%	176	244
Other	9	1%	5	4
Total	765	100%	330	435
Age				
Age < 30	311	41%	144	167
Age 30-50	367	48%	153	214
Age > 50	87	11%	33	54
Total	765	100%	330	435

Blue Lagoon Skincare	Total number	In percentage	Male	Females
Nationality				
Icelandic	12	92%	3	9
Foreign	1	8%		1
Alls	13	100%	3	10
Work				
Part-time	1	8%		1
Full-time	12	92%	3	9
Alls	13	100%	3	10
Work				
Temporary contract	1	8%		1
Permanent contract	12	92%	3	9
Alls	13	100%	3	10
Living in				
Reykjavík area	6	46%	1	5
Reykjanes	7	54%	2	5
Other	0	0%		
Alls	13	100%	3	10
Age				
Age < 30	0	0%		
Age 30-50	8	62%	1	7
Age > 50	5	38%	2	3
Alls	13	100%	3	10

Diversity and equal opportunity (GRI 405-1, 405-2)

Kerlingarfjöll	Total number	In percentage	Male	Females
Nationality				
Icelandic	10	63%	7	3
Foreign	6	38%	3	3
Total	16	100%	10	6
Work				
Part-time	1	6%	0	1
Full-time	15	94%	10	5
Total	16	100%	10	6
Work				
Temporary contract	3	19%	2	1
Permanent contract	13	81%	8	5
Total	16	100%	10	6
Living in				
Reykjavík area	9	56%	6	3
Reykjanes	4	25%	3	1
Other	3	19%	1	2
Total	16	100%	10	6
Age				
Age < 30	7	44%	4	3
Age 30-50	9	56%	6	3
Age > 50	0	0%		
Total	16	100%	10	6

Employees with disabilities		Percentage
Percentage of persons with disabilities amongst employees subject to legal restrictions on collection of data		0%

Ratio of basic salary and remuneration of women to men

Equal pay certification	2021	2022	2023
Gender pay gap	1,5%	0,6%	0,7%
Explanation ratio	96,5%	96,2%	95,2%

Employee structure	Percentage of females	Percentage of males
All employees	57%	43%
Others	62%	8%
Shift and task managers	42%	58%
Technicians and specially-trained employees	63%	37%
Specialists	71%	29%
Middle management	38%	62%
Senior management	50%	50%
Board of directors	62%	38%

Employee structure	Percentage of age < 30	Percentage of age 30-50	Percentage of age > 50
All employees	41%	48%	11%
Shift and task managers	3%	6%	0%
Technicians, specially-trained employees	12%	10%	2%
Specialists	2%	8%	1%
Middle management	0%	2%	1%
Senior management	0%	2%	1%
Board of directors	0%	0%	1%
Others	25%	20%	5%

Employee structure	Percentage of national	Percentage of international
All employees	50%	50%
Shift and task managers	54%	4%
Technicians and specially-trained employees	51%	12%
Specialists	4%	10%
Middle management	12%	2%
Senior management	5%	3%
Board of directors	0%	1%
Others	63%	19%

Health and safety of employees and guests
(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-9, 403-10, 416-1)

Occupational health and safety management system

Blue Lagoon has implemented an Occupational Health and Safety Management System (OHSMS) in accordance with the ISO 45001 standard. That includes a dedicated safety team, implementation of an incident reporting system, regular internal and external risk assessments involving employees, and strict adherence to applicable laws and regulations. We have a health and safety policy in place that reflects the organisation's commitment to providing a safe and healthy workplace. Additionally, our emergency response plans are regularly reviewed and reinforced through training exercises. To further enhance security, a team of security guards is on duty 24/7, contributing to the overall safety measures implemented within our organisation.

The scope of our Occupational Health and Safety Management System (OHSMS) encompasses all workers, activities, and workplaces within Blue lagoon. This includes a wide range of roles and functions across various departments and locations. Our commitment to providing a safe and healthy workplace extends to all employees involved in our operations. All workers, activities, and workplaces within our company fall within the coverage of our OHSMS. We prioritise the well-being of our employees and are dedicated to implementing comprehensive safety measures across our entire organisational landscape.

Hazard identification, risk assessment, and incident investigation

Blue lagoon employs systematic hazard

identification and risk assessment processes, conducted regularly with input from employees and stakeholders. The hierarchy of controls is applied to eliminate hazards and minimize risks, prioritizing engineering and administrative controls over personal protective equipment. Competency in these processes is ensured through defined requirements and regular training for personnel. Results of assessments contribute to ongoing improvement of the occupational health and safety management system. Procedures for risk assessments, controls, incident reporting, root cause analysis, improvements, and emergency responses are in place. The safety team initiates these procedures, delegating responsibilities to the executive team and directors, highlighting a collaborative approach to safety management.

Blue lagoon has implemented an accessible incident reporting app for all employees, covering all incidents across our holding company. This user-friendly tool encourages timely reporting of near misses, hazardous situations, and incidents involving guests, employees, and contractors. To foster a transparent reporting culture, workers are actively encouraged to use the app without fear of reprisals. Our clear policy emphasises the value of reporting for overall safety improvement, and the organisation actively discourages any retaliation.

Regular communication and training reinforce the importance of reporting, contributing to a workplace where safety is a shared responsibility.

We encourage employees to proactively assess risks for their tasks and implement mitigations before undertaking each assignment. Our commitment to employee

well-being is reinforced through regular communication and training, fostering a safety-first workplace culture. Additionally, we have a whistleblower policy in place to further support and protect those who raise safety concerns.

