

20 24

Sustainability report

BLUE LAGOON

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Chairman's address



Úlfar Steindórsson
Chairman of the board

Dear shareholders,

On October 25, 2023, an episode of seismic activity began on the Reykjanes Peninsula, marked with strong earthquakes. Since then, eight eruptions have taken place along the Sundhnúksíggar crater row, approximately three kilometers from the Blue Lagoon.

The impact of last year's seismic disturbances on Blue Lagoon's operations was both substantial and disruptive. This included repeated closures, damage to nearby roads, and gas contamination at the company's site in Svartsengi. The company's buildings have nevertheless withstood these episodes, as they were constructed in accordance with the strictest requirements to endure such seismic disturbances. In this regard, it is worth noting that Blue Lagoon's annual reports over the past decades have consistently identified natural disasters as possible threats to its operations, and appropriate preparations have been made based on those analyses.

The Blue Lagoon brand is in a league of its own. Its global value and strengths have been clearly demonstrated during this period of seismic unrest, as the overall tourism sector has experienced a decrease in bookings each time Blue Lagoon has had to shut down its facilities.

The main priority of Blue Lagoon's management and board has been to steer the company through these difficult times while protecting the company's interests. Nevertheless, the company's strong financial standing has enabled leadership to pursue targeted and ambitious growth in multiple areas despite the seismic activity. New business units have been established nationwide, and the company's infrastructure in Svartsengi has been considerably reinforced. All this has been done with the aim of reinforcing the company's foundation and moving forward with full force.

By working closely with authorities, emergency services, and other experts, it has been possible to reopen the Svartsengi facilities quickly and safely following each event. This has helped secure the company's continued operations as much as possible. Even so, the events have had a major financial impact on Blue Lagoon's operations, with direct costs estimated at around ISK 4.5-5 billion in the past year, primarily lost revenue and wages paid during periods of closure of the Svartsengi sites. In 2024, Blue Lagoon generated approximately 115 million euros in revenue. EBITDA totaled just under 10 million euros, which must be considered a remarkable achievement given that while volcanic eruptions lasted for 121 days of the year, the Blue Lagoon was only closed for 71 days.

The company recorded a loss of just under 8 million euros. Its economic importance remains significant, with its tax footprint in

2024 totaling over ISK 4.1 billion, consisting of, among other things, payroll taxes, VAT, and other public fees.

The company's finances remain stable, with an equity ratio of 53% at the end of the year. This is a strong result considering the year's investments, ongoing developments, and interruptions due to seismic events.

This year marks 30 years since the launch of Blue Lagoon Skincare's first product, the Silica Mud Mask. The anniversary will be celebrated in various ways throughout the year. The company is proud of its successes and looks forward to continuing to grow and evolve in the coming years. Blue Lagoon Skincare products are now sold widely abroad, though still mostly to foreign tourists visiting Iceland. There are still untapped opportunities in that area, which are being actively pursued.

As mentioned at the company's annual meetings over the past three to four years, there have been ongoing plans to take Blue Lagoon public. As has always been noted, the final decision depends on market conditions. Understandably, no listing took place last year. Still, the time was put to good use. Organizational adjustments were made, the IFRS accounting standard was implemented, and substantial progress has been achieved on the listing prospectus. The company is therefore well positioned for a potential listing when and if the opportunity arises.

It bears repeating that tourism holds a vital position in the country's value creation. It is important that national leaders keep this in mind when discussing matters concerning Iceland's economy. Unfortunately, these discussions are too often centered around finding ways to further increase taxation on industries. A more constructive path would be to secure a solid framework for further

growth through ongoing dialogue and collaboration with the sector, in alignment with the tourism policy approved by Parliament in June 2024. It is a well-known fact that strong businesses are the foundation of national prosperity.

There are potential clouds on the horizon for global tourism, and the number of visitors to Iceland is expected to decline this year due to external risks and uncertainty. However, Blue Lagoon stands on a strong foundation of long-term thinking and adaptability, with responsible leadership and management playing a key role in guiding, adjusting, and strengthening operations. New business units across the country, along with the development and sale of skincare products, have further positioned the company to handle fluctuations in the operating environment at any given time.

On behalf of the board, I would like to extend my thanks to the CEO, management, and all Blue Lagoon employees for their outstanding performance over the past year. It has been inspiring to witness the remarkable resilience shown by the staff and the results they have achieved under challenging conditions. I also wish to thank my fellow board members at Blue Lagoon for the pleasant collaboration and strong unity in the face of demanding circumstances.

Thank you.

CEO's address



Grímur Sæmundsen
Chief executive officer

Dear shareholders,

Over the past year, our primary focus has been on guiding the company safely through the challenges posed by the ongoing volcanic activity along the Sundhnúksíggar crater row, which began in November 2023.

Now, a year and a half later, we have gained valuable experience. What truly stands out is the determination, optimism, flexibility, and professionalism of our entire team, which has supported the company through the unprecedented challenges and uncertainty shaping our operating environment over the past year.

Blue Lagoon is one of the largest workplaces in the country. At the onset of the seismic activity, the company's board and management made the bold decision to protect jobs until the crisis was over. At the turn of the year, 799 people from 42 different nationalities were employed by the company, compared to 795 in the previous

year. Alongside managing the seismic events, investment in the company's human resources continued, as a well-trained and capable workforce is the key to success. Weekly information meetings between management and staff have proven to be extremely important, keeping everyone informed about the current situation. Workplace surveys show that Blue Lagoon employees are very satisfied with their jobs, and employee satisfaction ratings have remained consistently high year after year despite the uncertainty.

During the seismic activity period, the company had to close its facilities in Svartsengi 15 times for a total of 124 days, including 71 days last year, and evacuate eight times. The Civil Protection emergency levels changed repeatedly as the situation evolved, with Svartsengi remaining at one of the three alert levels throughout 2024. Each reopening saw operations adjusted to the new circumstances, and visitors quickly returned. Restrictions caused by changes in routes due to lava flows and road closures were repeatedly overcome. The lava crossed Grindavíkurvegur four times, which presented significant challenges, leading to a variety of innovative approaches to maintain access for Blue Lagoon visitors. This was only possible thanks to strong collaboration and a solution-oriented attitude among all parties involved: emergency services, authorities, staff, and experts in relevant fields.

The protective walls constructed around Blue Lagoon and HS Orka's operational area in Svartsengi in 2023, and then upgraded further in 2024 and 2025, have clearly demonstrated their importance. Lava flowed across the company's parking lot, which was located outside the protective walls in November. But just a few weeks later, new temporary parking spaces were implemented for use until construction on new permanent parking spaces within the protective walls is completed in June.

In addition, a network of gas sensors was installed at Blue Lagoon's operational area this year. The sensors are directly linked to the building management system and security control room, enabling fast and effective response around the clock if air quality exceeds limits. Traffic restrictions through Grindavík also had wide-ranging effects on operations, including the company's storage and laundry facilities, but those issues were resolved along with all the others. Solution-oriented thinking, every step of the way!

Ambitious evacuation plans, staff training, and communication with guests and resellers have been the guiding principles throughout. The same applies to preparing overnight guests for the possibility of relocation to other accommodations in case of an evacuation. Surveys of evacuated guests produced very positive results, highlighting the crucial role of managing expectations.

Because of the uncertainty caused by the seismic activity, no seasonal workers were hired last summer. Instead, the employees worked together to keep operations running smoothly.

Blue Lagoon is a company focused on delivering unique experiences. All our investments over the years have been aimed at ensuring a unique experience for our guests. Despite the seismic activity, we continued to develop and improve the guest experience in Svartsengi, while also investing in new destinations across the country: Kerlingarfjöll, Hoffell, and Þjórsárdalur.

Blue Lagoon in Svartsengi and the unique geothermal seawater will remain our foundation and the heart of our operations.

Blue Lagoon Skincare is now placing special emphasis on promoting skincare products to foreign tourists in Iceland and continuing to invest in marketing efforts

in the United States. The focus has been on facial masks, a key element of the experience for all Blue Lagoon visitors, along with the BL+ product line, which was introduced in 2021.

Blue Lagoon has supported numerous humanitarian and community projects in recent years. Last year was no different, with the focus remaining on local communities. Blue Lagoon contributed to many projects, totaling around 115 million Icelandic krona. This includes a specially equipped rescue vehicle that the company handed over to the Þorbjörn rescue team in Grindavík last year. The contribution of the rescue team is invaluable to the community, and it was a great pleasure to be able to support their vital work in this way.

In recent years, Blue Lagoon has contributed to the development of the Reykjanes UNESCO Global Geopark, a joint project between Blue Lagoon, Jarðvangur, and the four municipalities within its area, focused on regional development. Last year, Blue Lagoon completed the construction and opening of the visitor center at Reykjanes Lighthouse, with the goal of improving services and providing information to those traveling through the area.

The operations of Blue Lagoon are built on a solid foundation. We look to the future with confidence and will continue to develop the company's operations, while contributing to sustainable growth and a better experience for tourists in Iceland. We have an important role to play as a leading company in the Icelandic tourism industry.

The staff of Blue Lagoon overcame unprecedented challenges over the past year with exceptional perseverance and unity. I want to take this opportunity to thank the entire team for their outstanding performance.



A year of unrest and resilience

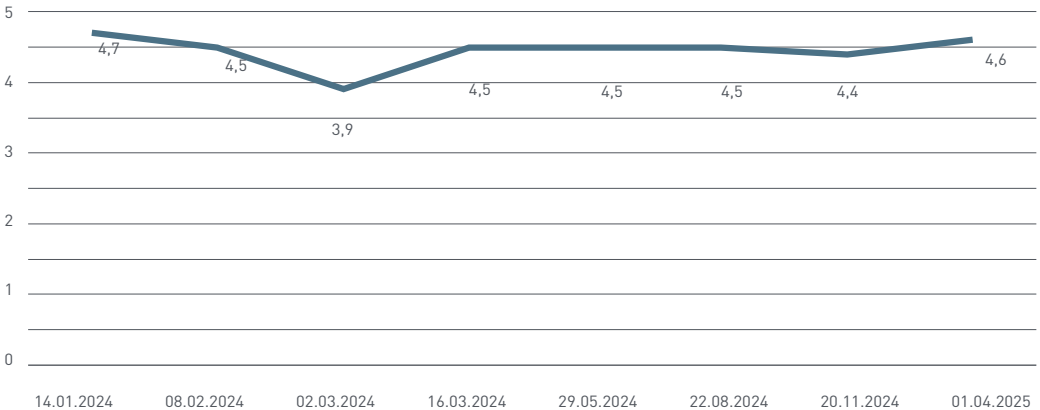
Seismic activity on the Reykjanes peninsula had a significant impact on operations.

The earthquakes on the Reykjanes peninsula, which began in October 2023, continued throughout 2024 and had a significant impact on the company's operations in Svartsengi. The accompanying image shows how long each of the six volcanic eruptions in Sundhnúsgígárgar lasted in 2024. In total, these eruptions lasted 121 days. More often than not, lava flowed over the road to Grindavík. Although the eruptions themselves did not necessarily prevent operations from continuing, they delayed the reopening of Blue Lagoon facilities. During this period, Blue Lagoon was closed for 71 days, and the hotels for a further 76 days, roughly 20% of the year. In total, Blue Lagoon has been closed for 123 days since the earthquakes began in late 2023, and the hotels for 129 days. As the image shows, the time between eruptions has increased and the pressure of magma influx beneath Svartsengi has significantly decreased.

Safety protocols
As before, all protocols related to safety and evacuation plans have been regularly reviewed to ensure that appropriate responses can be taken. Frequent training has taken place, and staff have gained invaluable experience and skills in responding quickly and effectively. Special evacuation officers have been designated for each part of the facilities and are trained to be responsible for evacuations in their specific areas if needed. This has proven to be successful.

There were six evacuations this year in the lead-up to eruptions, all of which went smoothly. Surveys among guests who experienced the evacuations confirm this, and their feedback has been crucial in learning from each event, identifying ways to improve, and assessing results.

Guest satisfaction with evacuations



JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
85 days						36 days					
1	01	01	01	01	01	01	01	01	01	01	01
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30		30	30	30	30	30	30		30	30	
31		31		31		31	31	30	31		30
Hagafell	Sundhnúkgígárgar	Sundhnúkgígárgar	Sundhnúkgígárgar	Sundhnúkgígárgar	Sundhnúkgígárgar		Stóra Skógfell	Stóra Skógfell		Stóra Skógfell	Stóra Skógfell

Impact on environment, human resources, and operations

The impact of the seismic activity on Blue Lagoon's operations has been substantial, with the direct cost to the company estimated at 4.5-5 billion ISK in the past year. The most significant factor was lost revenue and employee wages while facilities in Svartsengi were closed. However, the company did not resort to any cost-cutting measures or layoffs despite these events.

Special lava barriers have been constructed in various areas, including around the Blue Lagoon and HS Orka facilities in Svartsengi. These are designed to protect key infrastructure from potential contact with lava. The design and construction of these barriers proved their worth this year when lava flowed along the barrier north of Svartsengi. The Blue Lagoon parking lot, located outside the barriers, was covered by lava in the fall. However, within just a few weeks, a temporary parking area was constructed and will remain in use until the newly enhanced parking facility inside the barriers is completed in June.

As before, the company has strived to adapt to uncertainty as well as possible. The operations in Svartsengi are important to the local community, and the company employs around 800 people. By working

closely with authorities, response teams, and other experts, it has been possible to reopen facilities quickly and safely each time. This ensures the smooth continuation of operations.

Significant emphasis has been placed on ensuring the safety of guests and staff before reopening operations after each event. However, lava flows over the road to Grindavík have often presented challenges in terms of reopening facilities. For a time, guests were picked up by buses at a parking lot at Seltjörn. At other times, the Blue Lagoon's entrance was accessed via Hafnir and Nesvegur, and for a while, guests were picked up and transported to the Blue Lagoon in minibuses. These solutions would not have been possible without close collaboration and a solution-oriented approach from all parties involved, including emergency responders, authorities, staff, and other experts.

In 2024, Svartsengi was evacuated seven times. Four of the evacuations occurred during the day. The evacuations generally took about 40 minutes. Composure, resilience, and professionalism have characterized the reactions of all the company's staff, who have stood firm during the evacuations and deserve special thanks for their invaluable work.



Information flow

The importance of a strong information flow at all times has proven essential for guests and staff. Management has held weekly meetings with the Meteorological Office, which have played an invaluable role in assessing and understanding the situation and ensuring clear communication, especially given that media coverage has often been marked by misinformation. During volcanic eruptions, daily meetings with weather experts have also been conducted to closely monitor conditions, particularly regarding potential gas emissions and ongoing developments. Additionally, a network of gas sensors has been installed at Blue Lagoon facilities, directly connected to the building management system and security monitoring center, allowing for a swift and effective response around the clock if readings exceed safety limits. In addition to these fixed sensors, numerous handheld gas monitors are always readily available.

Weekly briefings are held with all staff regarding the situation. The staff has appreciated this, as the meetings provide an opportunity to reflect on current developments and ensure a shared unders-

tanding and flow of information within the company. At the time of writing, a total of 66 such meetings have been held. Great emphasis is also placed on effectively communicating information to guests both before and upon arrival, as well as to resellers. This plays a crucial role in managing expectations.

Seismic activity in the media

The chaotic nature has in many ways found its way into media coverage surrounding seismic activity in Reykjavík. Here, uncertainty is the biggest contributing factor, both because nature can be unpredictable but also because experts do not always agree. Blue Lagoon's challenge has therefore also been to counter inaccurate media coverage. Inaccuracies have sometimes gotten a life of their own through foreign coverage, which has been detrimental to the reputation of Iceland as a destination. We have therefore seen first-hand how important it is to publish accurate and verifiable information and how important media is in that regard. The Icelandic public, as well as guests from around the world, must be able to rely on all information that is published in a public forum, not least because tourism is one of Iceland's largest exports and must be protected in a responsible way.

When analyzing coverage for the whole seismic period, from the evacuation of Grindavík until early 2025, Blue Lagoon has been covered in about 2,000 stories across media platforms. About half of this coverage is neutral and just over 300 pieces are positive. However, negative images accompanying stories do affect reader perception, no matter the stories' contents. This has been true of most coverage of seismic activity and in that way, the public's perception and opinion of Blue Lagoon and its operations has been influenced.

The importance of a strong information flow has proven essential for guests and staff.

Awards and recognitions

Motivation for continued excellence.

Blue Lagoon is dedicated to remaining at the forefront in all its endeavors. The awards and recognitions that the company has received in recent years serve as a powerful motivation to maintain the highest standards of work. In this way, Blue Lagoon continues to play a key role as a prominent leader within Iceland's tourism industry.

The company received a number of awards last year that inspire us to continue improving. Among of the more notable awards are:

Award as Managers of the Year (Stjórnvísir)

Blue Lagoon was honored with the Stjórnvísir Award for Managers of the Year in the category of middle management. This prestigious recognition underscores the outstanding leadership within our management team, with particular emphasis on the significant contributions of women in leadership roles. The past year presented numerous challenges, and the resilience demonstrated by our management team has been exemplary.

Traveler's Choice Best of the Best

Blue Lagoon was awarded TripAdvisor's prestigious Traveler's Choice Best of the

Best, placing the company among the top 1% of TripAdvisor listings worldwide.

Wine Spectator, Best of Award of Excellence

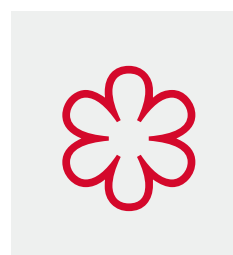
Moss Restaurant was honored with the Best of Award of Excellence in the 2024 Wine Spectator Restaurant Awards, recognizing its exceptional wine list. This prestigious award celebrates the world's finest restaurants for their exceptional wine offerings.

Michelin Star

In 2024, Moss Restaurant at The Retreat Hotel at the Blue Lagoon received its Michelin Star for the second consecutive year. This recognition follows its first-ever Michelin star in 2023, marking the first time an Icelandic hotel restaurant has received such an honor.

World Spa Awards

In 2024, The Retreat Spa at Blue Lagoon was recognized as Iceland's Best Hotel Spa. This distinguished award acknowledges the outstanding service, exceptional facilities, and unparalleled spa experiences offered at The Retreat, solidifying its position as a leading destination for wellbeing and relaxation in Iceland.



Brand, culture, and values



Tourism and accommodation



Design and architecture



Certifications

Quality and transparency are key in making Blue Lagoon a leading company within Icelandic tourism.

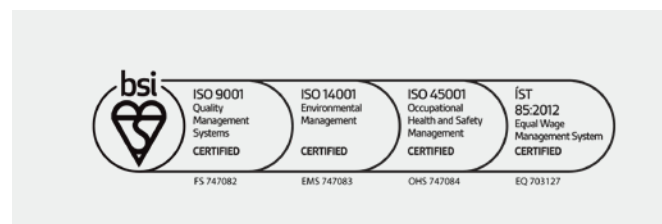
Blue Lagoon and Blue Lagoon Skincare operate under a certified management system adhering to ISO9001 for quality, ISO14001 for environmental management, and ISO45001 for occupational health and safety. They also use a unified wage system certified to the ÍST 85:2012 equal pay standard. This system ensures quality in manufacturing and services, enhances employee and guest health and safety, supports environmental protection, and encourages ongoing improvements in all processes.

In 2023, Blue Lagoon in Svartsengi and Blue Lagoon Skincare achieved a B Corp certification, validating their commitment to sustainable practices. Certified by B Lab, B Corp status requires digital assessments and meetings, helping companies set goals and improve to reach higher sustainability achievements.

The unique ingredients of the Blue Lagoon's geothermal seawater have been COSMOS approved since 2020 by ECOCERT Greenlife, emphasizing high-quality, eco-friendly products. Key Blue Lagoon Skincare products, including BL+ The Serum, BL+ Eye Serum, and Hand Cream, hold COSMOS NATURAL certification, underscoring their dedication to consumer safety and environmental conservation.

Blue Lagoon has been certified by Vakinn, Icelandic certification for companies in the tourism industry, since 2014. This certification applies to services and accommodations in Svartsengi.

Blue Lagoon has maintained a Blue Flag certification for over 20 years. The iconic Blue Flag is one of the world's most recognised voluntary awards for beaches, marinas, and sustainable tourism.



Governance

The Blue Lagoon's board of directors places great emphasis on implementing and maintaining good corporate governance practices.

Clear roles and responsibilities make it easier for managers to fulfill their duties. This strengthens the interests of shareholders and other stakeholders, supports the company's infrastructure, and boosts its competitiveness. The company's corporate governance is prescribed by Act No. 2/1995 on Public Limited Companies, the

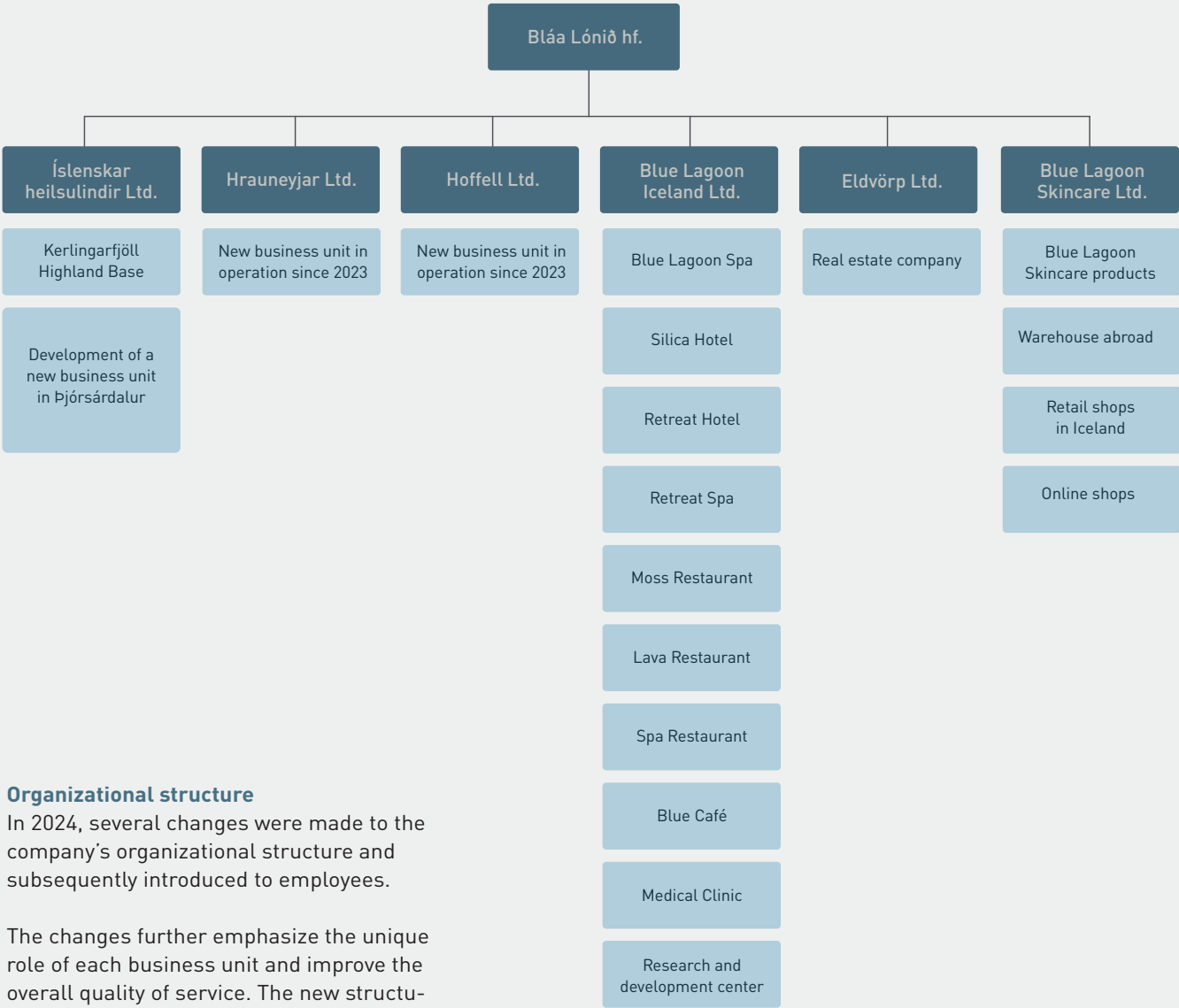
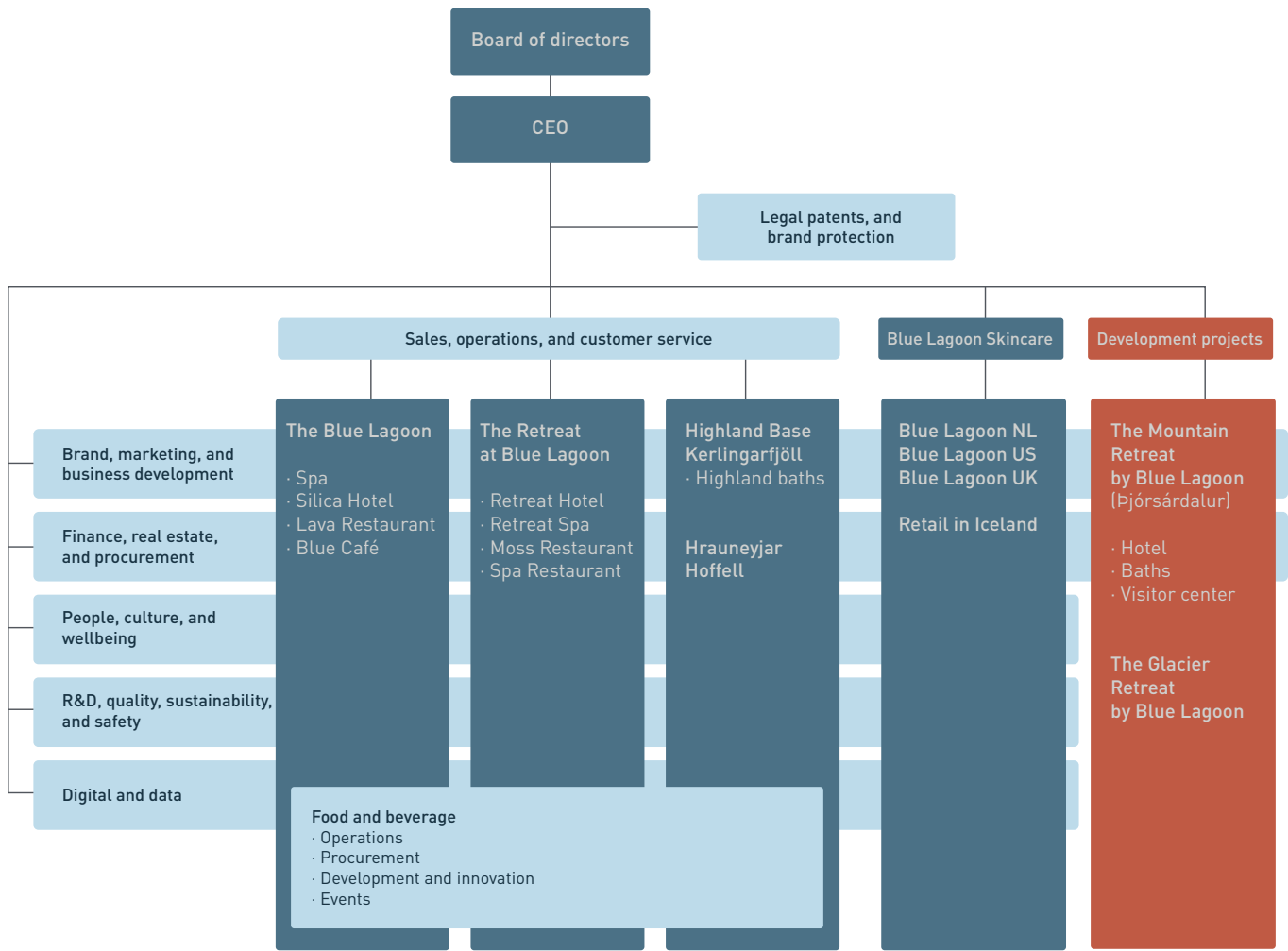
company's articles of association, and the board's rules of procedure.

Two subcommittees operate within the company: an audit committee and a remuneration committee.



Ownership and structure

In line with the scope of operations, some changes were made to the organizational chart.



Organizational structure

In 2024, several changes were made to the company's organizational structure and subsequently introduced to employees.

The changes further emphasize the unique role of each business unit and improve the overall quality of service. The new structure also better supports the growth of business units located outside of Svartsengi.

Two support divisions underwent changes. "People, culture, and safety" was changed into "People, culture, and wellbeing", as security matters were relocated to another division — "Research and development, quality, sustainability, and safety", formerly named "R&D, Medical Clinic, quality, and sustainability". The Medical Clinic continues to operate unchanged within the division, but the restructuring is part of a broader effort to further emphasize the importance of safety across the company as a whole, for both guests and employees.

Ownership

In 2024, the group's ownership structure changed minimally. The company increased its share in Highland Base Kerlingarfjöll by 13%, bringing the share owned by Íslenskar Heilsulindir to 99.3% by the end of the year. A new company, Blue Lagoon Hungary kft., was also founded during the year to facilitate software development across the entire group.



Úlfar Steindórsson
Chairman of the board

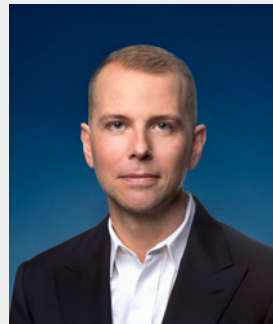
Board of directors 2024



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

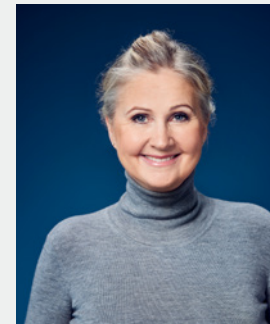


Grímur Sæmundsen
Chief executive officer

Executive committee 2024



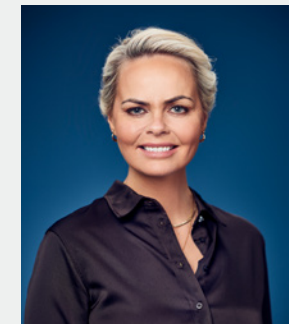
Ása Brynjólfsdóttir
R&D, quality, sustainability, and safety



Helga Árnadóttir
Sales, operations, and services



Helgi Júlíusson
Finance, real estate, and procurement



Sigrún Halldórsdóttir
People, culture, and wellbeing



Sigurður Long
Digital and data



Sigurður Þorsteinsson
Brand, marketing, and business development



Garðar Gíslason
Lawyer, present for meetings of the board of executives

Values, guiding principles, and policies

Blue Lagoon operates according to well-defined guiding principles that highlight the company's overall commitment.

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.

People wellbeing

Social wellbeing

Environmental wellbeing

Economic wellbeing

Blue Lagoon's core principle

Wellbeing for people and planet

The company's guiding principles encapsulate Blue Lagoon's strategy for a sustainable future for all. Sustainability is a priority in the company's strategic planning, driving greater efficiency, improved organization, and well-defined goals that result in financial, social, and environmental success. Blue Lagoon is guided by its core principle: *Wellbeing for people and planet.*

The four pillars upon which Blue Lagoon's guiding principles are built are all equally important. These pillars are:

- People wellbeing
- Social wellbeing
- Environmental wellbeing
- Economic wellbeing

These pillars highlight the company's commitment to creating wide-reaching, positive change. Blue Lagoon's policies cover a wide range of topics related to the company's operations and long-term vision.

The policies are implemented by setting annual goals to ensure the company remains focused and aligned with its mission and long-term vision.

The following policies can be found on the company's website:

- Blue Lagoon general 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

WE CREATE MEMORIES

WE BRING JOY

WE CARE

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.

Care

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

WE INSPIRE

WE RESPECT

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.

Market presence

Blue Lagoon emphasizes a thoughtful long-term development strategy.

The company's journey in developing health-focused tourism across the country continued over this past year, especially in areas where bathing experiences are a central feature. There, the company's expert knowledge and experience proved very useful. Through Íslenskar Heilsulindir ehf., Blue Lagoon is also an active participant in the development of bathing sites in North and East Iceland. The summer of 2024, the Highland Baths opened in Kerlingarfjöll, marking the final phase of

development in the area. As always, 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. Blue Lagoon is grateful for good cooperation with local communities, authorities, and institutions, which is essential when it comes to development projects such as these.

Preparatory work for the development of facilities in Þjórsárdalur valley continued throughout the year. This will include a bathing facility and a 41-room hotel with similar service and offerings as The Retreat. The Mountain Baths are scheduled to open in early 2028.

Simultaneously, preparatory work is underway for the Þjórsárdalur Visitor Center, at the mouth of the valley. The center will feature a reception for The Mountain Baths, an information center, an exhibition about Þjórsárdalur, and a restaurant. A new campground and up to 40 cabins will be built in the forest around the visitor center. Groundworks begin in 2024, and the facilities are scheduled to open in the spring of 2028.

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



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 development of Þjórsárdalur and recreational offerings for tourists in the area. In order to service all these projects as well as operations in Kerlingarfjöll, the company intends to build a 1,000 m2 service building in Árnes in early 2025, housing laundry facilities, storage, and a central warehouse for operations in the area. Preparations for the company's project in Hoffell in Hornafjörður are also underway. The project is expected to be the most environmentally friendly construction ever undertaken in Iceland.

Each bathing facility is unique in its own way. The heart of our activities will, however, always be at the Blue Lagoon in Svartsengi, as the geothermal 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 healing properties are unparalleled.

Despite significant expansions and emphasis on long-term planning in all projects in development, the recent period of seismic

activity has undeniably had impacted on both the company and the Blue Lagoon brand. It should be noted that Blue Lagoon Iceland is undoubtedly one of the most famous Icelandic brands, and as such is of great value. Instability, an inevitable result of the recent seismic activity, has provided competitors with an opportunity to increase their market share, and as a result, the Blue Lagoon brand has suffered. However, this was anticipated, and in Q4 of 2024, the company reviewed its marketing plans for Blue Lagoon to strengthen its presence both domestically and internationally. The company's PR strategy has also been completely revised to address the recurring inaccurate news coverage. A strategic shift has been made in how the company chooses to address the seismic activity publicly. By focusing on the safety of guests and staff, as well as the unique nature and geology of the area, the brand can emerge even stronger from this period of uncertainty and change. The work to make this happen is already underway. Furthermore, the company took advantage of opportunities created by closures and began improvements on the Blue Lagoon experience areas. Therefore, it is expected that Blue Lagoon's marketing efforts will become much more prominent in the latter part of 2025 and will align with the ongoing development in Svartsengi.



Blue Lagoon Spa

Innovation and updates at the forefront despite seismic challenges.

In 2024, the new Signature admission was introduced, adding a selection of skincare products to the well established Premium admission to better connect the experience of visiting Blue Lagoon with the unique properties of geothermal seawater-based skincare. The package has been well received, with further developments on the horizon.

A special midnight opening was held on June 20th and 21st, featuring sound healing, gong therapy, and group floating sessions. The event was highly appreciated by both guests and staff.

Traditional summer opening hours were shortened by three weeks, with daily opening times reduced by one hour. This, and the collective effort of all employees, allowed summer operations to continue



without seasonal hires, as uncertainties from seismic activity made conventional recruitment impractical. Office staff from Svartsengi and Urriðaholt assisted with frontline operations as everyone worked as one team to ensure the highest level of service for our guests.

Construction work

Frontline staff contributed to the design of a new welcome center planned for construction near the parking area outside the protective barriers. Construction had already begun when lava flowed along the barrier and over the parking lot. As a result, plans were revised, and work commenced on designing a new parking area and welcome center within the barriers.

Staff worked together as one to direct visitors from Grindavík to Svartsengi while



a new temporary parking lot was being developed. After it opened, traffic had to be directed within the lot to ensure optimal use and guide guests to the buildings. A new access route was used, taking visitors past the cold lagoon instead of walking through the lava walkway, as was done when the old parking lot was in use.

Work on enhancing the Blue Lagoon experience area began this year, and is expected to finish in early April. The goal is to further enhance the guest experience and everything the area has to offer. Both guests and staff have shown great understanding of the project, despite there being some disruption in the area.

The renovation of all changing rooms at the Blue Lagoon began in early 2024. These improvements are complex but vital, and the work is expected to be completed by May. The work has been carried out in phases, and the availability of changing rooms has been reduced in line with each step of the project. However, the construction work was paused entirely during the summer months.

Laundry services

Due to traffic restrictions in Grindavík, where the company's laundry facility is located, part of its operations moved to Svartsengi to ensure essential laundry services within the protective barriers. Meanwhile, agreements were made with companies in both Reykjavík and Keflavík to handle the washing workload. As such, laundry has been done in both Grindavík and at Blue Lagoon for several months. It's safe to say that the laundry staff moves mountains every day to navigate these complex circumstances.

The goal is to further improve the experience area for both guests and staff.

Blue Café

Premium access was slightly modified to enhance guest service, allowing drinks to be obtained at Blue Café, in addition to the in-water bar and Lava Restaurant. This change improved guest experience, drew more people to the café, and boosted revenue.