The company employs a comprehensive process to investigate work-related incidents, involving the identification of hazards and risk assessment. Root cause analysis, often utilizing techniques like the '5 Whys,' is integrated to delve into the underlying factors. Corrective actions are then determined using the hierarchy of controls, prioritizing engineering and administrative solutions. This investigation process also informs continuous improvement in the occupational health and safety management system, contributing to a dynamic and responsive approach to workplace safety.

Occupational health services

At Blue Lagoon, our occupational health services take a holistic approach to employee well-being, focusing on identifying hazards and minimizing risks. We offer confidential doctor consultations, psychologist services, health assessments, and an influenza vaccination programme. To promote physical and mental well-being, we provide exercise benefits. We also offer in-house or online yoga and meditation, a hiking group, golfing, and more along with a quiet room. Regular health lectures on setting boundaries, how to manage stress, and benefits of sleep ensure a comprehensive approach, fostering a safe, healthy, and supportive workplace for our employees.

At Blue Lagoon, we prioritize the confidentiality of workers' health information. Our commitment to privacy includes partnering with third-party health services adhering to GDPR regulations.

Worker participation, consultation, and communication on occupational health and safety

At Blue Lagoon, we prioritise employee participation in our occupational health and safety management system. Workers actively contribute by participating in risk assessments for their tasks. Employee representatives sit on the safety committee, providing valuable input in safety decisions. All employees have access to our incident reporting app, fostering real-time communication on safety concerns. Additionally, employees have 24/7 access to both the security and the safety team, ensuring a safe and secure workplace.

Our safety committee, consisting of 8 members including workers and managers, meets quarterly. Responsibilities include risk assessments, policy development, incident reviews, training input, and ensuring regulatory compliance. While it doesn't have decision-making authority, its recommendations significantly influence safety decisions. All workers are represented, ensuring diverse perspectives for a safer and healthier workplace. Additionally, once a year, the safety committee sends a memo to the executive team highlighting their main health and safety concerns, fostering transparent communication and contributing to continuous improvement in our safety practices.

Worker training on occupational health and safety

In 2023, our occupational health and safety training focused on employee well-being. New hires undergo basic safety and mandatory first aid training. Specialised programs exist for lifeguards and highland-based employees, addressing lagoon-related risk and wilderness challenges. Online emergency plans

ensure accessibility, and regular drills reinforce preparedness. A seminar covers threatening behavior and theft, while fire drills enhance evacuation procedures. This cohesive approach aims to create a secure work environment, empowering employees to handle diverse emergencies and hazards in an effective way.

We conduct first aid courses every second month and as needed for new hires. Tailored training is provided based on roles, and it's free of charge with compensation for attendees. Trainers are thoroughly vetted, and courses are available in Icelandic and English. Polish will be added in 2024. Some training is mandatory, while other is voluntary. Evaluation methods vary, including tests and mood-up surveys for effective feedback.

Average training hours per employee, mandatory		0.75
First aid and rescue		160
HACCP		436
Total number of mandatory training hours provided to employees within the company		596
Total number of employees within the company		794
Average training hours per employee; Promotion of health and safety		0.56
Total training hours on Promotion of health and safety provided by the company to its employees		438
Number of employees in Svartsengi and the capital area		778

Promotion of worker health

We prioritise employee well-being by providing convenient access to non-occupational healthcare services. This includes confidential appointments with psychologists, annual in-house health checks, influenza vaccinations, and access to company doctors through managers or the safety team. Our commitment reflects a holistic approach to employee health and wellbeing.

Blue Lagoon prioritises the holistic well-being of its employees through voluntary health promotion services. Regular lectures on stress management, sleep improvement, nutrition, and setting

boundaries are offered to address major non-work-related health risks. These voluntary programmes empower employees to make positive lifestyle choices, fostering a healthier and more balanced life. Blue Lagoon's commitment to holistic well-being extends beyond the workplace, creating a supportive environment for employees to actively engage in their own health.

See Employee social activities 2023 above.

Workers covered by an occupational health and safety management system
All employees and workes are covered by our health and safety management system.

Work-related injuries and fatalities 2023		Total number of incidents
Type of work-related injury related to employees		
Mainly scrapes, bruises and swelling on arms and legs		53
Type of work-related injury related to other workers working at BL sites		
Cuts, bleeding on left arm		1
Fatalities due to injuries		
Employees		0
Other workers working at BL sites		0

Work-related ill health 2023		Total number of ill health
Work-related ill health, employees		0
Work-related ill health, other workers working at BL sites		0

Health and safery of guests 2023

Guest safety is our top priority, supported by a range of measures. Clear safety terms and rules are communicated, and our well-trained staff is equipped to respond effectively to any situation. Trained lifeguards are stationed at all lagoons, and first-aid rooms with relevant equipment ensure immediate assistance is available. Security guards operate 24/7, complemented by

CCTV surveillance for enhanced security. Continuous day and night cleaning maintains hygienic facilities. Our employees undergo emergency training, and comprehensive plans are in place, overseen by a dedicated safety team for a proactive approach to guest safety. These collective efforts underscore our commitment to providing a safe and memorable experience for all Blue Lagoon guests.

Guest injuries		Total number of incidents
Mainly scrapes, bruises and swelling on arms and legs		15
Incidents of non-compliance concerning the health and safety impacts of products and services		0

Human rights

Blue Lagoon is dedicated to upholding human rights in accordance with national and international standards, and places significant emphasis on fostering the well-being of all individuals.

No cases related to violation of human rights within company operations were registered in 2023.

Supporting local communities [GRI 413]

Blue Lagoon supports a wide range of projects related to sports, youth, and cultural events, as well as health and environmental improvements for the local community. In addition, following the signing of a cooperation agreement between Blue Lagoon and Reykjanes UNESCO Global Geopark, the organisations as well as the four municipalities within the Geopark, agreed for the Company's initiated improvements of the facilities at the Reykjanesviti. This work will be conducted by a service centre, majority-owned by Blue Lagoon, called Þjónustumiðstöðin Reykjanes ehf.

Community projects and grants in ISK 2023		
Sports	34,032,131	16%
Culture	38,147,928	17%
Health	18,221,900	8%
Psoriasis	45,920,000	21%
Reykjanesviti	83,241,233	38%
Total (ISK)	219,563,192	100%

Turnover ISK	20,880,418,595
% of donation	1,05%

Supplier social assessment [GRI 414]

No assessment carried out in 2023.

Freedom of association and collective bargaining [GRI 407]

The Icelandic labour market is heavily influenced by collective wage agreements. Freedom of association, collective agreements, and trade unions all build on national law and Blue Lagoon is in full compliance.

Privacy [GRI 418]

Blue Lagoon manages work reports, work protocols, policies, and data expunction in accordance with GDPR, both for staff and customers. The Company received no complaints or fines pertaining to these matters in 2023.

Child or forced labour [GRI 408, 409]

Child labour

In Iceland, special laws are in place pertaining to child and teenage labour. In general, they are is enforced by Icelandic unions and they prevent the occurrence of child labour.

The following are examples of regulations that an Icelandic labour union enforces:

- Children under 13 years old are not allowed to work long hours daily and can only engage in very light tasks, such as those related to culture, arts, and sports events.
- Children aged 13-14 may undertake light and safe jobs, such as service roles.
- Teenagers aged 15-17 are permitted to work most jobs, except those deemed dangerous or physically demanding. They are prohibited from working with hazardous substances or machinery.
- Night work for children and teenagers is prohibited.
- By law, children and teenagers (up to 18 years old) must have two days off per week and 12-14 hours of rest per day (14 hours for 13-14-year-olds, 15 hours for 15-year-olds attending compulsory education, and 12 hours for teenagers aged 15 to 17).

- The work of children and teenagers must be supervised by an individual who is at least 18 years old.
- Parents are responsible for overseeing their children when they enter the labour market. Children up to 18 years old cannot sign an employment contract without their parents' consent.

Find more details at vinnueftirlitid.is

Forced labour

At Blue Lagoon, no one is subjected to forced labor. Employees are free to choose their roles based on their preferences, within the scope of available positions and the professional skills required for each role.

Non-discrimination [GRI 406-1]

In 2023, there were no reported incidents of discrimination, nor was any action required in this regard during the year.

Marketing and labelling [GRI 417]

In 2023, Blue Lagoon received 0 complaints regarding marketing and labelling errors.

Economic factors

Economic and financial performance GRI 201-1)

Economic value distributed	2023	2022
To our human resources	51%	53%
To the state	10%	9%
To the shareholders	0%	0%
To the community	1%	1%
To our suppliers	38%	37%
Total Economic Contribution	100%	100%

Direct economic value in million ISK*	2023	2022	% 2022-2023
Revenues	20,880	15,879	24%
Operating costs**	6,411	5,066	21%
Employee wages and benefits	8,676	7,102	18%
Payments to providers of capital	0	0	0%
VAT payments	809	1,051	-30%
Property tax	148	138	7%
Customs duty on productions	100	83	17%
Income tax	717	0	100%
Community investments***	219	105	52%
Total economic contribution	17,084	13,546	21%
Economic benefits	3,796	-2,333	39%
Percentage of economic contribution	82%	85%	-4%

Average exchange rate EUR/ISK= 149,14 **without depreciation *See GRI 413

Indirect economic impact (GRI 203)

Medical clinic

For many years, the company has offered Icelanders natural treatment for psoriasis at Blue Lagoon's medical clinic, free of charge and at no cost to the state. The treatment is approved by health authorities as a therapeutic option for psoriasis patients.

Last year, Blue Lagoon provided treatment to psoriasis patients covered by health insurance in Iceland at no cost to them, just as in previous years. The number of treatment sessions during the year was nearly 1,400.

Local procurement (GRI 204-1)

Procurement practices

Blue Lagoon defines local suppliers as those with legal headquarters within an 80-km radius of Blue Lagoon's operations in Svartsengi. The 80-km distance is specified in the B Impact assessment according to their definition of "local suppliers." In 2023, approximately 90% of the Company's total purchases were from Icelandic

suppliers, with over 97% of those suppliers located within 80 km of Blue Lagoon's operations in Svartsengi. Additionally, about 20% of these suppliers were within the Suðurnes region. With the introduction of new operational units, such as Kerlingarfjöll, next year's procurement from the local environment will be redefined to align with more operational areas.

Area	Amount 2023 in EUR	%
Within 80 km	28,917,760	77.3%
Suðurnes	7,411,241	19.8%
Domestic, not Suðurnes	1,072,194	2.9%
Total	37,401,195	100%

Anti-corruption and anti-competitive behaviour (GRI 205-3, 206-1)

No incidents of corruption were reported in 2023.

The company's CFO is responsible for calculations and payments in accordance with tax law requirements. The processes of the finance department have been defined and audited by an independent third party.

Taxation (GRI 207-2)

Blue Lagoon adheres to legal requirements regarding taxation in accordance with the tax code of the Directorate of Internal Revenue. See skattalagasafn.rsk.is.

The company always complies with legal requirements as stated in its general policy.