Silica Hotel

At the end of the year, all hotel rooms underwent extensive renovations. Furniture and fittings were upgraded, walls and floors were renovated, bathrooms were modified, and the overall appearance of the rooms was updated to make them more inviting. The redesigned rooms now offer a warmer ambiance, greatly enhancing the overall experience for guests.



Lava Restaurant

Seismic activity significantly impacted the operations of Lava Restaurant. In response, the menu was adjusted to offer more two-course options instead of three, a choice which was well received. The menu has been developed further, and guests have shown great interest in having options such as caviar on the menu.

Quality assurance walks

This year, monthly quality assurance walks were implemented across all operational units in Svartsengi, where the managers of each unit, along with the maintenance department and stylists, walk and review the entire area's overall appearance to ensure timely upkeep and maintenance takes place. All of this is done with the aim of further enhancing the experience and service for both guests and staff.



Press and awards

Blue Lagoon was widely covered in international web and print media in 2024.

We received over 100 members of the press and 951 pieces were published about the company, garnering 71.2 billion impressions. Not included in these numbers are pieces published because of seismic activity and the Blue Lagoon, but such coverage was prominent during the course of the year. The company's PR strategy was completely overhauled with an emphasis on quality coverage in quality publications in collaboration with hand-picked journalists and influencers. Most coverage was in the US, or 544 pieces. The UK followed, with 175 pieces, followed by Australia, Canada, and Germany.

In 2024, both Blue Lagoon and The Retreat received several awards, and we are both humble and proud of being able to offer an Icelandic spa experience of the highest standard, despite seismically related challenges. For example, The Blue Lagoon suite at The Retreat Hotel was named among the Top 100 suites by ELITE Traveler; Country and Living chose The Retreat as one of the best hotels in Iceland, and readers of Travel+Leisure named The Retreat as the best Icelandic resort, to name a few.



The Retreat

Staff's professionalism highlights a challenging year.

Retreat Hotel

2024 was a challenging year for the operation of the Retreat units due to frequent seismic activity, as it was for other operational units in Svartsengi. Regardless, the primary focus remained on ensuring service quality and guest satisfaction, as it always has been. The staff's composed and professional behaviour resulted in guest satisfaction despite challenging conditions at times.

The guest check-in process was revised, with registration forms shortened and simplified while increased focus was placed

on improved safety guidelines and providing information about the area.

A new vehicle was introduced to facilitate the transport of guests between areas due to challenging conditions and environmental changes caused by the seismic activity.

Retreat Hotel continues to seek new and interesting ways to incorporate Icelandic characteristics into the guest experience. This year, it was decided to exclusively offer guests Icelandic delicacies in the afternoon, promote Icelandic wines, and ensure that at



least 20% of the music played through the hotel's sound system was Icelandic. These changes have been well received by guests.

To reduce plastic waste and enhance guest experience, disposable slippers were replaced with a new model.

A new laundry service for guests was also introduced, ensuring a faster and more efficient service. This has been well received.

The library underwent a review and was converted into a multi-purpose space to better meet guest needs. The space now offers improved conditions for work, reading, and recreation.

Retreat Hotel will continue to develop its services with a focus on quality and cultural connections, aiming to provide guests with an unforgettable stay in Iceland's unique nature.

Retreat Spa

This year, the company invested in new equipment for facial treatments, and as a result, guests could choose from a wider range of treatments centered on Blue Lagoon Skincare products.

A decision was made to offer guests the option to stay for a full day at Retreat Spa, rather than the previous option of only half a day. This allows guests to enjoy an even greater variety of services.

New furniture was introduced in Lava Cove, and the overall appearance was updated. This suite can now also be booked for a full-day stay.

Music in all relaxation areas was reviewed and updated to create an even more comfortable atmosphere.

Additionally, the range of treatments at Retreat Spa was increased, and guests can now also enjoy guided yoga and/or meditation treatments.

Retreat Hotel continues to seek new and interesting ways to incorporate Icelandic characteristics into the guest experience.

Moss Restaurant

Moss Restaurant retained its Michelin star from the previous year. The restaurant has placed a strong emphasis on unique and distinctly Icelandic cuisine and exceptional service.

The restaurant's outstanding wine list and focus on a unique wine experience was recognized by Wine Spectator. The restaurant also received a Silver Star from Star Wine List for the best wine list featuring wines from California.

A new experience, Kitchen's Table, was introduced and tested. This unique dining experience allows guests to sit at a bespoke table and watch chefs prepare and serve dishes right in front of them. The focus is on a personal and intimate experience, using high-quality ingredients. We will continue to develop the menu, wine pairings, and other service elements, with the aim to offer this experience to guests in the new year.

Moss hosted multiple world-class events throughout the year. Most notably, a visit from Screaming Eagle in April, and a visit from Henriot and Dom Pérignon. These events were very well received. Following this, Moss was granted entry to the prestigious Dom Pérignon Society. Future guests will therefore be able to enjoy rare and exclusive vintages of Dom Pérignon champagne.

The various wine experiences offered in Moss's unique wine cellar have created unforgettable memories for our guests. For example, champagne and caviar tasting sessions have been very well received.



Spa Restaurant

In 2024, Spa Restaurant continued to offer Retreat guests fresh and healthy dishes in a relaxed setting. Light dishes that guests can enjoy before, during, or after their visit to the spa remain at the forefront. Guests also have the option to dine while dressed in their robes or regular attire.

A new booking system was implemented, creating opportunities. This has created opportunities that have ensured improved organization, management, and service.

The restaurant's kitchen also prepares breakfast for Retreat Hotel guests and serves meals in the Retreat Lounge. In 2024, the menus were revised with an emphasis on food variety, especially on days when Moss Restaurant is closed, i.e., Mondays and Tuesdays.



Blue Lagoon Skincare

Blue Lagoon Skincare unites nature and science to improve skin health.

Blue Lagoon Skincare products harness the unique effect of the Blue Lagoon’s geothermal seawater on the skin. The origins of these products date back to when people first began bathing in the lagoon. These baths turned out to be beneficial for the skin and resulted in overall well-being, which led to extensive research of the properties of geothermal seawater. The uniqueness of Blue Lagoon Skincare lies in its bioactive, patented geothermal seawater ingredients, scientifically proven to strengthen the skin and combat signs of aging. While the product’s greatest strengths stem from the natural environment of the Reykjanes peninsula, significant natural challenges were faced in 2024 as geological activity affected retail operations in Svartsengi and disrupted supply chains, leading to inventory management being shifted away from Grindavík.

Outstanding skincare products, awards and recognitions

The first skincare product, Silica Mud Mask, launched in 1995 and has remained the brand’s best-selling product. Since then, three additional face masks have been introduced, all powered by bioactive geothermal ingredients. 2024 has been a landmark year, with the Mineral Mask winning Allure’s Best of Beauty Award for Best Hydrating Mask of the Year, while the Silica Mud Mask was featured in The Zoe Report’s list of the best winter skincare products. In 2021, Blue Lagoon introduced a groundbreaking product line formulated with BL+ COMPLEX, a revolutionary ingredient leveraging the company’s patented microalgae and silica technology. This year, BL+ Eye Cream won New Beauty Magazine’s award for Best Eye Cream For Fine Lines, while BL+ Eye Serum was named the Gym Bag Essential: Face and Body by Shape Skin Award.



2021

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



2022

BL+ Eye Serum was selected as the best product for relieving signs of eye fatigue and puffiness by New-Beauty Magazine and Allure’s Best of Beauty.

BL+ The Cream was awarded Best Skin Care Product of the Year by Refinery29.



2023

BL+ The Serum was selected best firming serum by NewBeauty Magazine.

Silica Mud Mask was selected as the best face mask by Esquire magazine.

Mineral Mask was selected as the best face mask by Men’s Health.



2024

Mineral Mask was awarded Best Face Mask of the Year by Allure’s Best of Beauty.

Silica Mud Mask was recognized by The Zoe Report as one of the best winter skincare products.

BL+ Eye Cream was named Best Eye Cream for Fine Lines by NewBeauty.

BL+ The Eye Serum received the Shape Skin Award for Gym Bag Essential: Face and Body.



Sustainability is a core value at Blue Lagoon Skincare, which is reflected in environmentally responsible production methods and recyclable packaging. The products are B-Corp Certified, ensuring the brand meets the highest standards of social and environmental responsibility. This commitment has earned Blue Lagoon Skincare multiple distinctions, including recognition from the prestigious W Magazine, which named the skincare line among the best clean beauty products available today.



Retail and expansion

The Svartsengi store faced significant challenges in 2024 due to geological activity. The company operates three additional retail locations, where visitor numbers noticeably increased in 2024. Each store is designed to create a connection between the skincare line and its origins—the geothermal waters of the Blue Lagoon. The store in Keflavík International Airport underwent a major renovation in 2024, emerging as a stunning addition to the airport's shopping experience, featuring an extensive assortment of products and a skincare bar, where visitors can test products and receive personalized advice. These enhancements resulted in increased customer satisfaction, setting the stage for a record-breaking year in sales.

In addition, a new electronic commerce system was introduced in 2024, improving customer convenience, boosting online sales, and enhancing the overall shopping experience.

Through expanded distribution, increased brand visibility, and collaborations with industry experts, Blue Lagoon Skincare has significantly strengthened its market position. Particular emphasis has been placed on growing its presence in the US market, with strategic marketing efforts, market research, and partnerships with key retailers driving further expansion.



Highland Base Kerlingarfjöll

Highland Base Kerlingarfjöll has established itself among both local and international travelers.

Highland Base Kerlingarfjöll celebrated its first anniversary this summer. This season also marked the opening of the Highland Baths and the end of the construction work. The summer was a great success, and thousands of visitors we welcomed at this unique destination.

The reception from visitors has been overwhelmingly positive, proving that an Icelandic highland destination is perfectly viable. Notably, visitors appreciate the variety of services on offer. While there has been a significant demand for high-quality accommodations in Hamar, the newly built hotel, the sleeping bag accommodations

were also nearly fully booked throughout the summer, with 5-6,000 people staying at the campsite. All these groups of travelers also visited the baths and the restaurant — which was a major hit last summer, in particular because of its famous waffle buffet. Overall, there has been a significant annual growth in visitor numbers, firmly establishing Highland Base as a year-round destination. Accommodation utilization has risen by more than 30% compared to the previous year.

It is important for Highland Base to appeal to a diverse range of travelers, as both local and international visitors want the Icelandic highlands to offer a variety of services.

Numerous workshops and events were held at Highland Base this year, including weddings, company retreats, wellness weekends, and ski courses. Hundreds of participants participated in the Kerlingarfjöll ULTRA, a trail running experience held in July. Runners could choose between several race distances, with the most extreme participants undertaking a nearly 60 km loop around the mountains. This event is clearly here to stay.

In 2024, Highland Base Kerlingarfjöll achieved significant international media recog-

nition. The hotel was featured on multiple “Best New Hotels” award lists, including those by Travel + Leisure (US), Condé Nast Traveler (US + UK), AFAR (US), National Geographic Traveler (UK), and TIME (US). Additionally, the hotel was covered in numerous articles in prestigious magazines and newspapers in Highland Base’s key markets.

At Highland Base, visitors can enjoy a wide range of activities. In winter, offerings include snowmobile tours, hiking, and stargazing, along with an evening of storytelling, where guests learn about the fascinating history of Kerlingarfjöll. In summer, guests can engage in activities such as hikes around the surrounding area, visiting Hveradalir, or riding an electric bike through the mountains.

This fall, Highland Base was nominated for the Icelandic Design Awards. In the jury’s statement, they noted: “Highland Base Kerlingarfjöll harnesses the potential of this historic outdoor area in an exciting way, with well-designed facilities and diverse services and activities. It has become a year-round destination in the Icelandic highlands, set in a dramatic yet fragile natural environment. Universal design is prioritized, and throughout all construc-



tion phases—from initial planning to final completion—great care has been taken to respect the area’s protected status and geological heritage.”

Bookings for next year are looking very good, further solidifying Highland Base as an exciting destination for a diverse range of travelers — both in summer and winter.

Press and awards

Following a strong first year, operations in 2024 continued with great momentum. We collaborated with 16 journalists and four influencers, while several others chose to visit independently. In partnership with renowned companies in Iceland and abroad, we also hosted groups of journalists and influencers.

Kerlingarfjöll was featured 343 times in international media last year, adding up to a 3.4 billion impressions. The majority of mentions came from the United States, with 234 entries, followed by the United Kingdom, Australia, Canada, and Germany. As in the opening year, we welcomed both local journalists and a blend of local and international influencers.

A highlight of the year was the first ever Kerlingarfjöll ULTRA race in 2024, which attracted more than 200 runners. Participants and their families shared their experiences widely on social media, generating significant online coverage during the summer.

Kerlingarfjöll also earned several prestigious recognitions in its second year. The hotel was named Best New Hotel by Travel + Leisure, selected as the Best Hotel of 2024 by AFAR, and included in Time’s list of the World’s Greatest Places.



Hoffell

Preparations underway for extensive development at the foot of Hoffellsjökull glacier.

The high demand for lodging and activities in the Southeast of Iceland is clearly reflected in our operations at Hoffell. As part of our acquisition of the Hoffell property, we have operated a 20-room guest house for eleven months each year. Thousands of guests now visit the hot tubs at Hoffell, and the annual room occupancy rate is around 80%.

This year, renovations of the older facilities at Hoffell continued. Interior and exterior work has been carried out on housing units, with construction set to finish in the spring. Plans are also underway to relocate the current bathing area closer to the guesthouse and install new pools, changing rooms, and a sauna. Once construction is finished, guests will be able to relax in the

pools while enjoying views of Hoffellsdalur and Hoffellsjökull. This will significantly enhance the overall guest experience. The new facilities at Hoffell are expected to open in June of 2025.

Preparations for extensive development work at Hoffell and Hoffellslón continued. Plans include a new bathing area by the glacier lagoon and increased accommodation options in Hoffellsdalur. The planning process formally began in the fall, and the development work is carried out in collaboration with the global engineering and design firm Arup. Meaningful discussions with local institutions and residents are already underway, with the development plans being presented at a well-attended community meeting in Höfn.



Hrauneyjar

Increased demand for accommodation at the edge of the highlands.

Operations at the Highland Center in Hrauneyjar went well last year. Renovations of the facilities have continued, including the refurbishment of a number of guest rooms and significant improvements to the restaurant areas, reception, and all common spaces. Walls were repainted, new furniture purchased, flooring replaced, and the reception improved. Employee facilities were also significantly renovated.

Accommodation sales in Hrauneyjar peak during summer and into the fall, when travelers can access Landmannalaugar and Sprengisandur. However, Hrauneyjar remains open year-round, providing essential services to travelers exploring Iceland's

highlands. Demand is steadily increasing, and Hrauneyjar benefits from ongoing developments in the area. It is clear that the facility plays an important role in the economic growth of Þjórsárdalur. During the construction work at Rauðukambar, workers will rely on local services. Furthermore, the demand for lodging and dining has grown significantly due to Landsvirkjun's expanded activities near the rivers Þjórsá and Tungnaá. Likewise, once the Mountain Baths open, Hrauneyjar will become a key part of the services offered in Þjórsárdalur, as it increases accommodation options and serves as a hub for recreation and access to the highlands.



Þjórsárdalur

Blue Lagoon is spearheading comprehensive development projects at a culturally valuable location.

Preparation for the Mountain Baths and the Þjórsárdalur Visitor Center has progressed well this year. The design, which is a collaboration between Blue Lagoon Design, Basalt Architects, and Design Group Italia, has also progressed well.

In spring 2023, groundwork commenced, and this year, production wells for hot and cold water will be completed. In late summer, roadworks between the Mountain Baths and Visitor Center started. All



Mountain Baths guests will park by the Visitor Center and be transported between destinations in vehicles operated by the Mountain Baths. Furthermore, camps for workers were erected by the baths this summer, which can house up to 40 at a time. The aim is to start casting in molds in spring 2025 and start operations mid-year 2027.

Preparations for the Visitor Center at Selhöfði are also progressing well. Design is being finalized as of January 2025, and earthworks planned to commence in spring 2025. The Visitor Center will open at the same time as the Mountain Baths. Permits are in hand to construct a campground and up to 50 huts in the area by the center and designs are being completed. With a luxury hotel by the Mountain Baths (The Mountain Retreat), huts, a campground, and Hrauneyjar hotel, Mountain Baths guests will have varied accommodation options. The Visitor Center will house the Mountain Baths reception, a restaurant, and a screening room, but production for a dedicated film about the area started in summer 2024. Furthermore, an interactive and informative exhibition is in development. The exhibition is centered on a historic book about Þjórsárdalur that the company commissioned, and will be published when the baths open.



The company plans to employ up to 200 people at the Mountain Baths and Visitor Center, many of which will need accommodation. The company is therefore preparing housing in Árnes, the residential area nearest to the Mountain Baths. Next year, a new centralized service house with laundry and storage facilities will be built, servicing Þjórsárdalur, Hrauneyjar, and Kerlingarfjöll. That building will also be utilized during construction of the Mountain Baths.





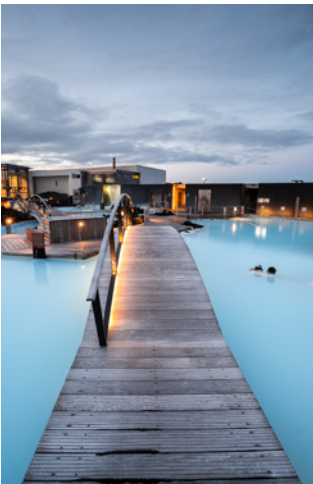
Sustainability

Environmental and social impact are an inseparable part of the company’s sustainability journey.

Blue Lagoon’s sustainability journey reflects the company’s commitment to long-term environmental and social responsibility. Key milestones and goals mark the company’s significant achievements, guiding the progress towards corporate sustainability. This year Blue Lagoon focused on identifying key stakeholders for each operating business unit to better understand diverse perspectives and ensure inclusive development. Assessments have been completed for Blue Lagoon’s operations in Svartsengi and Blue Lagoon Skincare, but new business units are still in progress. Through a deeper materiality assessment, the company identified and prioritized sustainability topics that are considered to be the most relevant, not only for the organization but also for its stakeholders. Additionally, carrying out an ESG (Environmental, Social, and Gover-

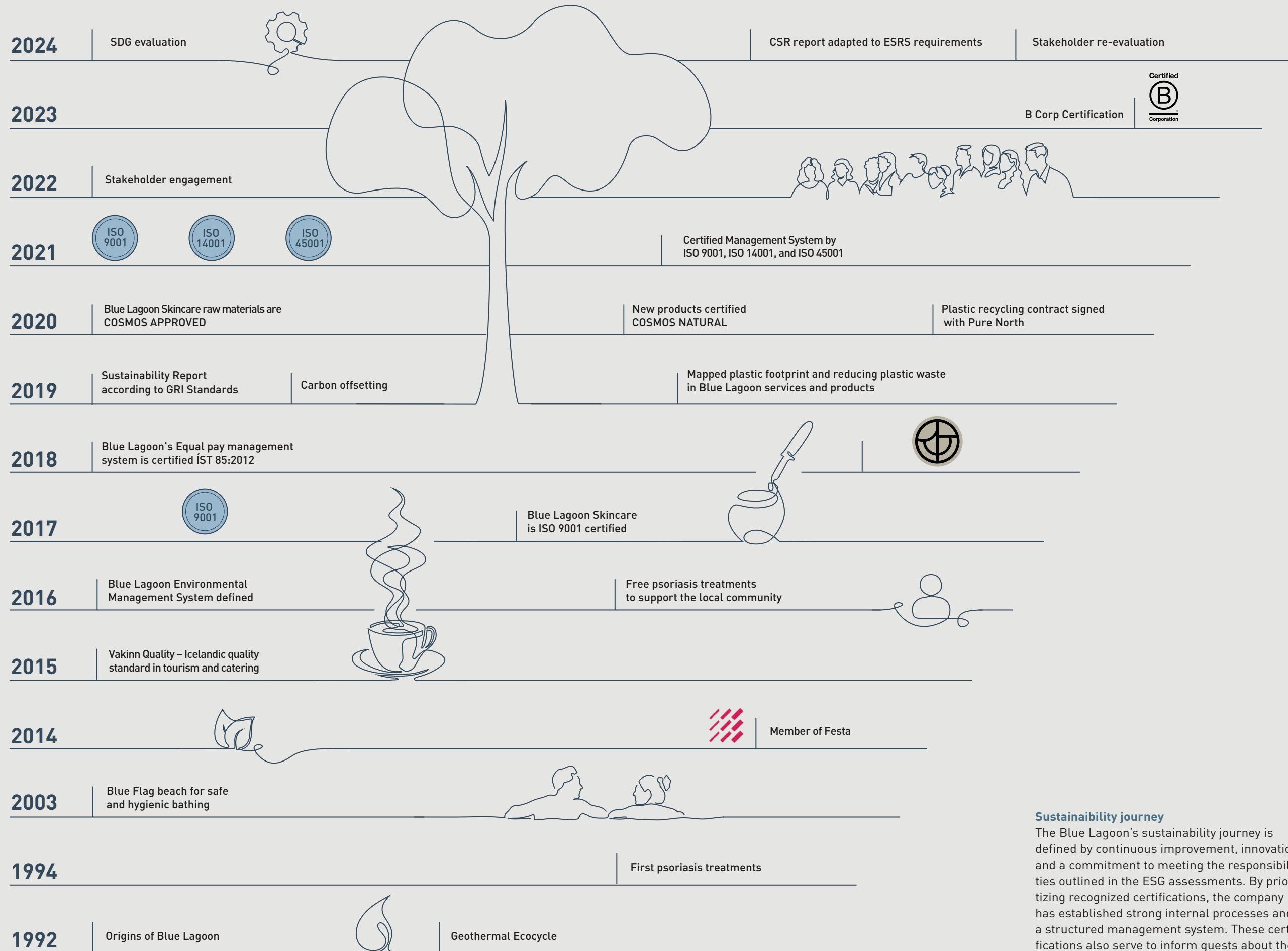
nance) risk assessment evaluated potential challenges and opportunities, supporting a comprehensive approach to Blue Lagoon’s sustainable business practices. The review and implementation of the new CSRD and ESRS standards continued with this 2024 report to ensure full alignment for the 2025 report, as required by Icelandic law.

Milestones and goals
Milestones and goals are essential for corporate sustainability governance, as they provide clear direction, measure progress, and ensure accountability. Blue Lagoon’s sustainability goals support operations to stay focused on long-term environmental, social, and governance (ESG) objectives, driving continuous improvement and fostering transparent communication with stakeholders.



Pillars and main topics	Goals 2024	Success 2024
(G) Sustainability report <ul style="list-style-type: none">· Communication· Compliance	· ESRS compliance	· Integrated ESRS requirements into the data gathering
(G) Certifications <ul style="list-style-type: none">· ISO 9001/14001 /45001· IST 85 Equal Pay· B Corp· Vakinn· COSMOS by Ecocert· Blue Flag	· Maintain certifications and set goals to improve company performances	· All certifications were maintained for 2024 · Review possible improvement within B Corp · Prepare for Ecovadis
(S) Stakeholders <ul style="list-style-type: none">· Identification· Engagement· Education· Psoriasis treatment· Grants	· Re-evaluate stakeholders with the introduction of the new business units	· Assessment of stakeholder groups for Blue Lagoon Iceland and Blue Lagoon Skincare · Prepare for Kerlingarfjöll assessment
(S) Community support <ul style="list-style-type: none">· Sustainable procurement	· Implementing community support for all business units	· Due to the seismic activity, this was postponed. However, we kept donating to support community projects
(E) Circular economy <ul style="list-style-type: none">· Plastic packaging	· Try new ways to evaluate suppliers · Less than 10 gr per guest	· Try out the assessment through Ecovadis for Blue Lagoon business · Maintained low plastic footprint even with fewer guest
(E) Climate change <ul style="list-style-type: none">· Carbon neutrality· Reduce footprint	· Less than 1.0 kg CO ₂ eq per guest	· 1.35 kg CO ₂ eq per guest for 2024 · Did not reach goal due to closures and fewer guest

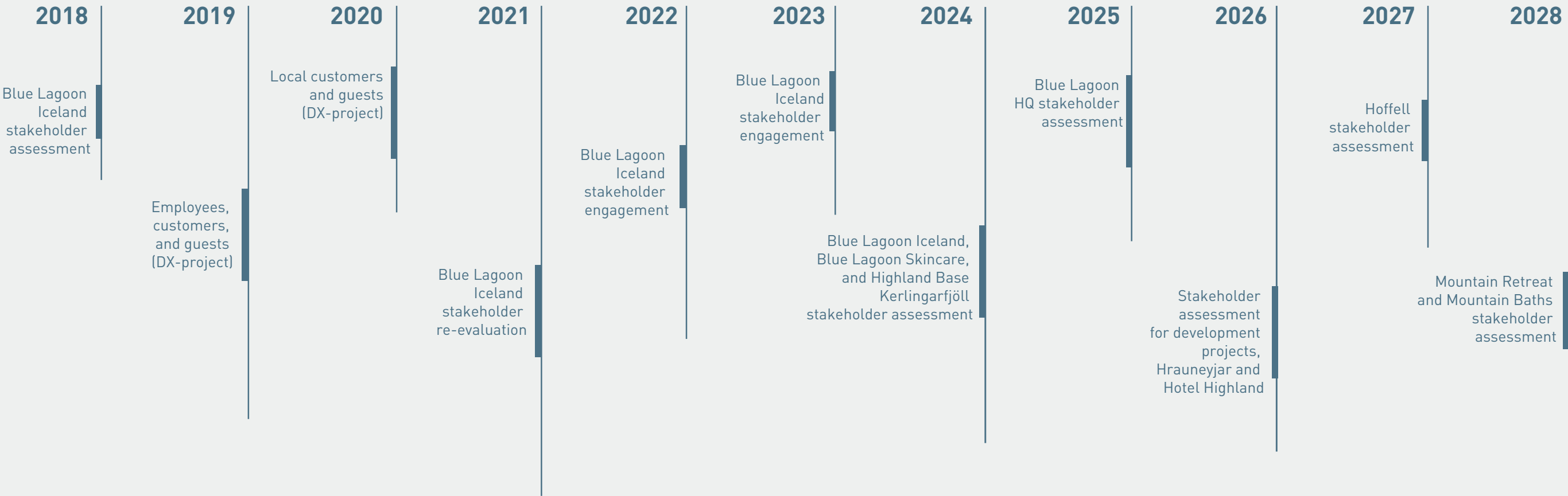
Pillars and main topics	Goals 2025	Long-term goals
(G) Sustainability report <ul style="list-style-type: none">· Communication· Compliance	· Interconnect the Sustainability report to Blue Lagoon corporate website	· Publish an annual sustainability report to communicate Blue Lagoon corporate sustainability approach and data in compliance with international requirements
(G) Certifications <ul style="list-style-type: none">· ISO 9001/14001 /45001· IST 85 Equal Pay· B Corp· Vakinn· COSMOS by Ecocert· Blue Flag	· Maintain certifications · Integrate B Corp goals into our activities · Obtain Vakinn Certification for Kerlingarfjöll · Obtain the Ecovadis Certification · Carry out stakeholder assessment for Kerlingarfjöll · Assess possible stakeholder groups for new operating units	· Obtain third-party certifications to verify high-quality standards for all Blue Lagoon group companies
(S) Stakeholders <ul style="list-style-type: none">· Identification· Engagement· Education· Psoriasis treatment· Grants	· Implementing community support for all business units	· Identify and engage stakeholder groups for all Blue Lagoon group companies
(S) Community support <ul style="list-style-type: none">· Sustainable procurement	· Initiate suppliers evaluation for sustainable procurement	· Keep and improve community support through donations and community services for all business units within Blue Lagoon group
(E) Circular economy <ul style="list-style-type: none">· Plastic packaging	· Maintain the goal of < 10 gr. per guest	· Minimize the environmental footprint of Blue Lagoon group with innovative improvements and circular thinking
(E) Climate change <ul style="list-style-type: none">· Carbon neutrality· Reduce footprint	· 1.2 kg CO ₂ eq per guest · Long-term goal until 2030 and 2040 · Certified carbon credits	· Achieve carbon neutrality for all Blue Lagoon group with certified credits



Sustainability journey

The Blue Lagoon's sustainability journey is defined by continuous improvement, innovation, and a commitment to meeting the responsibilities outlined in the ESG assessments. By prioritizing recognized certifications, the company has established strong internal processes and a structured management system. These certifications also serve to inform guests about the company's progress and achievements.

Stakeholder assessment



Key stakeholders

This year Blue Lagoon’s CSR committee conducted a stakeholder assessment for Blue Lagoon Iceland in Svartsengi and Blue Lagoon Skincare while Highland Base Kerlingarfjöll and Blue Lagoon HQ in Urriðaholt are in progress. Future assessment for Mountain Retreat, Hoffell, Hrauneyjar and Hotel Hálund will be conducted in 2025. Each stakeholder group has been identified

and described to clarify their connection to each business unit. This is done to ensure effective engagement and alignment with the company’s sustainability goals.

2022-2024	
Economic	
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	
Single use plastic reduction Procurement and utilization of resources Energy efficiency Water use Impact on biodiversity Emissions and climate change Waste recycling Supplier environmental assessment	
Social	
Company culture Marketing and labelling Health and safety of employees and guests Training and education Diversity and equal opportunities Human rights Supporting local communities Supplier social assessment Freedom of association and collective bargaining Privacy Child or forced labor Non-discrimination	

Materiality assessment

A materiality assessment is an essential process for identifying the most significant sustainability issues for a business and its stakeholders. It helps prioritize efforts, ensuring resources are focused on areas and/or topics with the greatest impact. By aligning corporate strategy with stakeholder expectations, it enhances transparency, builds trust, and supports sustainable growth.

Blue Lagoon conducted a materiality assessment in line with CSRD requirements by actively engaging its key stakeholders. This process resulted in a list of material topics to guide data collection and prioritized actions to address identified impacts, risks, and opportunities. In 2024, these material topics were systematically integrated into the company's risk register with clear accountability from top management. An interactive report was made to give a more comprehensive and unified analysis of impacts, risks, and opportunities.



Highland Baths

ESG risk assessment

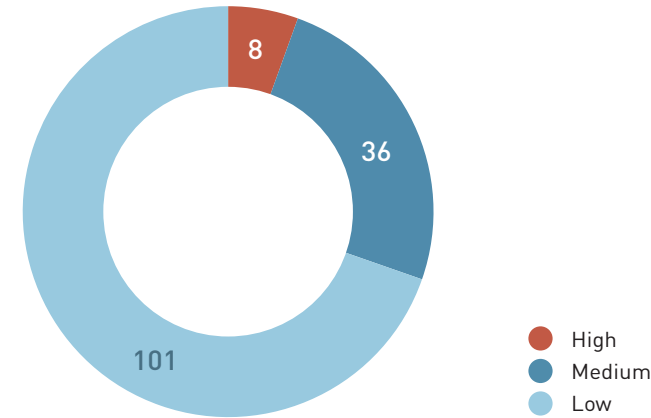
In 2021, Blue Lagoon established a risk and opportunity register in alignment with the requirements of the ISO 9001, ISO 14001, and ISO 45001 standards. In 2024, the company conducted a comprehensive ESG Risk Assessment to identify environmental, social, and governance (ESG) risks and opportunities and refine its management approach to fulfill the requirements of the CSRD and ESRS requirements.

The outcome of this assessment was integrated into the existing risk and opportunity register, creating a unified document addressing all potential impacts, risks, and opportunities (IROs) as stipulated by the ESRS Standards. This consolidation ensures a holistic approach to the management of risks from a wider perspective than before, addressing all relevant aspects of sustainability related to the Blue Lagoon business units.

Additionally, Blue Lagoon evaluated material topics through a double materiality assessment, considering both:

1. Impact materiality:
The company's influence on society and the environment, as assessed and reported in previous sustainability reports since

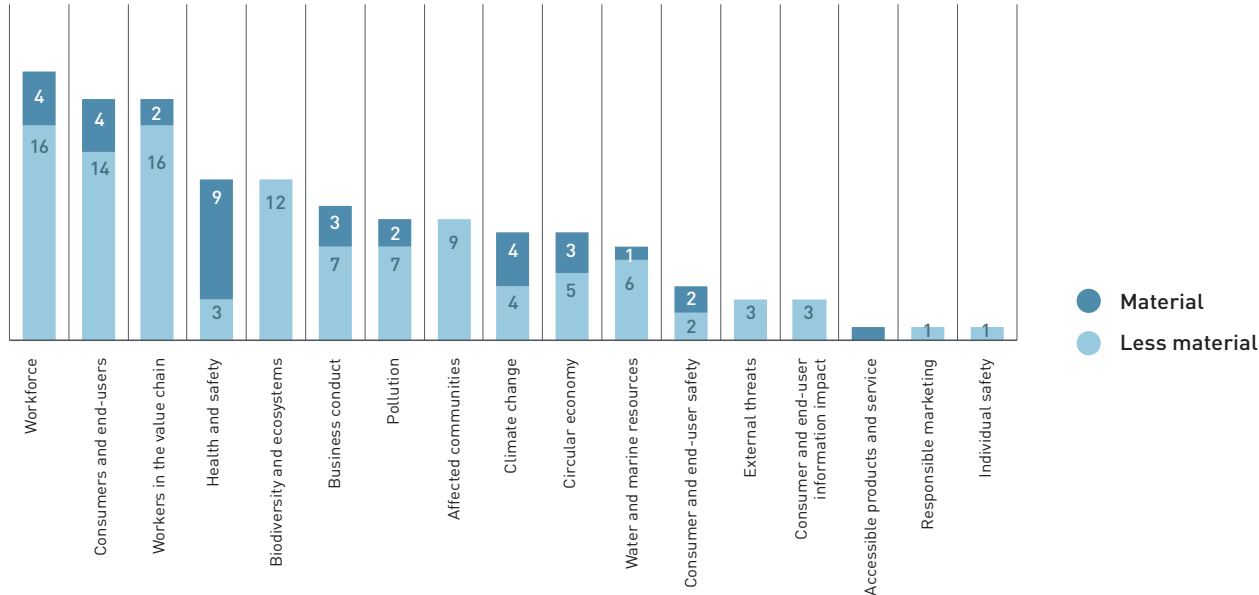
Double materiality assessment-risk levels



2020 through the implementation of GRI Standards and stakeholder engagement initiatives.

2. Financial materiality:
Risks and opportunities affecting the company's financial performance, operational efficiency, regulatory compliance, and strategic objectives. This integrated approach strengthens Blue Lagoon's ability to proactively address ESG challenges, drive value creation, and uphold its commitment to sustainability and the expectations of its stakeholders.

ESRS materiality assessment





Environmental impact

Blue Lagoon prioritizes using resources in harmony with nature and local communities.

Utilizing resources in a sustainable manner and protecting the environment to ensure a high quality of life for future generations goes hand in hand with the value creation and sustainable development of Blue Lagoon.

As daily life gets increasingly busy, experiencing a connection between humans and nature has now become a rarity. Blue Lagoon creates these connections through quality experiences set in Iceland’s unique natural environment and also globally through skincare products made from the region’s natural ingredients. Since its founding, Blue Lagoon has placed a strong emphasis on multi-use natural resource management and minimizing waste in its operations. The geothermal ecocycle is a unique example of how resource management can be efficiently utilized in harmony

with both society and nature. All environmental impact is assessed for risk and monitored based on its significance within the company’s environmental management system, ensuring minimal environmental effects, both locally and on a larger scale. The environmental management system is continuously updated and maintained in alignment with operational changes and is certified according to ISO 14001. Key environmental impact factors are identified and closely monitored to track the company’s ecological footprint. Targets are established with a strong focus on reducing environmental impact in line with the company’s environmental and sustainability policies. To achieve these goals, projects needing improvement are defined, then implemented within the company’s operational units, and actioned within its management system.



Objective results

In 2024, numerous environmental improvement projects were undertaken to maintain the environmental management system and minimize the company’s environmental impact.

Key milestones achieved during the year included:

- ✓ Progress continued as the company followed the B Corp roadmap, ensuring ongoing success in the company’s sustainability initiatives.
- ✓ A double materiality assessment was conducted and tailored to the company’s operational risks. Risks were assigned to the appropriate responsible parties, and the risk register was presented in a Power BI report to ensure it remains dynamic and continuously accessible.
- ✓ As part of the CSED, ESRS requirements were incorporated into the data collection process for the company’s sustainability report and are included in the appendix of this report.
- ✓ New equipment was installed in Svartsengi to monitor indoor and outdoor air quality at the Blue Lagoon facility, resulting in a comprehensive network of sensors that continuously track air quality, measuring both hydrogen sulfide (H2S) and sulfur dioxide (SO2).
- ✓ Scope 3 emissions were thoroughly mapped in accordance with the Technical Guidance of the Greenhouse Gas Protocol. Work is ongoing to identify a suitable system that can connect with the company’s accounting platform to manage emissions related to the company’s purchases using the “spend method”.
- ✓ The environmental accounting system was further adapted to align with new business units.
- ✓ Work to develop a long-term strategy for greenhouse gas emission reductions and future carbon offsetting is underway. The goal is to align the company’s long-term targets with Iceland’s commitments under the Paris Agreement through the United Nations Framework Convention on Climate Change (UNFCCC) and to purchase certified carbon credits.
- ✓ Work has begun on obtaining Ecovadis Certification.