Tax footprint 2023	ISK	In percentage
Tax paid for employee wages and benefits	3,154,021,389	64%
VAT payments	809,453,409	16%
Property tax	148,724,400	3%
Customs duty on productions	100,260,609	2%
Income tax	717,435,136	15%
Total	4,929,894,943	100%

Sustainable Development Goals and contribution to targets

Sustainable Development Goals	Contribution to targets
SDG 1: No Poverty	-
SDG 2: Zero Hunger	-
SDG 3: Good Health and Well-being	3.4, 3.8
SDG 4: Quality Education	4.4, 4.7
SDG 5: Gender Equality	5.1, 5.5, 5.c
SDG 6: Clean Water and Sanitation	6.3, 6.4
SDG 7: Affordable and Clean Energy	7.3
SDG 8: Decent Work and Economic Growth	8.2, 8.3, 8.5, 8.6, 8.8, 8.9
SDG 9: Industry, Innovation, and Infrastructure	9.4, 9.5
SDG 10: Reduced Inequality	10.2, 10.4
SDG 11: Sustainable Cities and Communities	11.1, 11.2, 11.4
SDG 12: Responsible Consumption and Production	12.2, 12.3, 12.4, 12.5, 12.6, 12.7, 12.8, 12.b
SDG 13: Climate Action	13.1, 13.2, 13.3, 13.b
SDG 14: Life Below Water	14.b
SDG 15: Life on Land	15.2, 15.4
SDG 16: Peace, Justice, and Strong Institutions	16.5, 16.6, 16.7
SDG 17: Partnerships for the Goals	17.14, 17.17

Blue Lagoon policies

Quality | Health and Safety | Environment and Sustainability | Human Resources | Social Responsibility

The Blue Lagoon Policy is the ethical and philosophical cornerstone of the Company’s operational and corporate governance. It is a distillation of the five constituent policies covering the environment, health and safety, human resources, quality, and corporate social responsibility. Encompassing every dimension of Blue Lagoon’s operations, this policy provides an overview of the Company’s galvanizing principles as an inspirational workplace, a renowned research and medical treatment establishment, a producer of bioactive skincare, a world-class wellness destination, and a paragon of sustainability.

Environment and sustainability

Our environment is sacred. We constantly strive to cultivate and nurture a harmonic relationship between man and nature. This aspiration is embodied in the phrase, “a society without waste,” and is manifest in the sustainable, carbon-neutral, plastic-free dominion of the Blue Lagoon experience. Health and safety at heart, Blue Lagoon is in the business of creating memories. While enjoyment is key, health and safety are paramount. The physical and psychological well-being of our employees, guests, and customers is at the forefront of our operations. With “safety always” vigilance, 24/7 responsiveness, and a culture of mutual caring and respect, we ensure a healthy, harmonious environment for both employees and visitors.

Human resources

People are Blue Lagoon’s most valuable resource. The Company strives to create an enriching, dynamic workplace characterised by equality, innovation, care, respect, trust, and teamwork. Each employee is given opportunities to enhance their knowl-

edge and fulfill their potential through personal and professional growth. Likewise, the Company recognises the fundamental importance of a healthy balance between work life and private life.

Quality

Blue Lagoon seeks to provide the highest quality products, services, and experiences for its customers and guests, thus creating unforgettable memories. We accomplish this goal through continuous improvement, innovation, adaptation, and robust quality assurance protocols. Our unrelenting drive for excellence constantly pushes us to exceed customer expectations as we turn weaknesses into strengths.

Corporate social responsibility (CSR)

In every sphere of its operations, Blue Lagoon is a model corporate citizen, fulfilling or surpassing all legal and regulatory requirements. Anchored by its five brand values—We Care, We Respect, We Bring Joy, We Inspire, and We Create Memories—the Company foregrounds its fundamental concern for human rights, as well as the social, economic, and environmental impact of its business. Moreover, scientific research has been the hallmark of Blue Lagoon’s philosophy since its foundation. Continuously enhancing our knowledge of our natural resources, we openly share our findings. From sustainability to employee relations, to philanthropic efforts supporting local communities, to scholarly transparency, Blue Lagoon aspires to be a lodestar in the realm of wellbeing.

Ultimately, the synthesis and interplay of our five constituent policies produces an overarching, all-encompassing ethos defined by respect for the environment, a virtuous and unified workplace, the primacy of health and safety, heightened standards of quality for services and products, and an

unwavering commitment to creating unforgettable memories and being the most desired destination on the planet.

Quality policy

Honored as one of 25 Wonders of the World by National Geographic, Blue Lagoon strives for excellence in providing quality products and services to customers from all over the globe, continuously adapting to the ever-expanding market for wellbeing and an enhanced quality of life.

Continuous improvements

We listen to our customers' needs and continually improve the way we work, enriching our customers' experiences. We actively engage with our stakeholders to adapt and improve our business. We reduce waste in all our processes by increasing efficiency and productivity in a sustainable manner throughout our operation, cultivating teamwork and a strong employee culture.

Quality assurance

We maintain a high level of quality assurance with robust quality controls, preventing faults and defects in our services and products. We rely on our management system and preserve its integrity with routine reviews and updates, creating value in harmony with nature and ensuring customer confidence in Blue Lagoon's quality system.

Creating unique memories

We provide services and products that go beyond our customers' expectations, creating memories that last a lifetime. We are all a part of this journey and the customer experience is the focal point of everything we do and say. We are a wonder of the world and we aim to provide the most desirable experiences known to man.

Health and safety policy

A safe, hygienic, and healthy environment is the foundation of creating unique, indelible memories. This policy aims to ensure safety, wellness, and a positive experience for each employee and guest. Continuously

building an unyielding safety culture within the Company, we are inspired and guided by our values: We care; We respect; We bring joy; We Inspire, and We create memories.

Vigilance

We encourage risk-based thinking to minimize impact from potential hazards in our environment. Promoting a "safety always" mentality, we assess risks and integrate and maintain preventative controls through vigorous training, hygiene, maintenance, interactions, and root cause analysis.

Responsiveness

With systematic surveillance and assistance to all units, safety and security are integral components of our daily operations. Developing and maintaining a 24/7 knowledge and support center, we ensure that our emergency responses are efficient and effective. We are always ready and prepared.

A sense of caring

We are all responsible for our own safety and that of others as we seek to understand and assess the risks in our environment. Collectively building a culture of safety, respect, and caring in all areas of Blue Lagoon, we openly communicate important controls and vital information within the Company and to our guests.

Environmental policy

The dynamic, sustainable relationship between man and nature is the cornerstone of Blue Lagoon's philosophy and inspired by the Resource Park's motto: a society without waste. Countless initiatives have evolved from this phrase, fostering both societal uplift and environmental balance. Innovating for a better tomorrow, we constantly seek higher ground, as evidenced in the following areas:

Sustainability

We respect our natural resources by using them efficiently and reducing waste in our production and service processes. Continuously seeking new ways to utilise the natural streams of geothermal energy, we

enhance the customer experience and formulate new products. By protecting and researching Blue Lagoon's natural ecosystem and preserving its balance through the mediation of science, we honor the sanctity of our delicate environment and inspire our guests to do the same.

Carbon neutral

We collectively strengthen our awareness and knowledge of Blue Lagoon's unique environment and the impact we have on our surroundings. Every coordinate of the customer journey at Blue Lagoon is carbon free. We offset all CO₂ emissions, thus neutralizing our impact on climate change and giving our guests truly sustainable services, products, and experiences. Continuously seeking new ways to reduce our carbon footprint, every decision we make is informed by a mindset of uncompromising sustainability.

Plastic free

We reduce our environmental footprint by recycling and minimising waste. We aim to provide a plastic-free experience to our customers, eliminating single-use plastics while utilising reusable or environmentally friendly product packaging and materials. In all our endeavors, in every sphere of our operations, we strive for continuous improvement and diligently fulfill all legal requirements.

CSR policy

Corporate Social Responsibility (CSR) refers to the way in which the business regulates itself in order to ensure that all of its activities positively affect society as a whole. This CSR policy aims to guarantee that the Company works ethically, foregrounding its fundamental concern for human rights as well as the social, economic, and environmental impacts of what it does as a business. The business meets or exceeds the baseline criteria established by relevant statutes or best practices.

Sustainability at our core

Sustainability echoes through every dimension of Blue Lagoon's ongoing evolution. Sustainability is manifest in respect for

one another as much as it is manifest in respect for the environment. Our values are We Care, We Respect, We Bring Joy, We Inspire, and We Create Memories. They are embedded in the Company's culture and apply to both the Blue Lagoon staff and its guests.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is a major component of Blue Lagoon's operations. Since its establishment, the Company has embraced corporate social responsibility, approaching the issue from multiple angles according to changes in business and society. Our goal being to ensure that CSR is integrated into our core business strategy and daily operations.

We support sustainability in most areas of our operations, aspiring to a cooperative, harmonic relationship with society. We aim to be a role model within the tourism industry and provide guidance to others regarding corporate social responsibility.

Employees

Blue Lagoon's staff is the Company's most valuable resource. Our employees are the foundation of the unique visitor experience, and their contribution ensures the Company's continued success.

All employees consider themselves unforgettable hosts and strive to provide our guests with excellent service. Staff training and education is a key factor in Blue Lagoon's success. A clear training plan gives all employees an equal opportunity to improve their skills and increase their knowledge at work.

Physical and mental health are the foundation of wellbeing. Employees are given ample opportunities to exercise regularly. In addition, the Company conducts annual health checkups and vaccinations. The entire Blue Lagoon experience and related work procedures are risk-assessed with regards to safety, health, and the environment, and the appropriate controls are implemented to minimise the risk of accidents. The Company has defined, documented, and practiced emergency response to major operational risks. For

more information, read our health and safety policy.

Blue Lagoon strives to foster an egalitarian workplace and has established a gender equality plan with the aim of assessing employees on their own merits—regardless of gender, race, creed, or other criteria. Since 2018, Blue Lagoon has been certified by the ÍST 85:2012 Equal Wage Management System, commonly known as the Equal Pay Standard. For more information, read our human resource policy.

Guests

We continuously enhance our guest experience, increasing efficiency and reducing environmental impact. We aim to improve customer satisfaction by elevating the quality of our services in accordance with the needs and desires of our guests. We ensure the safety and quality of our offerings through continuous risk assessment of operations and activities. We commit to clear, transparent communications with our guests, using not only our online channels but also face-to-face engagement through the Blue Lagoon customer experience. For more information, read our quality policy.

Environment

Blue Lagoon operates in full compliance with Icelandic laws and regulations, and continuously seeks new ways to reduce the local and global impact that our business has on the environment. By preserving our natural surroundings, in partnership with other companies and associations, we bring benefits to our local communities and maintain the sustainable development of Blue Lagoon. The Company operates in harmony with nature and our approach focuses on utilising our resource streams to their fullest, in a sustainable manner. Blue Lagoon is a signatory to a cooperative agreement with the Reykjanes UNESCO Global Geopark. This agreement increases sustainability and protects and maintains the Reykjanes environment. For more information, read our environmental policy.