Some projects could not be completed during the year as originally planned due to seismic activity, volcanic eruptions, and closures throughout the year. The projects that are still deemed to hold environmental importance for the company will be carried over into the next year.

Priorities for 2025

Toward carbon neutrality

- To implement a new long-term strategy for the company’s carbon emissions
- To establish a system to ensure complete oversight of Scope 3 emissions
- To purchase certified carbon credits

Toward a circular economy

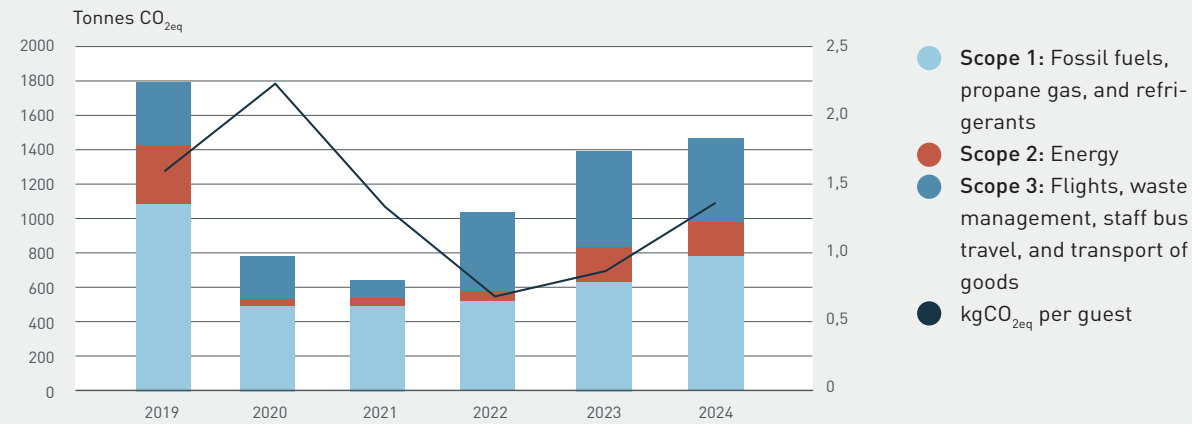
- To continue reducing waste generation and increasing the recycling rate
- To identify circular economy initiatives for textiles

Toward sustainability

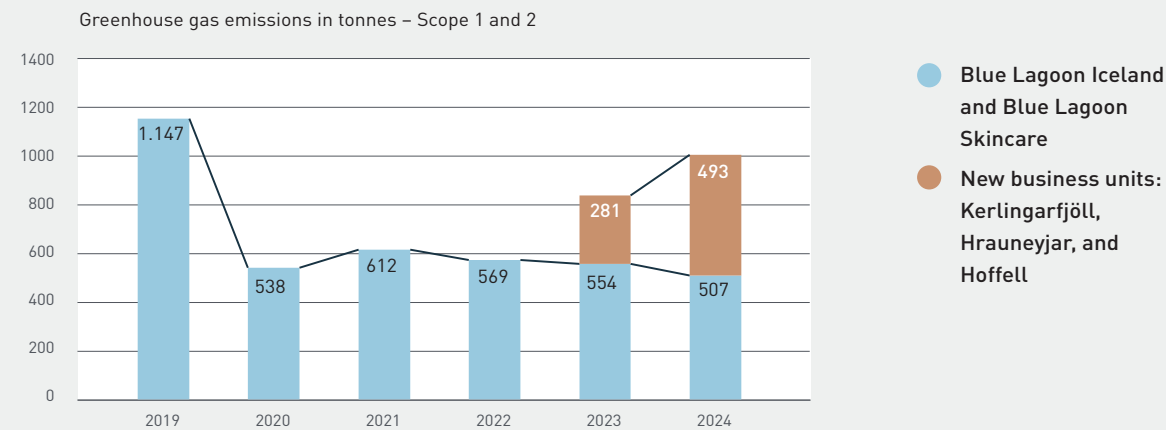
- To establish a community fund that encompasses all of the company’s business units and surrounding communities
- To develop and implement a supplier code of conduct
- To undertake additional improvement initiatives in line with the B Corp roadmap
- To finalize Ecovadis Certification for use in supplier assessments

These priorities will guide our efforts throughout the year, and environmental performance will be evaluated based on them.

Greenhouse gas emissions



Carbon footprint impact of new business units



Climate action

Blue Lagoon prioritizes an eco-friendly experience in all its design, with wellbeing and sustainability at the forefront.

The company has tracked its carbon footprint since 2015, and in 2024, total greenhouse gas emissions from the Blue Lagoon parent company amounted to 1,476 tons of CO_{2e}. Continuously seeking ways to reduce emissions, Blue Lagoon partnered with Kolviður in 2019 to offset its carbon footprint through reforestation. This includes emissions from electricity, thermal energy, fuel consumption, refrigerants, gas use, waste disposal, employee air travel, staff transportation, and product distribution from warehouses abroad to customers. However, the carbon offset strategy for 2024 is being reassessed in alignment with the company's long-term sustainability goals and both domestic and international standards. The company is dedicated to systematically reducing emissions and ensuring carbon offsetting is carried out using certified units. Emission reductions were recorded in 2020 and 2021 due to operational changes and closures during the pandemic. The rise in greenhouse gas emissions in 2023 is mainly attributed to an increase in operational units within the carbon accounting system, with the addition of Kerlingarfjöll, Hrauneyjar, Hotel Highland, Hoffell, and ongoing construction work in Þjórsárdalur. Additionally, changes in Scope 2 emissions in 2023 were largely

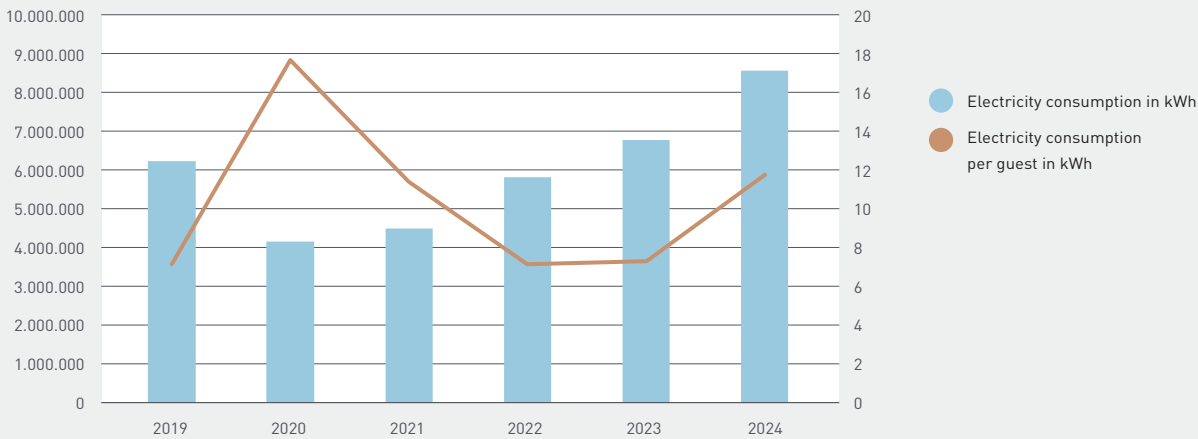
due to updated emission factors from the Environmental Agency of Iceland. In 2024, six volcanic eruptions and ongoing geothermal activity in Svartsengi resulted in hotel operations being shut for 76 days and the lagoon for 71 days—approximately 20% of the year. This impacts operational figures, particularly in terms of revenue and visitor numbers, as empty buildings still require heating, maintenance, and upkeep. These disruptions explain the increase in emissions per guest and emissions relative to revenue.

A new site and new forest

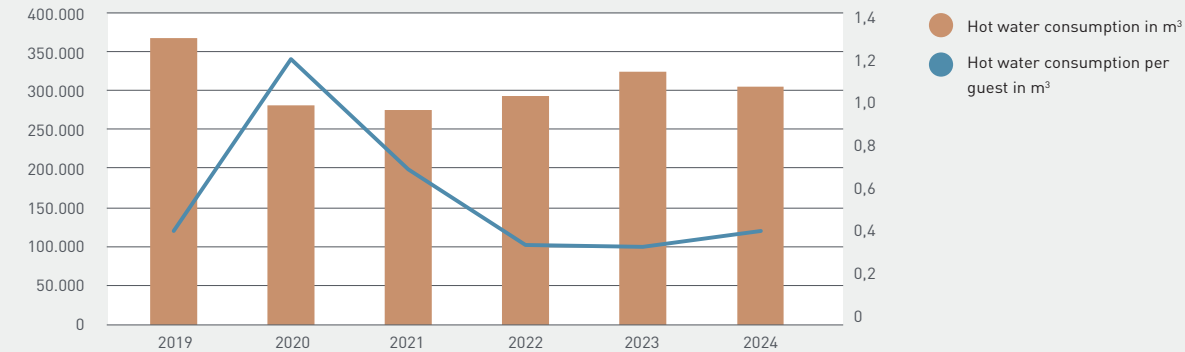
In 2022, a 46-hectare forest was planted in Skriðufell, Þjórsárdalur, near the development site for a new experience area. The Icelandic Forest Service planted approximately 122,000 trees, generating certified carbon credits to offset both construction and operational emissions of the upcoming Mountain Baths. These carbon credits will be realized in tandem with the facility's opening. Every effort has been made to minimize emissions during construction, and the area has been designed to ensure the lowest possible operational footprint. The selected tree species were carefully chosen to blend with the natural surroundings and to support local biodiversity and wildlife.



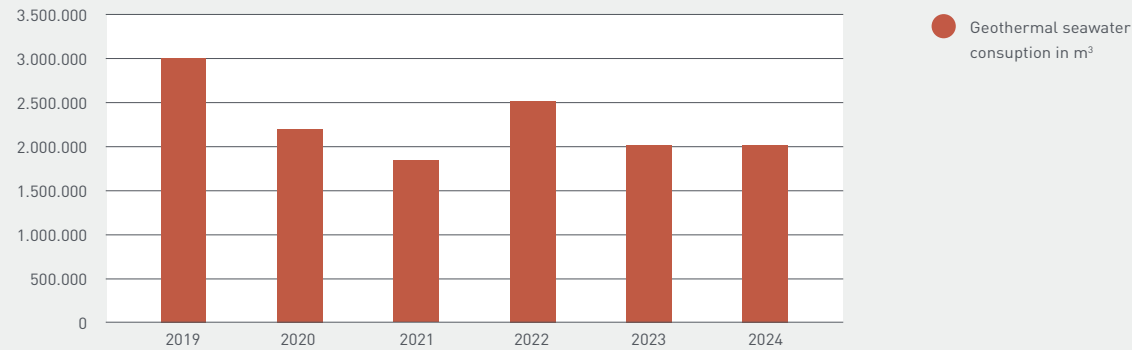
Electricity consumption



Hot water consumption



Geothermal seawater consumption



Circular economy

Blue Lagoon prioritizes sustainable use of resources, to create value for both the company and society. The company’s aspirational mandate is the same as the Resource Park to which it belongs, “society without waste”.

The Resource Park exemplifies this by efficiently managing resource streams and reducing waste. Blue Lagoon systematically sorts and recycles materials, turning waste flows into opportunities for reuse and added value.

The company has made significant strides in circular packaging, using eco-friendly materials like cardboard, aluminum, and glass for its skincare products, moving away from plastics. The use of FSC-certified paper from responsible forestry is now standard in packaging.

In 2023, Blue Lagoon introduced refill stations for various skincare products in their stores, encouraging customers to reuse packaging and reduce waste. In 2024 two stores, in Kringlan and Laugarvegur 15, offer refilling of selected products.

Blue Lagoon’s waste management aligns with its goal of a circular economy. The company sorts waste into 13 categories and has achieved a stable 60% recycling rate over the past two years.

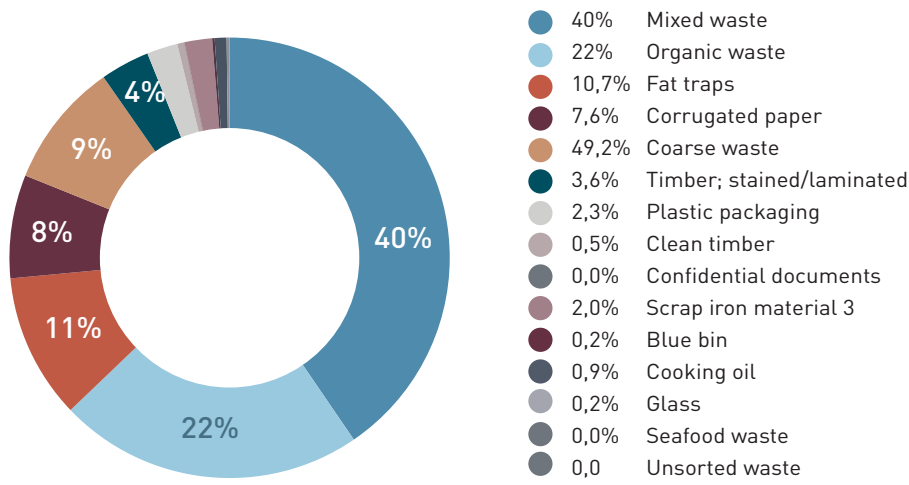
Due to technological advancements of IT systems the need for paper printing has reduced, resulting in a 73% reduction in A4 sheets printed since 2018. All paper used is either PEFC or FSC certified, emphasizing sustainable forestry practices.

In line with its sustainability goals, Blue Lagoon now exclusively offers paper and reusable bags, with a focus on reducing unnecessary waste. Reusable cotton bags are designed for versatility and durability, encouraging customers to bring their own and reuse.

The company has also taken steps to significantly reduce its plastic footprint. Since 2019, Blue Lagoon has decreased the plastic footprint of guests by 88%, thanks to initiatives like replacing single-use items with reusable options, such as glassware and slippers in the lagoon, and environmentally friendly packaging for food and skincare products. Blue Lagoon’s efforts in reducing plastic use are part of its larger environmental policy, which outlines clear goals and projects aimed at eliminating disposable plastics in the customer journey.

Overall, Blue Lagoon’s focus on sustainable resource management, waste reduction, and circular economy practices has reinforced its position as a leader in sustainability within Iceland’s tourism industry.

Blue Lagoon’s waste management in 2024





| Social
| impact

Our people

Blue Lagoon employs a diverse and tight-knit team that actively shapes the workplace.

799

Staff count
31.12.24

42

Nationalities

35,2

Average
staff age

Our people

The employees of Blue Lagoon are progressive and creative individuals from 42 different nationalities who have come together to create unforgettable memories for our guests and each other, with a focus on innovation in service, design, experience, and product development. Sustainability is at the core of our work, as we harness the power of nature to offer experiences and products that nourish both body and soul. We are committed to continuously evolving and enhancing the Blue Lagoon experience in harmony with both the environment and the local community, ensuring that every guest's stay is truly unforgettable. All employees actively contribute to maintaining and shaping the strong culture and unity that defines Blue Lagoon. We face challenges and celebrate successes together. Blue Lagoon is extremely proud of its employees, their dedication, resilience, and determination in their work, and the unique team spirit that exists in the workplace.

In light of the challenges posed by the seismic activity and volcanic eruptions in the Reykjanes region last year, special emphasis was placed on the mental health of employees. Workplace assessments were conducted monthly, with results triggering reactions with the aim of providing the best possible support to employees and managers, offering them accurate and reliable information, and increasing their access to assistance or resources they might need. Results concerning job satisfaction, trust, and employee pride at Blue Lagoon remained stable throughout the year, reflecting the strong workplace culture created by the employees and the targeted actions taken to support both mental and physical wellbeing.

Diversity and equality

We know that exceptional service and innovation are achieved when each individual's talents are allowed to flourish. We create space for everyone to utilize their strengths and continually work to prevent any form of discrimination by embracing diversity and promoting equality. In our hiring practices, we strive to balance gender ratios while also hiring the most qualified individuals for each position. Blue Lagoon received equal pay certification in 2018 and was one of the first large companies in Iceland to receive the certification according to the IST-85 equal pay standard. The company underwent its seventh audit of the equal pay system this year and passed successfully, without any discrepancies. The results of the salary analysis showed that the gender pay gap at Blue Lagoon is 1.1% in favor of men. The explanatory ratio was 95.0%, indicating that the factors used when making salary decisions are what truly explains the wage structure in the company.

This year, Blue Lagoon had the honor of receiving recognition from Jafnréttisvögin. The goal of Jafnréttisvögin is to inspire Icelandic businesses to set a positive example of gender equality for other countries. Each year, Jafnréttisvögin awards recognitions to companies that have achieved equal gender opportunity goals. The company is extremely proud of this recognition, which it has now received for the third consecutive year. Jafnréttisvögin not only serves as a validation of good work but also as a powerful reminder of the importance of equal opportunities. It encourages the company to continue its commitment to fostering a workplace where everyone has equal opportunities to thrive.

Training and education

In 2024, nature reminded us of the importance of preparing employees for unforeseen circumstances. Training and educa-



tion were adapted to meet new challenges in line with the values of Blue Lagoon, which form the foundation for all company actions. Informative lectures on seismic activity were offered to staff, as well as courses on the use of gas detectors to enhance safety and build trust among employees. Emphasis was placed on mental wellbeing, and courses were held on how to cope with uncertainty, improve sleep, and set boundaries in communication. These courses were offered both in-person and online to meet the staff's diverse needs. Continuing education was also encouraged to maintain and update knowledge, enhance skills, and support employee growth and ongoing development. The total number of hours spent on education was 4,420, with 164 courses held, and 1,840 participants registered for in-person and online education. Safety is always a priority. All new employees receive safety training at the start of their employment and all staff must attend a first aid course. Closure periods were used to enhance the skills of both individuals and teams through cross training and workshops. Blue Lagoon places great importance on developing strong leaders, and leadership training is crucial for developing various managerial skills. The leadership training was conducted in collaboration with Kvan, and all levels of management participated.



4,420
Hours of education
and training

164
Total courses

1,840
Registrations



Nature teaches us to be prepared, flexible, and united. Through education and training, we continue to empower our people by fostering the connection between humans and nature, a core value of Blue Lagoon.