Community engagement

Blue Lagoon supports the local communities of the Reykjanes Peninsula with

numerous philanthropic projects focused on sports and youth clubs, as well as cultural, health, and environmental affairs. For many decades, Blue Lagoon has been conducting peer-reviewed research on the Blue Lagoon ecosystem, sustainability, and the bioactive elements of geothermal seawater. Striving to be a leading example of sustainability, our mission is to continuously expand the knowledge of our unique natural resource and openly share it with the local and global community. The efficacy of Blue Lagoon geothermal seawater in combination with Blue Lagoon skincare for treating psoriasis is supported by the findings of our peer-reviewed research. As a result, natural psoriasis treatments at the Blue Lagoon medical clinic have been endorsed by the Iceland Ministry of Health. For many years, the Company has offered Icelandic residents psoriasis treatments free of charge. Also, the Company trades goods and services from local suppliers, aiming to increase sustainability and ensure that the future value of the operation will be fully utilised to protect and maintain the Reykjanes environment and culture.

Human resources policy

The geothermal seawater—the origin of sustainable wellbeing at Blue Lagoon—and our people are our most valuable resources. We embrace our employee's uniqueness and their valued contribution in creating an atmosphere of wellbeing and inclusion, where everyone is appreciated and has equal opportunities to grow and fulfil their potential. Embedded in our work ethic are Blue Lagoon's values: We care, We respect, We bring joy, We inspire and We create memories. They are the cornerstone of the Company's culture.

A great place to work

Blue Lagoon is a world-class wellness destination where every employee strives to be an unforgettable host and maximise the guest experience. Blue Lagoon is intent on creating a work environment that encourages innovation, respect, equality, care, trust, teamwork, and job satisfaction. Blue Lagoon cares about its employees and supports their health and wellbeing in multiple

ways. The Company is attuned to equality and any discrimination, bullying and/or harassment is not tolerated.

The right people

Blue Lagoon endeavours to hire the most qualified person for each position in conformance with the Company's rigorous recruitment and onboarding process. Social skills are vital for Blue Lagoon's success and the Company emphasises employee progressiveness, teamwork, innovative and creative thinking, communication skills, a willingness to embrace change, and diversity.

Professional training and development

Blue Lagoon emphasises the importance of lifelong learning and the enhancement of employee knowledge, growth, and competence through intensive training and development programmes. We aim to advance employee competence and self-confidence, enabling everyone's strengths to shine. The success of our education and training protocols is assessed through professional performance management and regular employee surveys. Career development applies to all employees, and everyone has an equal opportunity for professional growth.

A strong team culture

Blue Lagoon emphasises peer culture, diverse workforce, strong team unity, balance between work and private life, and robust leadership with a clear vision for the future. Educational culture is prevalent. We are not afraid to make mistakes as long as we learn from them. All employees must embrace the Company's values, embody a good work ethic, demonstrate a reliable and professional attitude in all communications, respect their co-workers, and contribute to the formation and preservation of a strong, affirmational team spirit.

Equal pay policy

Blue Lagoon strives to ensure equality between all genders and that each employee is to be assessed on their own merits, regardless of gender, race, or other unsubstantiated criteria, so that there is no unjustified wage difference in the workplace. The purpose of the Blue Lagoon's

equal pay policy is to ensure that full equality is maintained between all genders at Blue Lagoon. The aim is that all genders should enjoy the same terms for the same or equal value jobs. The Blue Lagoon's equal pay policy is an integral part of the Company's remuneration policy.

Scope

The scope of the equal pay policy covers all employees of Blue Lagoon.

Responsibility and role

Blue Lagoon operates according to an equal pay system that covers all employees. The Executive Board is responsible for the implementation and review of the Company's equal pay policy and that it complies with the Act on Equal Status and Gender Equality no. 150/2020.

Implementation and review

Blue Lagoon undertakes to:

- Constantly improve HR practices to ensure equality for all company employees.
- Receive suggestions and complaints and use them for the development of Blue Lagoon's human resources management and equal pay criteria.
- Conduct an annual wage analysis to see whether there are measurable gender-based differences between wages for equal work or work of equal value.
- Respond to unexplained wage deviations through continuous improvement and monitoring.
- Follow the Equal Pay Standard ÍST 85: 2012
- Confirm compliance with legal requirements pertaining to the equal pay system on an annual basis.

Wage policy

At Blue Lagoon, all job varieties are respected. The goal is that qualified employees are positioned strategically within the Company, are satisfied at work and have the ambition to take on challenging tasks to continuously improve the business.

Blue Lagoon complies with the laws in force in the Icelandic labor market.

Scope

The scope of the wage policy covers all employees of Blue Lagoon.

Responsibility and role

The executive board is responsible for the implementation and review of the Company's wage policy.

Implementation

Blue Lagoon pays salaries that take into account the demands of job positions in relation to knowledge, skills, and responsibility. The scope and nature of each job affects the salary and is dependent on many factors, such as experience, knowledge, skills, responsibilities, workload, management, projects, team management, education, collaboration skills, and specialization.

Wage decisions must be transparent and objective. It is important that salaries take into account the demands that each job makes on the employee with regard to the above factors. Decisions on wage changes are made by authorising managers in consultation with the HR managing director, who ensures that consistency is maintained in wage payments and in line with the Blue Lagoon equal pay policy.

Job descriptions must be available for every job, describing the main aspects of each.

The Blue Lagoon's Wage Policy is intended to support the success of the Company's operations and overall business strategy.

Training policy

Training and education are key factors in the Company's success. The policy's goal is to facilitate decision-making and support Blue Lagoon's strategic plan as well as increase important knowledge and continue to ensure excellent quality in its services. Blue Lagoon's values We inspire, We create memories, We bring joy, We respect, and We care, as well as our purpose, Wellbeing for people and planet, are always taken into account in our educational activities.

Assessment

The Company's learning and development emphasis is on responding to rapid changes in the business environment, increasing job satisfaction and autonomy in work, and strengthening managers who are influential in this journey. The aim is also to promote knowledge and continued excellence in service and hospitality, and improve staff's knowledge of technical infrastructure and innovation when it comes to technical solutions. Publication of educational material is targeted and tailored to the needs of Blue Lagoon at any given time. Interdepartmental collaboration and cross-training are critical to maximizing success. All employees at Blue Lagoon must attend job-related training.

Implementation

Professionalism, efficiency, and trust are the guiding principles in all training and education within Blue Lagoon. An educational plan is published and reviewed quarterly, but the schedule may change based on the needs at any given time. Trainings take place both in classrooms and through an online learning platform. A representative is appointed within each department who sits in the education council and is responsible for course registration together with managers and encourages active, lifelong learning. A multidisciplinary group of digital leaders also support digital development within the Company.

Evaluation and performance

Response surveys are sent out after on-site training courses, and information sessions on the results of customer surveys are reviewed monthly. Training is routinely checked in employee surveys. Results are used in re-evaluating published training materials and in developing new educational material.

Responsibility

Oversight and review of this policy is managed by the Company's education manager.

Policy against harassment, bullying and violence

This policy and response plan are based on section e. of Article 38 of Act No. 46/1980 on Working Environment, Health and Safety in Workplaces and Regulation No. 1009/2015 on bullying, sexual harassment, gender harassment and violence at work.

It is the Company's aim that employees work in a spirit of cooperation and thus always show their colleagues courtesy and respect in communication. The response plan against bullying and other psychosocial harassment is a further implementation of that goal and applies to all activities at Blue Lagoon. Bullying and other psychosocial harassment, such as gender-based and sexual harassment and violence, will not be tolerated under any circumstances. Furthermore, the complicity of employees in such cases is not tolerated.

This policy and related response procedure applies to all employees of Blue Lagoon, Icelandic Spa, and Blue Lagoon Skincare, and those who work for the Company at any time, including contractors. This policy applies to behavior in any work context including social events, trips organized by Blue Lagoon, training, conferences sponsored by the Company, and between colleagues outside of work. It also covers incidents outside the workplace where employees or others covered by this policy show a lack of judgment due to these factors.

Blue Lagoon promotes a healthy and safe working environment where its values We care, We bring joy, We respect, We Inspire and We Create Memories are in the foreground. All employees are equally responsible in creating a positive, inspiring and constructive working environment where everyone can thrive.

Definition

Blue Lagoon's definition of bullying, sexual harassment, gender-based harassment and workplace violence is in accordance with regulation no. 1009/2015. As stated in Article 3:

Bullying: Repeated behaviour that is generally done to cause distress to the individual concerned, by belittling, insulting, hurting or threatening them or causing them fear. Differences of opinion or disagreements arising from differing interests do not fall under this definition.

Gender-based harassment: Behaviour relating to the gender of the person subjected to such behaviour that is unwanted, has the purpose or effect of violating the dignity of the individual concerned and creates circumstances that are intimidating, hostile, degrading, humiliating or offensive to the person.

Sexual harassment: Any kind of unwanted sexual behaviour with the purpose or effect of violating the dignity of the individual concerned, particularly when such behaviour leads to intimidating, hostile, degrading, humiliating or offensive situations. Sexual harassment can be verbal, symbolic and/or physical in nature.

Violence: Any form of behaviour which results in, or could result in, physical or psychological injury or suffering on the part of the victim; also the threat of such and coercion or arbitrary deprivation of freedom.

Other inappropriate behavior: May include disrespectful behavior, lewd and lascivious behavior, or touching that is considered intimate or inappropriate.

Conduct that is not considered inappropriate: Conflicts over assignments, differences of opinion, or differences of interest are not considered inappropriate behavior, but if such conflicts escalate without intervention, they can lead to bullying, harassment, and violence in the workplace.

Positive comments and jokes are not considered harassment and/or bullying unless the behavior is unwelcome, neither reciprocal nor on an equal footing.

Furthermore, the following definitions are used:

Victim: The person who is subjected to bullying, sexual harassment, gender-based harassment or violence. Until the investigation of a case is completed, the term “alleged victim” is used.

Perpetrator: The person who uses bullying, sexual harassment, gender-based harassment or violence. Until the investigation of a case is completed, the term “alleged perpetrator” is used.

Manifesto

All complaints of bullying, sexual and gender-based harassment or violence must be investigated as soon as possible and the need for professional support for both the victim and the perpetrator must be assessed. All relevant data is stored on a locked drive.

Blue Lagoon will activate its response plan against bullying, harassment or violence no later than five working days after a complaint is received. If the complaint is verbal, the administrator must write it down and define the nature of the complaint. Management must take all complaints seriously and act according to the following procedure.

The responsibility of management

Managers are responsible for ensuring that basic principles of communication in the workplace are respected and that new staff are introduced to this policy and response plan immediately upon starting their job at Blue Lagoon. The response plan is activated if management is made aware of bullying, harassment or violence in the workplace, also if a notification or complaint is received from an employee about such or other inappropriate behavior. Management will take action against employees who violate this policy, which may result in a reprimand, a job transfer or the termination of employment with the Company. Serious incidents may be prosecuted in consultation with the victim. The perpetrator will be held accountable.

Managers at Blue Lagoon are obligated to create working conditions that do not foster the risk of bullying, harassment or

violence. They are responsible for enforcing this policy and response plan and ensuring that all employees are aware of it.

Managers have a duty to address issues in accordance with this response plan when they arise and seek the assistance of their supervisor or the Blue Lagoon response team.

The responsibility of employees

Employees are not allowed to bully another employee(s) or managers at the workplace, harass them and/or demonstrate violent behavior at the workplace.