Health and wellbeing

Mental and physical health are the foundations of quality of life and wellbeing. Blue Lagoon has always prioritized these human aspects, but even more so following the recent events on the Reykjanes Peninsula. Employees residing in Grindavík were immediately offered assistance with housing after the evacuation of the town, and the company provided accommodation in Reykjanesbær and Reykjavík for those in need. Blue Lagoon's Wellbeing Hub was subsequently established, providing employees with access to a variety of specialized services, including psychologists, doctors, physiotherapists, sleep advisors, and other wellness experts. Special attention was given to regularly sharing trustworthy information to ensure that employees were always up to date with the impact of natural events in the nearby environment. The



company also emphasized social activities both during and outside working hours to strengthen personal connections and teamwork. During work hours, employees had access to wellness activities, including meditation, yoga, and talks on positive psychology and resilience. Employees are also free to book appointments with psychologists and a confidential doctor, they have access to fitness centers free of charge, along with regular health checks and flu vaccinations. In line with Blue Lagoon's guiding principle, *Wellbeing for people and planet*, the work environment is always designed with the aim of promoting and enhancing staff health. Through active communication with employees, the company continually seeks ways to improve the work environment. For instance, this year, a designated rest area was created where employees can relax and recharge.

Safety

Guest and staff safety is always at the forefront, supported by a commitment to learning from all experiences.

Prioritizing safety

In the face of recent challenges, safety has been fundamental to Blue Lagoon's operations. From day one, Blue Lagoon has placed safety at the forefront and strives to ensure the wellbeing of both staff and guests.

The eighth eruption on the Reykjanes Peninsula ended recently, and each eruption has added to the company's collective knowledge, deepening scientists' understanding of seismic activity while also enriching the expertise of the Blue Lagoon staff. Each event has taught us something new, and we have not hesitated to respond by changing procedures, discarding that which does not work, and adopting new practices, all with the goal of ensuring the safety of employees and guests.

Blue Lagoon has been closed for about four months this year, and has only ever been reopened when the safety of everyone in the area can be guaranteed. A comprehensive network of gas sensors has been installed, both indoors and outdoors, staff wear gas detectors, and continuous monitoring of gas pollution levels is conducted while eruptions are ongoing. Additionally, Blue Lagoon monitors gas dispersion forecasts and gas measurements provided by the Icelandic Meteorological Office and col-

laborates with experts who provide detailed gas dispersion forecasts for the company's facilities in Svartsengi.

Emergency plans, evacuation plans, and risk assessments are continuously reviewed, along with maps of evacuation routes and updates on current situations. Weekly meetings are held year-round with experts from the Icelandic Meteorological Office, with necessary additional meetings taking place in times leading up to and during volcanic events.



However, safety at Blue Lagoon is not solely about seismic activity and appropriate responses. The environment around Blue Lagoon requires plans and responses to specific risks to be in place. The surrounding lava field is jagged and rough, the lagoon's water is opaque, ice can form quickly, and guests often arrive after long journeys, which can lead to various physical ailments.

Across our diverse operations, from natural bathing areas to restaurants and hotels, we place strong emphasis on minimizing risks for staff through active controls. This ensures that everyone can enjoy their time at Blue Lagoon in a safe and pleasant way.

Other company facilities, such as those in Kerlingarfjöll, are also under the safety department's supervision, with risk assessments conducted for operations there, alongside implementing emergency plans, evacuation plans, and safety monitoring. Operations in Kerlingarfjöll introduce new specific risks, which are continually assessed and reviewed regularly by Blue Lagoon's safety department.

Always on duty

Blue Lagoon's safety monitoring operates 24/7 throughout the year, whether the Svartsengi facility is open or not. Security staff perform a variety of duties, including guarding the premises and carrying out various maintenance tasks, but their main focus is always on the safety of staff and guests. Security personnel provide first aid to both guests and staff, manage safety equipment and medical supplies, and ensure a secure environment, among many other tasks.

Safety is our top priority. We work proactively to manage risks and promote prevention in all our operations.

Collaboration for the community

Blue Lagoon carries out various projects aimed at enhancing the wellbeing of people and planet.

Medical treatments

Since 1994, Blue Lagoon has offered customers a personalized psoriasis treatment, recognized by Icelandic health authorities. The treatment is carried out in the Blue Lagoon Medical Clinic in Svartsengi and utilises the unique properties of geothermal seawater. The treatment is natural and the geothermal seawater is used sustainably with the goal of improving the quality of life for psoriasis patients.

Clinical studies have shown that bathing in the mineral-rich geothermal seawater that forms the Blue Lagoon helps alleviate

psoriasis symptoms, including reducing inflammation and improving skin texture.

The treatment plan is tailored to each individual's needs and includes bathing in the Blue Lagoon geothermal seawater, UVB light therapy, and the use of Blue Lagoon Skincare products specifically designed for dry and sensitive skin. At the Blue Lagoon Medical Clinic, there is a strong focus on providing exceptional medical care, with the treatment being administered under the supervision of a dermatologist and a nurse. Blue Lagoon offers this treatment to Icelandic psoriasis patients free of charge, without requiring any public co-payment.

Research and development

Since its inception, Blue Lagoon has prioritized innovative research, which forms the foundation of the company's work. Studies have confirmed that the geothermal seawater in the lagoon possesses unique healing properties, with a chemical composition and ecosystem found nowhere else in the world. At the Blue Lagoon Research and Development Center in Svartsengi, a range of research and development projects take place. These include research on the la-

goon's ecosystem, the effects of bathing on psoriasis, bioactivity studies of geothermal seawater ingredients, sustainable production methods for bioactive compounds, and clinical trials for Blue Lagoon Skincare products. Collaborations with both local and international scientists have resulted in over 20 peer-reviewed scientific papers and 3 patents.

The Blue Lagoon Research and Development Center also produces bioactive ingredients, which are key components in Blue Lagoon Skincare products. Silica and salts are sustainably extracted from boreholes in the region, which are 2,000 meters deep. Microalgae from the Blue Lagoon are cultivated using eco-friendly technology that captures carbon dioxide, thereby reducing the company's carbon footprint. The bioactive ingredients are COSMOS Natural certified and produced according to the ISO 22716 (GMP) quality standard, and registered under the following trademarks: BLUE LAGOON SEAWATER, BLUE LAGOON SILICA, BLUE LAGOON MINERAL SALTS, BLUE LAGOON MICROALGAE, and BL+ COMPLEX. The production, previously under Blue Lagoon Skincare Ltd., is now

managed by the Research and Development department of Blue Lagoon Iceland Ltd.

Quality and environment

Blue Lagoon is part of the Reykjanes Resource Park and operates within the UNESCO Reykjanes Global Geopark. As such, the company collaborates extensively with various organizations across the Reykjanes Peninsula. The aim of this partnership is to enhance the region as a destination, support the sustainable use of resources in harmony with nature, and simultaneously increase knowledge, awareness, and conservation of the area's geological heritage.

Blue Lagoon actively participates in a variety of collaborative projects that promote Iceland as a destination, particularly those that are centered around health and wellbeing. This includes projects focused on sales and marketing initiatives, sustainability and environmental efforts, and innovation. Through its involvement in these projects, the company contributes to value creation and enhanced competitiveness of Iceland's tourism industry.



Community support

Blue Lagoon provided financial support to diverse projects relating to safety, health, sport, culture, and the environment.

Making a positive impact on our local communities

Despite 2024 being a challenging time, Blue Lagoon remained steadfast in its commitment to creating a meaningful and lasting impact on both our local communities and the environment through various focused initiatives.

As in previous years, the company continued to prioritize local suppliers and partners, directing business and purchases within the community. Additionally, Blue Lagoon provided direct financial support to a range of projects in areas within health, sports, culture, and environmental related issues. In 2024, the company allocated community grants totaling ISK 115 million.

One key highlight was opening the visitor center and other facilities by Reykjanes Lighthouse to the public, in collaboration with Hollvínasamtök Reykjanesvita and the Reykjanesbær municipality, among others.

Another noteworthy initiative was the Kerlingarfjöll Ultra trail race held in the summer of 2024. Events of this nature have the potential to serve as a catalyst for positive development in the local communities of the region.



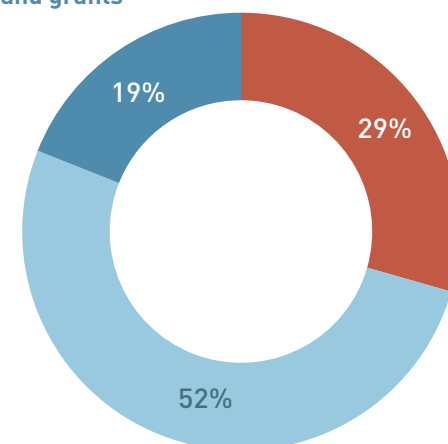
Icelandic Sports Association for the Disabled was allocated a grant for the coming five years.

Blue Lagoon supports Forskot, a fund for young and talented golfers.

As in previous years, Blue Lagoon supported DesignMarch this year.



Blue Lagoon's community projects and grants



Blue Lagoon supported Þorbjörn, the local volunteer rescue squad, by donating a rescue vehicle.

Events like Kerlingarfjöll Ultra support the local community.



Development in the Reykjanesviti area continues.

As in previous years, Blue Lagoon supported Iceland Cancer Society's Research Fund.

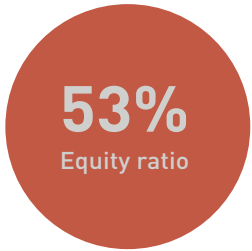
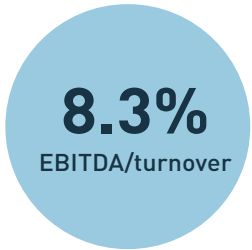




| Economic
| impact

Economic impact

Creating shared value among stakeholders.



The Blue Lagoon operations were very successful for 2024, considering that 20% of the year the doors were closed due to seismic activity and six volcanic eruptions occurred over the year. 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 96% of its turnover, or ISK 16.5 billion. Of this amount, the company’s tax footprint was about ISK 4.1 billion, which went to the state and municipalities in the form of taxes and fees.

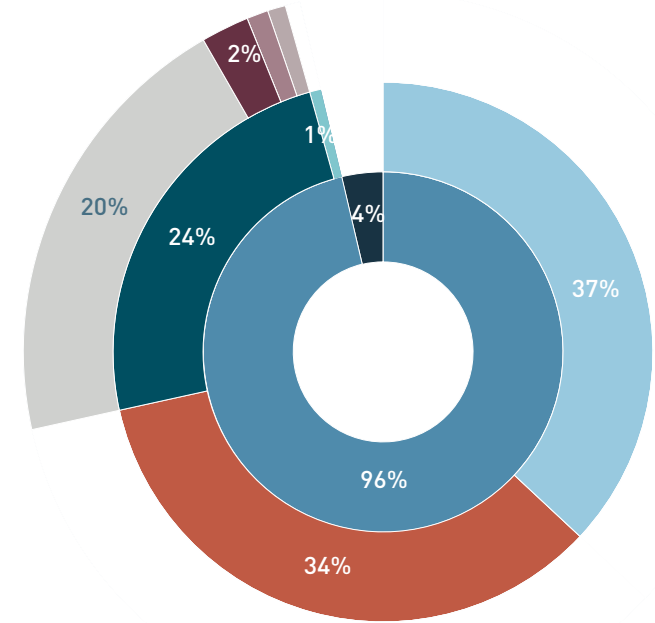
Company growth
This year saw continued efforts on ambitious development projects within the group. 2024 was the first full operational year in the new Highland Base Kerlingarfjöll facilities. A diverse selection of lodging options is available for visitors there, along with the Highland Baths and diverse activities. The operation is going according to plan and the booking pipeline is promising.

Preparation for the building of a hotel, baths, and visitor center in Þjórsárdalur valley is underway. Ground preparations were almost finished in 2024, and construction is set to begin at full force in 2025.

The incorporation of the newest companies within the group, Hrauneyjar ehf. and Ferðapjónustan Hoffell ehf. is proceeding as expected.

The audited, consolidated financial statements of Blue Lagoon for the year 2024 can be found [here](#).

Economic impact



- 4% economic benefit
 - 24% to the state
 - 15% to wage-related expenses
 - 2% paid VAT
 - 1% property taxes
 - 1% customs payments
 - 0% income tax
- 96% economic contribution
 - 37% to suppliers and contractors in the form of operating costs
 - 34% to human resources in the form of net staff wages
 - 24% to the state
 - 15% to wage-related expenses
 - 2% paid VAT
 - 1% property taxes
 - 1% customs payments
 - 0% income tax
- 1% community grants
- 0% to shareholders

Turnover

€115.072.553

EBITDA

€9.576.347

Income after taxes

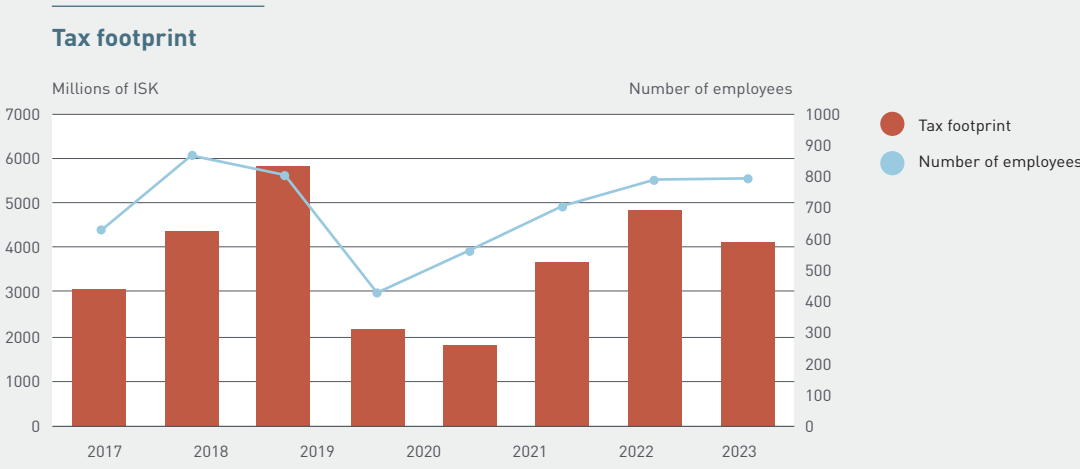
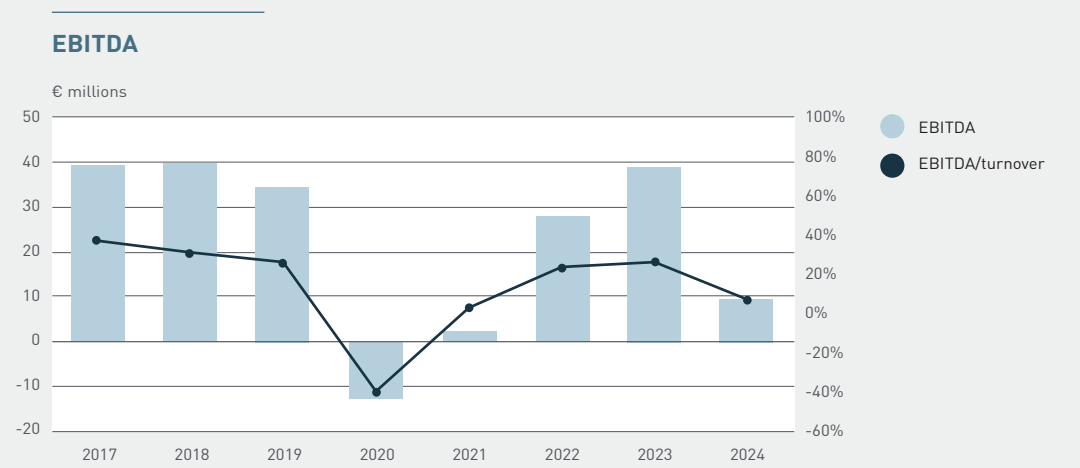
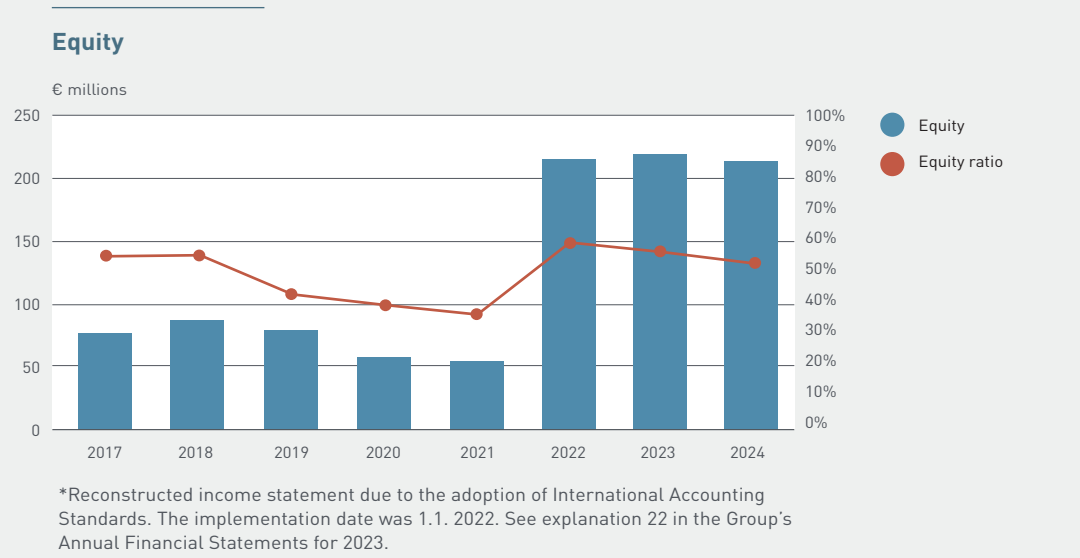
€7.559.167

Equity

€214.171.309

Cash and cash equivalents

€17.825.104

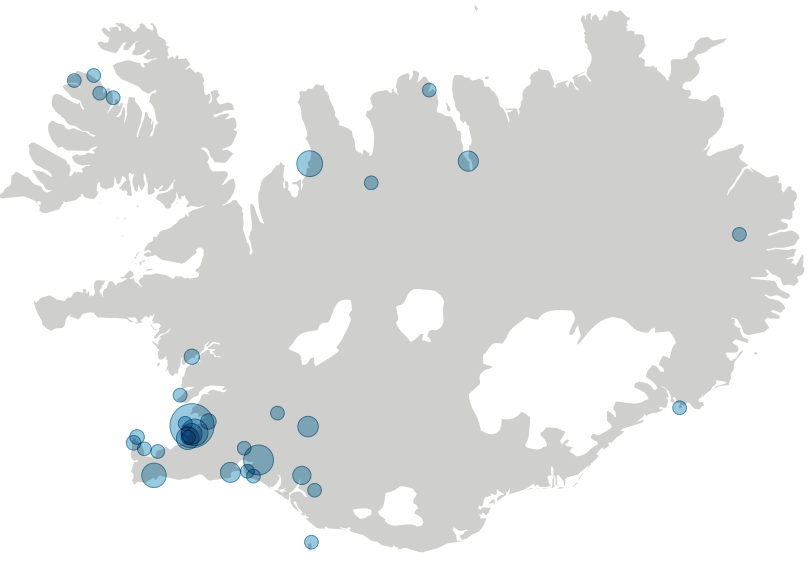


Sustainable procurement

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 communities. The company has set a policy with an emphasis on sustainability in procurement and clear procedures to enforce it. A team of procurement officers meet regularly to review the policy, rules, and optimization of the company's procurement.