An employee who believes he has been subjected to bullying, sexual harassment, gender-based harassment or violence at the workplace, or has a reasonable suspicion or knowledge of such behavior at the workplace, must inform his manager or the Blue Lagoon response team about it. The employee must also be prepared to make his case in more detail in writing. A written notice will be delivered to the alleged perpetrator to ensure transparency and clarity.

Blue Lagoon registration obligation

Blue Lagoon will record everything related to the handling of each case and keep the employees concerned as well as the shop steward informed during the proceedings, among other things by giving them access to all information and data in the case, taking into account the law on personal protection and handling of personal data.

When Blue Lagoon considers that the case has been closed on behalf of the Company, Blue Lagoon will inform the employees concerned. If the employees concerned wish to receive a written confirmation that the case is closed, that request must be granted, as long as such a request is received within six months from the time Blue Lagoon informed about the end of the case on its behalf.

Bullying and harassment team:

Guðrún Lía Sigurðardóttir,
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660-8831

Rósbjörg Jenný Magnúsdóttir
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860-8970

Ægir Viktorsson
aegir.viktorsson@bluelagoon.is,
820-2885

Response

See more detail in the response plan.

If an employee believes that he/she has been subjected to inappropriate behavior by a colleague/s, it is important that he/she let the alleged perpetrator or perpetrators know that he/she dislikes his/her behavior towards him/her and wishes that such behavior does not happen again. If an employee does not trust himself/herself to convey such a wish to the alleged perpetrator or perpetrators, he/she should request the assistance of his/her manager. If the next manager is the alleged perpetrator, the employee should contact that person’s manager or the response team.

An employee who believes they have been subjected to bullying, harassment of any kind or violence, or has a reasonable suspicion or knowledge of such behavior in the workplace, must contact their immediate supervisor or the response team at Blue Lagoon as soon as possible and report the incident.

If the their manager is the perpetrator or does not follow up on the matter, it is emphasised that the employee must turn to that person’s manager or the response team.

When a manager or the response team become aware of bullying, harassment or violence, they must respond according to the response plan.

It must be ensured that the victim’s working conditions during the proceedings are such that he/ she is not further exposed, receives support, and feels safe in the workplace.

Receive notifications

If an employee reports that he/she has suffered bullying, harassment or violence

at work, it is important to follow the procedures in the response plan. The notification must be in writing. A copy of the notice is delivered to the alleged perpetrator(s).

Evaluation of notice

After conversing with the employee, the response team is called to a meeting to review the data and decide whether to go forward with formal or informal proceedings. In the case of minor incidents where behavior can be corrected with appropriate support, confidential discussions or counselling, an informal procedure is chosen. If the incident is major and requires a detailed investigation, a formal procedure is chosen. Please note that informal proceedings can lead to formal proceedings. It is important to inform the victim how the case will be handled at the workplace, i.e. whether the matter goes through an informal or formal process.

Informal proceeding

The response team seeks information from both the victim and the perpetrator separately and talks to other parties if necessary. The notification must be in writing and a copy of the notification is provided to the alleged perpetrator. Both the victim and the perpetrator must be assisted by a manager or response team in solving the case, and in addition, the need for external assistance in the form of psychological assistance or counseling must be assessed. People other than those concerned within the workplace are not informed about the proceedings. The response team must ensure that the parties directly involved in the case are supported and their safety is enhanced by ensuring that the relevant parties have no more than a minimum of communication due to their work. The response team follows up on the case by reviewing the situation after a pre-defined time period agreed upon by the response team and the victim, but it is good to aim for 2-4 weeks.

If the inappropriate behavior does not subside, or if information about the incident is revealed to be major during the investigation, the case shall be put into a formal proceeding.

Formal proceeding

If the incident is major and requires further investigation, it is a formal proceeding. See more in the response plan

- An impartial examination of the facts of the case is carried out. The victim, perpetrator and others who can provide information about the case are interviewed. It is important to look for information about timings and obtain data, e.g. emails, text messages or other relevant data.
- During the investigation, the person making the complaint must be kept informed of the progress of the proceeding and ensure that he/she and the alleged perpetrator(s) are informed that they do not have to continue to communicate regarding activities within the Company.
- A solution will be found which, among other things, can consist of changes in the workplace, work methods or work organisation. The case is then followed up and discussed with relevant parties after a certain period of time and their interactions reviewed.
- If bullying, harassment or violence is confirmed after the investigation, appropriate action must be taken to stop the behavior that has taken place.
- **Actions could consist of the following points:**
That the perpetrator repents his actions and submits a written apology along with a promise that this will not happen again.

That the perpetrator will be transferred within the Company.

The perpetrator receives a written reminder.

The perpetrator's employment is terminated.

- Victims and perpetrators are offered psychological support as appropriate and necessary. If the investigation reveals that there is no bullying, harassment or violence, the social risk assessment of the workplace must be reviewed and an improvement plan drawn up based on it, if applicable.

Follow-up

It is necessary to follow up on cases, regardless if the proceedings are informal or formal. Follow-up includes i.e.:

- Monitor the wellbeing and social status of the perpetrator and the victim.
- Provide appropriate support and help to the perpetrator and/or victim.
- Evaluate the success of an intervention.
- Review interventions if need be.

The follow-up aims to ensure the victim's well-being and prevent the alleged bullying, harassment or violence from reoccurring.

Accountability and review

The response team is responsible for implementing and maintaining this policy and response plan. The department managers are also responsible for ensuring that all provisions of the plan are enforced. This policy and response plan must be presented to all employees and they must be instructed where they can turn to with individual issues.

The response team supervises the correct use and revision of the plan, and it must be evaluated and revised every two years. Notes and suggestions regarding the response plan must be communicated to the relevant manager or the response team.

BLUE LAGOON