Location of the main suppliers and contractors of Blue Lagoon in Iceland in 2024:



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
- Brand/reputation

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 communities in particular. For example, Blue Lagoon purchased goods and services from suppliers and contractors to the amount of ISK 6.4 billion during the year. A majority of those transactions were with Icelandic suppliers and contractors, benefiting the Icelandic economy. Most of the transactions were with suppliers and contractors within 80 km of the headquarters of Blue Lagoon in Urriðaholt, Garðabær.

The goal for the year 2024 was to ensure that more than 80% of trade was procured locally or within 80km of the company's location. This goal was reached in 2024. A review will be made for 2025 in regards to different local communities for different business units.

The company constantly monitors its procurement with an emphasis on increasing it within Iceland, and particularly within 80 km of the operating units. 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. With the introduction of new business units, procurement in those local communities is being assessed and improved.



General information



About the report

The annual report has been prepared and consistently refined in alignment with the priorities set forth by the company materiality assessment. For over a decade, Blue Lagoon has been releasing the company’s annual report, encompassing both financial and non-financial information.

In the past years, the annual report has undergone further enhancement and is currently structured taking into consideration both the ESRS requirements and in reference to the Global Reporting Initiative Standards (GRI Standards), with a specific emphasis on Corporate Social Responsibility (CSR).

GRI requirements

Last report published	2025 for the year of 2024
Reporting period	January 2024 – December 2024
Report frequency	Annually
GRI Standards	Reference to
Published in	April 2025

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 2024 (January–December) and is presented alongside the annual accounts of Blue Lagoon and its subsidiaries.

For additional details regarding the report and its contents, inquiries can be directed to the following email address: sustainability@bluelagoon.is.

EFRAG sectors classification

Sector groups	Sectors	Sustainability matters
Hospitality	Food and beverage services	Energy consumption and 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 and mix Working conditions Products and services

European Sustainability Reporting Standards (ESRS)

Blue Lagoon has been publishing sustainability reports since 2019 by applying GRI standards. Recognizing the need to align with ESRS requirements, the company has structured the current report to include the sustainability statement, filling the gaps between GRI indicators and ESRS requirements. To do so the company followed this process:

- Conducting an ESG risk assessment to identify potential risks and opportunities.
- 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.
- Re-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 aimed 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.

From Blue Lagoon Material topics to GRI Standards topics

2022-2024	GRI topics
Economic	Economic (200)
<ul style="list-style-type: none">· Economic and financial performance· Indirect economic impacts that Blue Lagoon could have on the community· Local procurement· Anti-corruption and anti-competitive behaviour taxation	Disclosure 201 Economic Performance Disclosure 203 Indirect Economic Impacts Disclosure 204 Procurement Practices Disclosure 205 Anti-corruption Disclosure 206 Anti-competitive Behavior Disclosure 207 Tax
Environmental	Environmental (300)
<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	Disclosure 301 Materials Disclosure 302 Energy Disclosure 303 Water Disclosure 304 Biodiversity Disclosure 305 Emissions Disclosure 306 Waste Disclosure 308 Supplier Environmental Assessment
Social	Social (400)
<ul style="list-style-type: none">· Employment company culture· Marketing and labeling· 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	Disclosure 401 Employment Disclosure 403 Occupational health and safety Disclosure 404 Training and education Disclosure 405 Diversity and equal opportunity Disclosure 406 Non-discrimination Disclosure 407 Freedom of Association and Collective Bargaining Disclosure 408 Child Labor Disclosure 409 Forced or Compulsory Labor Disclosure 414 Supplier Social Assessment Disclosure 416 Customer health and safety Disclosure 417 Marketing and Labeling Disclosure 418 Customer Privacy

From Blue Lagoon Material topics to ESRS indicators

2022-2024	ESRS Indicators
Economic	Governance
<ul style="list-style-type: none">· Economic and financial performance· Indirect economic impacts that Blue Lagoon could have on the community· Local procurement· Anti-corruption and anti-competitive behaviour taxation	G1-4 Confirmed incidents of corruption or bribery
Environmental	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	E1-5 Energy consumption and mix E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions E1-7 GHG removals and GHG mitigation projects financed through carbon E3-4 Water consumption E5-4 Resource inflows E5-5 Resource outflows

2022-2024	ESRS indicators
Social	Social
<ul style="list-style-type: none">· Employment company culture· Marketing and labeling· 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	S1-6 Characteristics of the undertaking's employees S1-9 Diversity indicators S1-11 Social protection S1-12 Persons with disabilities S1-13 Training and skills development indicators S1-14 Health and safety indicators S1-15 Work-life balance indicators S1-16 Compensation indicators (pay gap and total compensation) S1-17 Incidents, complaints and severe human rights impacts and incidents S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

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

In 2023, Blue Lagoon 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.

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
Strategy (General Disclosures)	Mission and Engagement; Supply Chain Management
Ethics and integrity (General Disclosures)	Ethics and Transparency; Mission and Engagement
Governance (General Disclosures)	Ethics and Transparency; Mission and Engagement; Diversity, Equity, and Inclusion
Stakeholder engagement (General Disclosures)	Mission and Engagement; Civic Engagement and Giving; Engagement and Satisfaction
Reporting practice (General Disclosures)	Mission and Engagement; Ethics and Transparency
Management Approach	Supply Chain Management; Mission and Engagement; Environmental Management; Ethics and Transparency
Economic Performance	Civic Engagement and Giving
Indirect Economic Impacts	Civic Engagement and Giving
Procurement Practices	Economic Impact; Supply Chain Management
Anti-corruption	Ethics and Transparency; Disclosure Practices

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

GRI topic / section	Mapped to BIA operational topics
Anti-competitive Behavior	Disclosure Outcomes and Penalties
Tax	Ethics and Transparency; Governance Metrics; Disclosure Practices
Materials	Land and Life
Energy	Air and Climate
Water and Effluents	Water
Biodiversity	Land and Life; Disclosure Industries; Disclosure Practices
Emissions	Air and Climate
Waste (2020)	Land and Life
Supplier Environmental Assessment	Supply Chain Management; Land and Life
Employment	Engagement and Satisfaction; Financial Security; Health, Wellness, and Safety
Occupational Health and Safety	Health, Wellness, and Safety; Disclosure Outcomes; Engagement and Satisfaction
Training and Education	Career Development; Engagement and Satisfaction
Diversity and Equal Opportunity	Diversity, Equity, and Inclusion
Non-discrimination	Disclosure Outcomes and Penalties
Freedom of Association and Collective Bargaining	Disclosure Practices
Child Labor	Supply Chain Disclosure; Engagement and Satisfaction
Forced or Compulsory Labor	Supply Chain Disclosure; Engagement and Satisfaction
Human Rights Assessment	Engagement and Satisfaction
Local Communities	Civic Engagement and Giving; Land and Life
Supplier Social Assessment	Supply Chain Management
Customer Health and Safety	Customer Stewardship
Marketing and Labeling	Supply Chain Management; Disclosure Outcomes and Penalties; Land and Life
Customer Privacy	Disclosure Outcomes and Penalties; Disclosure Practices

Blue Lagoon's contribution to the United Nations' goals



Wellbeing for people and planet



Energy



Sustainable operations














Circular economy
























































Climate action


Progress towards the Sustainable Development Goals (SDGs) – SDG Action Manager

SDG	Our company score	Our sector score
Baseline	80.0%	30.0%
SDG 1: No Poverty	30.9%	21.9%
SDG 2: Zero Hunger	16.7%	10.2%
SDG 3: Good Health and Wellbeing	85.7%	21.4%
SDG 4: Quality Education	45.8%	22.5%
SDG 5: Gender Equality	29.3%	14.6%
SDG 6: Clean Water and Sanitation	46.4%	12.1%
SDG 7: Affordable and Clean Energy	30.7%	15.0%
SDG 8: Decent Work and Economic Growth	55.5%	21.4%
SDG 9: Industry, Innovation, and Infrastructure	35.0%	24.2%
SDG 10: Reduced Inequality	26.9%	18.1%
SDG 11: Sustainable Cities and Communities	59.6%	19.5%
SDG 12: Responsible Consumption and Production	67.9%	21.3%
SDG 13: Climate Action	57.2%	14.6%
SDG 14: Life Below Water	57.1%	9.9%
SDG 15: Life on Land	57.2%	12.6%
SDG 16: Peace, Justice, and Strong Institutions	35.0%	19.4%

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. 19			ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	
2-3 Reporting period, frequency and contact point	P. 82			ESRS 1 §73	
2-4 Restatements of information	P. 84-85			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. 19, 24-43, Financial statement			ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	
2-7 Employees	P. 114-119			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. 114-119			ESRS S1 S1-7 §55 to §56	S5.2
2-9 Governance structure and composition	P. 17-21			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. 20-21, 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. 20-21, 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. 20-21, 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. 20-21, 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. 20-21, 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. 46-53			ESRS 2 SBM-1 §40 (g)	
2-23 Policy commitments	P. 22			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. 22			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. 102-106			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. 102-106			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. 135			'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. 102-106			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. 134			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. 104-106			ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	
3-2 List of material topics	P. 104			ESRS 2 SBM-3 §48 (a) and (g)	
3-3 Management of material topics	P. 104-106			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. 76-77			-	
201-1 Direct economic value generated and distribute	P. 136-137			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. 70-73				
GRI 204 Procurement Practices					
3-3 Management of material topics	P. 78-79			ESRS G1 G1-2 §12	
204-1 Proportion of spending on local suppliers	P. 137			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. 17			ESRS G1 G1-1 §7; G1-3 §16 og §18 (a) og §24 (b)	
205-3 Confirmed incidents of corruption and actions taken	P. 108,136			ESRS G1 G1-4 §25	
GRI 206 Anti-competitive Behavior					
3-3 Management of material topics	P. 17				
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P. 108			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. 76-77				
207-2 Tax governance, control, and risk management	P. 137			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. 56-61			ESRS E5 E5-1 §12; E5-2 §17; E5- 3 §21	
301-1 Materials used by weight or volume	P. 111			ESRS E5 E5-4 §31 (a)	
GRI 302 Energy					
3-3 Management of material topics	P. 56-61			ESRS E1 E1-2 §25 (c) til (d); E1-3 §26; E1-4 §33	
302-1 Energy consumption within the organization	P. 109			ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	E3.1, E5.1
302-3 Energy intensity	P. 109			ESRS E1 E1-5 §40 to §42	
302-4 Reduction of energy consumption	P. 109			‘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 standards – general disclosures	Reference	Not fulfilled, reason	UN SDGs	ESRS	Nasdaq
GRI 303 Water and Effluents					
3-3 Management of material topics	P. 56-61			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. 111			ESRS E3 E3-4 §28 (a), (b), (d) and (e)	E6.1
GRI 304 Biodiversity					
3-3 Management of material topics	P. 56-61			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. 56-61			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. 110		   	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. 110		   	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. 110		   	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. 110		  	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	E2.1, E2.2
305-5 Reduction of GHG emissions	P. 110		  	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. 56-61			ESRS E5 §AR 7 (a); E5-1 §12; E5-2 §17; E5-3 §21	
306-1 Waste generation and significant waste-related impacts	P. 112-113		   	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30	
306-3 Waste generated	P. 112-113		   	ESRS E5 E5-5 §37 (a), §38 to §40	
GRI 308 Supplier Environmental Assessment					
3-3 Management of material topics	P. 56-61			ESRS G1 G1-2 §12 and §15 (a)	
GRI 401 Employment					
3-3 Management of material topics	P. 64-69			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. 115		  	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. 131-133		  	ESRS S1 S1-11 §74; §75; §AR 75	
401-3 Parental leave	P. 129		 	ESRS S1 S1-15 §93	
GRI 403 Occupational Health and Safety					
3-3 Management of material topics	P. 64-69			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. 126-128			ESRS S1 S1-1 §23	
403-2 Hazard identification, risk assessment, and incident investigation	P. 126-128			ESRS S1 S1-3 §32 (b) and §33	
403-3 Occupational health services	P. 126-128			'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. 126-128		 	'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. 122-125, 126-128			'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. 126-128		  	'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. 128		   	ESRS S1 S1-14 §88 (a); §90	
403-9 Work-related injuries	P.84, 128-129		   	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) og (c); §AR 82	S7.1
403-10 Work-related ill health	P.84, 128-129			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. 64-69			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. 120-125			ESRS S1 S1-13 §83 (b) and §84	
404-2 Programs for upgrading employee skills and transition assistance programs	P. 120-125			ESRS S1 S1-1 §AR 17 (h)	
GRI 405 Diversity and Equal Opportunity					
3-3 Management of material topics	P. 64-69			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. 114-119			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. 130			ESRS S1 S1-16 §97 and §98	S2.1
GRI 406 Non-discrimination					
3-3 Management of material topics	P. 64-69			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. 131			ESRS S1 S1-17 §97, §103 (a), §AR 103	
GRI 407 Freedom of Association and Collective Bargaining					
3-3 Management of material topics	P. 134			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. 130-131			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. 47			ESRS G1 G1-2 §12 and §15 (a)	
GRI 416 Customer Health and Safety					
3-3 Management of material topics	P. 64-69			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. 108			‘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. 134			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. 134			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)	

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S9.1	Does your company follow a child and/or forced labor policy? Yes/No	Yes
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S10.1	Does your company follow a human rights policy? Yes/No	Yes
S10.2	If yes, does your human rights policy See also: cover suppliers and vendors? Yes/No	No

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G3.1	Are executives formally incentivized to perform on sustainability? Yes/No	No
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G4.1	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	100%
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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?	-
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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
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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

ESRS 2 - General Disclosures

Disclosure Requirement BP-1
General basis for preparation of the sustainability statements

This sustainability statement is prepared on a consolidated basis, aligned with the financial statement. The subsidiary undertakings included in the consolidation are Blue Lagoon hf in Urriðaholt, Blue Lagoon Iceland in Svartsengi, Blue Lagoon Skincare, Highland Base in Kerlingarfjöll, Hrauneyjar, Hotel Háland, and Hoffell. This sustainability statement does not cover upstream or downstream value chain operations.

Disclosure Requirement BP-2
Disclosures in relation to specific circumstances

Medium- and long-term time horizons are defined in accordance with ESRS 1. Some metrics include value chain data estimated using indirect sources related to Scope 3 emissions, utilizing accurate internal information and environmental conversion factors to estimate emissions.

Starting in 2024, there is a change in the preparation and presentation of sustainability information due to a transition from the GRI Standard structure to the ESRS framework, which may become a legal requirement in Iceland in the coming years. This sustainability statement includes information gathered using the GRI Standard, while local legal legislation is incorporated into the financial statement, as sustainability reporting is not yet a legal requirement in Iceland. Additionally, in previous years, data collection related to Highland Base operations was limited; however, this year, it has been fully integrated.

Disclosure Requirement GOV-1
The role of the administrative, management and supervisory bodies

The organizational chart represents the governance structure, outlining the roles of

administrative, management, and supervisory bodies. Sustainability governance is integrated into this structure. Additionally, the CSR Committee is responsible for managing and reporting on sustainability matters, including ensuring compliance with legal sustainability requirements, driving continuous improvement toward sustainability goals, implementing certification requirements, organizing community grants, monitoring sustainability metrics, and increasing sustainability awareness both within and outside the organization.

The CSR Committee consists of an environmental and quality manager, a sustainability specialist consultant, a communication and marketing specialist, and key representatives from various divisions, such as People and Culture, Health and Safety, Finance, Procurement, and others.

Disclosure Requirement GOV-2
Information provided to, and sustainability matters addressed by, the undertaking's administrative, management and supervisory bodies

The board meets monthly, and the CEO and CFO attend all meetings and communicate any issues back and forth to and from the management team. The board and management team meet at least twice per year, to decide the budget plan for the coming year and during the yearly shareholder meeting to go over the performance of the previous year. Any information the board needs will be communicated from the management team and/or members will be invited to present information to the board.

Disclosure Requirement GOV-3
Integration of sustainability-related performance in incentive schemes

There has not yet been any integration of sustainability-related performance into incentive schemes.

Disclosure Requirement GOV-4
Statement on 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 team consisting of sustainability experts called the CSR Committee. 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 identified and assessed the impacts of our operations on multiple stakeholders, the society, and the environment. This assessment allowed us to pinpoint areas where intervention was necessary and plan actions to address adverse impacts.

04

Definition and implementation of corrective actions:

We constantly develop action plans to mitigate adverse impacts 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. We are ready to adapt our strategies based on the evolution of sustainability requirements and emerging challenges.

Disclosure Requirement GOV-5

Risk management and internal controls over sustainability reporting

ESG risk assessment

Conducting an ESG (Environmental, Social, and Governance) risk assessment is crucial for Blue Lagoon to effectively navigate its sustainability efforts. 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 capitalize 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 started developing an ESG risk assessment on the material topics previously identified to support and navigate the complexities of sustainability. This ensures that potential challenges are addressed effectively while uncovering opportunities to make a positive impact on both society and the environment.

Disclosure Requirement SBM-1

Market position, strategy, business model(s) and value chain

The company has no revenue from the fossil fuel sector and is not engaged in chemical production, controversial weapons, or the cultivation and production of tobacco.

Disclosure Requirement SBM-2

Interests and views of stakeholders

Methodology applied

STAKEHOLDER IDENTIFICATION

Stakeholder identification means identifying all the individuals, groups, or organizations that might be affected by the actions or outcomes of company operations or who have an interest in its success or failure. Some of the main key steps include:

1. Mapping stakeholder groups:

Collaborate with relevant departments to systematically identify and categorize internal and external stakeholder groups, ensuring accurate nomenclature and detailed description that define each stakeholder group role and relevance to the company.

2. Interest and influence assessment:

Conduct a quantitative assessment of each stakeholder group's interest and influence over the company business operations, using a 1–6 rating scale. This assessment would reflect each stakeholder group's potential impact on the company business activities and strategic objectives.

3. Stakeholder prioritization:

Identify high-priority stakeholder groups by calculating the average score for each group's interest and influence ratings.

Stakeholder groups scoring above the 3.5 threshold are classified as key stakeholders, requiring the company to set targeted engagement and strategic communication.

STAKEHOLDERS ENGAGEMENT

Stakeholder engagement is the process of interacting with identified stakeholders to understand their needs, expectations, and concerns, and to involve them in decision-making processes. Some of the main key steps include:

1. Communication:

Establish clear, transparent, and regular channels to inform stakeholders of relevant updates and information, such as newsletters, official company website, sustainability report, social media channels, etc.

2. Consultation:

Seek input from stakeholders to better understand their perspectives, such as through satisfaction surveys, face-to-face interviews, focus groups, sustainability questionnaire forms, etc.

3. Collaboration:

Work directly with key stakeholders on specific projects or initiatives that benefit both parties, such as employees' activities, local partnerships, events, etc.

Blue Lagoon Iceland (BL) stakeholders

Internal	External
Board (Shareholders)	HS Orka
CEO and executives	Local suppliers within Suðurnes
Employees	Destination Blue Lagoon
Blue Lagoon Skincare	Third party partners
Highland Base	Other local suppliers
Internal contractors	International suppliers
Internal marketing agencies	Local guests
Directors of business units	International guests
	Local community
	Unions
	Agencies - PR, media, influencers and marketing—local market
	Agencies - PR, media, influencers and marketing—global market
	Natural bathing culture—our partners
	Natural bathing culture—our competitors
	Public administration
	Agents—B2B partners
	Non-profit organizations/associations
	External contractors
	Emergency responders
	Civil Protection
	Meteorological office
	IT servers
	IT payments
	IT connection
	IT systems
	Insurance companies

Blue Lagoon Skincare (BLS) stakeholders

Internal	External
Board (Shareholders)	HS Orka
CEO and executives	Manufacturers of final product
Employees	Third-party logistics partners
Directors of business units	Other local suppliers
R&D team	International suppliers
BLHQ team	Customers
Internal contractors	Unions
	Agencies - PR, media, influencers and marketing—local market
	Agencies - PR, media, influencers and marketing—global market
	Our competitors—global
	Our competitors—local
	Public administration
	Transporters/carriers of BL skincare products
	External contractors
	Insurance company
	Wholesalers/distributors
	Regulatory bodies
	Local community

Stakeholder inputs are systematical-ly incorporated into the company’s risk register to ensure a comprehensive as-sessment of potential impacts, risks, and opportunities. Additionally, these insights play a crucial role in shaping and refining our Sustainability Goals strategy, enabling us to align our initiatives with stakeholder expectations while enhancing long-term environmental, social, and governance (ESG) performance.

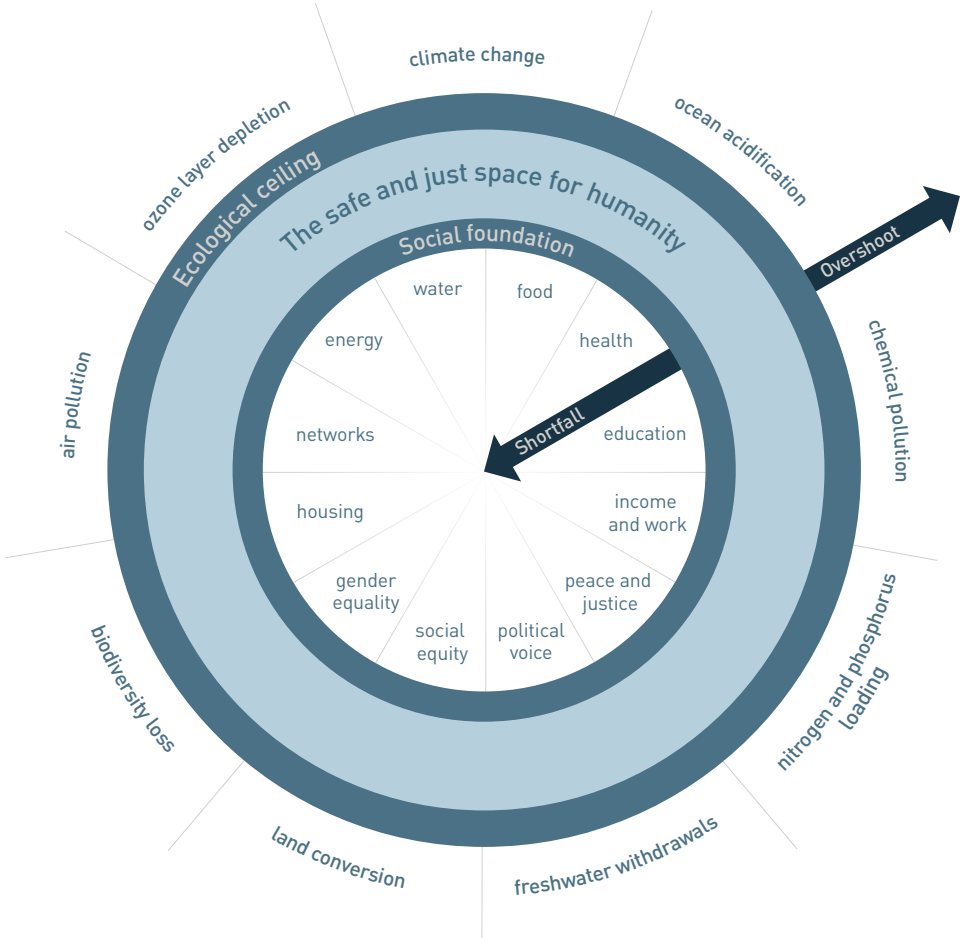
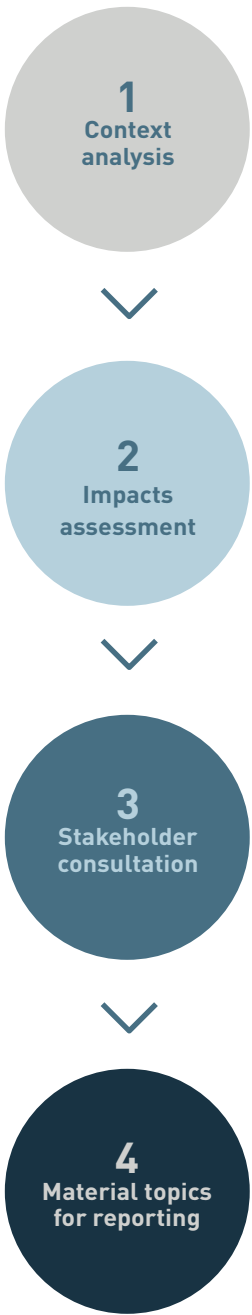
Additionally, the company has publicly and formally committed to FESTA, Iceland’s leading sustainability center, which promo-tes and supports corporate social res-ponsibility (CSR) initiatives at the national level, fostering collaboration and driving sustainable development.

Disclosure Requirement SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Disclosure Requirement IRO-1
Description of the processes to identify and assess material impacts, risks and opportunities

Blue Lagoon material topics

2022-2024
Economic
Economic and financial performance Indirect economic impact that Blue Lagoon could have on the community Local procurement Anti-corruption and anti-competitive behavior Taxation
Environmental
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
Social
Employment company culture Marketing and labeling 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



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* (DEAL) which integrates in the local aspiration and the 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 marginalized groups in society and to build partnerships to address the large environmental footprint of 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](https://sustainabledevelopment.un.org)

By starting from here, we 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.

2. Impact assessment
In 2024 we conducted a comprehensive review of our impact, based on our sector, operational context, products, services, activities, and company business model, integrating ESG risks into the company risk register.

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

Year-over-year comparison of key factors

Material topic	ESG Key data	Unit	2023	2024	2024
Economic and financial performance	Revenue (million ISK)	Millions ISK	15,879	20,880	17,181
Local procurement	Spending on Icelandic suppliers	%	78%	97%	96%
Local procurement	Spending on local suppliers (80km)	%	75%	83%	75%
Local procurement	Procurement Blue Lagoon Svart-sengi within Suðurnes	m€	22,5%	19,8%	8,2%
Economic and financial performance	EBITDA	m€	27.8	38.8	9.6
Economic and financial performance	Turnover	m€	111.6	140.0	115.1
Economic and financial performance	Equity	Billions ISK	215.3	219.0	214.2
Taxation	Tax footprint	Millions ISK	3.7	4.9	4.1
Economic and financial performance	Total economic contribution	%	13,546	17,084	16,543
Economic and financial performance	Proportion of economic contribu-tion	%	85%	82%	96%
Anti-corruption and an-ti-competitive behavior	Assessed cases of corruption	n.	0	0	0
Anti-corruption and an-ti-competitive behavior	Assessed cases of competitive behavior	n.	0	0	0
Energy efficiency	Energy consumption	kWh	5,837,915	6,791,187	8,596,119
Energy efficiency	Energy consumption per guest	kWh/guest	7.15	7.28	11.80
Water use	Hot water usage	m3	292,679	323,859	304,447
Water use	Hot water usage per guest	m3/guest	0.36	0.35	0.42
Water use	Cold water usage	m3	180,909	-	-
Water use	Cold water usage per guest	m3/guest	0.23	-	-
Water use	Geothermal sea water usage	m3	2,517,195	2,018,466	2,022,567
Emissions and climate change	Emissions Scope 1	ton CO2eq	524	635	1.476
Emissions and climate change	Emissions Scope 2	ton CO2eq	60	199	789
Emissions and climate change	Emissions Scope 3	ton CO2eq	454	556	194
Emissions and climate change	GHG Emissions	ton CO2eq	1,038	1,391	493
Emissions and climate change	Total emissions per guest	ton CO2eq/guest	0.7	0.9	1.4
Emissions and climate change	Planted trees	n.	10,130	12,670	*
Waste recycling	Organic waste	%	21.9%	22%	22%
Waste recycling	General waste	%	42%	43%	41%

* Blue Lagoon is working on a more comprehensive long-term plan for reduction of GHG emissions and carbon offset with verified carbon credits. The new plan will cover all business units and be reported in due course.

In addition, we carried out desk re-search and reviewed our policies, activities, products, processes and value chain. To ensure comparability, we also considered our previous sustainability reports and material topics.

The outcome of this step shaped a com-prehensive 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 sta-keholders, 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 stake-holders through various avenues, including employees, local and international guests and customers, suppliers, and contractors and sales agents.

We followed a six-step process to clas-sify material topics for our sustainability report:

01
Identify Blue Lagoon’s stakeholders through internal assessment by applying the process of ISO 26000 guidelines

02
Categorize stakeholders into groups to better plan the engagement according to target, communication channels and other factors

03
Prioritize groups of stakeholders to engage for the materiality assessment

04
Carry on the engagement, ask for relevance and preference on impacts, and allow sta-keholders to contribute with other concerns not otherwise listed

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.

Disclosure Requirement IRO-2
Disclosure Requirements in ESRS covered by the undertaking’s sustainability state-ments

ESRS E1 Climate change
E1-5 Energy consumption and mix
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions
E1-7 GHG removals and GHG mitigation projects financed through carbon credits

ESRS E3 Water and marine resources
E3-4 Water consumption

ESRS E5 Resource use and circular eco-nomy
E5-4 Resource inflows
E5-5 Resource outflows

ESRS S1 Own workforce
S1-6 Characteristics of the undertaking’s employees
S1-9 Diversity indicators
S1-11 Social protection
S1-12 Persons with disabilities
S1-13 Training and skills development indicators
S1-14 Health and safety indicators
S1-15 Work-life balance indicators
S1-16 Compensation indicators (pay gap and total compensation)
S1-17 Incidents, complaints and severe human rights impacts and incidents

ESRS S4 Consumers and end-users
S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consu-mers and end-users, and effectiveness of those actions

ESRS G1 Governance, risk management and internal control
G1-4 Confirmed incidents of corruption or bribery

Material topic	ESG Key data	Unit	2023	2024	2024
Reduction single plastic	Plastic packaging	%	1.6%	2%	2%
Waste recycling	Corrugated cardboard	%	5.6%	6%	8%
Waste recycling	Coarse waste	%	5.4%	4%	6%
Waste recycling	Painted wood/plastic coated	%	2.5%	3%	4%
Waste recycling	Paper (A4 sheets)	Sheets	155,000	132,500	85,870
Employment company culture	Employees	n.	712	794	799
Diversity and equal oppor-tunity	Male	%	45%	43%	43%
Diversity and equal oppor-tunity	Females	%	55%	57%	57%
Employment company culture	Nationalities	n.	40	40	42
Employment company culture	Average age	Year	34.2	34.9	35.2
Diversity and equal oppor-tunity	Icelandic	%	60%	51%	50%
Diversity and equal oppor-tunity	Foreign	%	40%	49%	50%
Diversity and equal oppor-tunity	Age >50	%	11%	11%	13%
Diversity and equal oppor-tunity	Age 30-50	%	47%	48%	49%
Diversity and equal oppor-tunity	Age <30	%	42%	41%	38%
Diversity and equal oppor-tunity	Part time	%	14%	10%	11%
Diversity and equal oppor-tunity	Full time	%	86%	90%	89%
Diversity and equal oppor-tunity	Gender pay gap	%	0.60%	0.7%	0.6%
Diversity and equal oppor-tunity	Coefficient of determination		96.2%	95.2%	96.2%
Training and education	Hours of training accumulated	n.	6,408	7,123	4,420
Training and education	Online training	%	2%	-	-
Training and education	On-site training	%	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 and labeling	Reported cases of non-compliance	n.	0	0	0
Privacy	Reported cases of non-compliance	n.	0	0	0
Supporting local commu-nities	Support to the community	Millions ISK	105	220	115

Environmental Information

ESRS E1 Climate change

E1-5 Energy consumption and mix

Environmental factor	Unit	2022	2023	2024
Electricity use*	kWh	5,837,915	6,791,187	8,596,119
R&D center	kWh	290,981	266,864	48,239
Silica Hotel	kWh	286,659	287,251	303,557
Blue Lagoon	kWh	2,029,463	2,081,062	2,517,298
Retreat Hotel and Spa	kWh	1,637,868	1,622,410	1,527,027
Laundry and warehouse	kWh	1,485,444	1,624,673	1,021,950
Shop at Laugavegur15	kWh	23,190	23,190	23,190
Urriðaholt HQ	kWh	60,033	177,970	175,103
Workshop	kWh	24,277	24,856	38,002
Hraunsetur	kWh	-	57,142	15,706
Kerlingarfjöll	kWh	-	548,679	1,212,228
Rauðukambar	kWh	-	77,090	252,298
Electricity usage per guest	kWh/guest	7.15	7.28	11.80

*100% from renewable sources - HS Orka

Standards, methodologies, assumptions, and/or calculation tools used	Conversion factors
Source of the conversion factors used	Icelandic EPA (based on IPCC)

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Environmental factor	Unit	2022	2023	2024	Goal 2024
GHG emission	ton CO _{2eq}	1,038	1,391	1,476	
· scope 1	ton CO _{2eq}	524	635	789	
· scope 2	ton CO _{2eq}	60.1	199.0	194	
· scope 3*	ton CO _{2eq}	454	556	493	
GHG emission per guest [S1and2]	Kg., CO _{2ig} /guest	0.7	0.9	1.4	< 1.2

Scope 3* Description of what is included	Business flights, staff buses to and from work, waste management, transportation of skincare products from warehouses to customers
Gases included in the calculation; whether CO2, CH4, N2 O, HFCs, PFCs, SF6, NF3, or all	The only relevant to Blue Lagoon business are CO2eq and HFCs
Standards, methodologies, assumptions, and/or calculation tools used	IPCC Guidelines (2006) Icelandic EPA emission factors: Losunarstuðlar_UST_6.0.2
Source of the conversion factors used	UST

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Environmental factor	Unit	2022	2023	2024
GHG offset	ton CO2eq	1,038	1,391	*
Planted trees	Trees	10,130	12,670	*

* Blue Lagoon is working on a more comprehensive long-term plan for reduction of GHG emissions and carbon offset with verified carbon credits. The new plan will be reported in the 2025 report and cover all new business units.

Total number of trees since 2019	54,960
Trees planted with Skógarkolefni in spring 2022 (certified carbon credits)	122.000

ESRS E3 - Water and Marine Resources

E3-4 Water consumption

Environmental factor	Unit	2022	2023	2024	% of growth
Warm water use	m ₃	292,679	32,859	304,447	-0.06
· R&D center	m ₃	9,683	14,750	12,521	-0.15
· Silica Hotel	m ₃	31,696	29,308	29,778	0.02
· Blue Lagoon and The Retreat	m ₃	242.,875	249,642	234,655	-0.06
· Laundry and warehouse	m ₃	7,716	9,591	3,388	-0.65
· Workshop	m ₃	709	888	493	-0.44
· Shop at Laugavegur 15	m ₃	-	1,000	1,000	-
· Urriðaholt HQ	m ₃	-	10,000	10,910	0.09
· Hraunsetur	m ₃	-	8,680	6,823	-0.21
Warm water usage per guest	m ₃ /guest	0.36	0.35	0.42	0.20
Cold water usage*	m ₃	2,517,195	2,018,466	2,022,567	-
Cold water usage per guest*	m ₃ /guest	184,909	-	183,477	0 -
Geothermal sea water usage	m ₃	0.23	-	0.25	-

*Cold water usage was not separately recorded in 2023, as its payment was included in the Company's property taxes. Estimation based on the total square meters.

ESRS E5 - Resource Use and Circular Economy

E5-4 Resource inflows

Environmental factor	Unit*	2022	2023	2024	Goal 24
Fossil fuel use	Liters	93,784	218,160	176,718	
Paper use	Sheets of paper	155,000	132,500	85,870	<90,000
Receipt use	Rolls	1,998	2,590	1,515	
Sold paper bags in stores	Bags	21,401	32,829	47,460	
Sold reusable bags in stores	Bags	3,099	3,292	6,968	

*Materials quantity

E5-5 Resource outflows

Waste recycling

Paper	Unit	2022	2023	2024
Printed sheets (A4 sheets)	A4 sheets	155,000	132,500	85,870
Printed sheets per 1,000 guests		190	142	118

Waste streams		2024
Coarse waste		6%
Painted wood/plastic coated		4%
Mixed waste		41%
Organic waste		22%
Corrugated cardboard		8%
Plastic packaging		2%
Paper		0%
Metals		2%
Grease traps		11%
Others		5%
Total		100%

Waste categories (tons)	2023	2024
Mixed waste	271	224
Pure wood	8	3
Timber stained/plastic coated	12	20
Organic waste	138	124
Corrugated cardboard	35	42
Coarse waste	26	31
Paper	6	1
Confidential documents	6,7	
Plastic packaging	9.5	12.5
Unsorted waste	-	0.2
Fish waste	-	-
Cooking oil	5.1	4.8
Scrap iron material 3	6.6	11.2
Glass	2.7	1.2
Pure bricks		20.2
Fat traps	108	59
Total quantity	634	554

Reduction single use plastic

Environmental factor	Unit	2022	2023	2024	Goal 24
Reduction of plastic used	Ton	3	3.9	2.5	
Plastic footprint per guest	Gr./guest	16	10	10	< 10
Waste	Ton	553	634	554	
Recycling rate	%	57	57	60	> 60

Social information

ESRS S1 Own workforce

S1-6 Characteristics of the undertaking’s employees

Highlights KPI at 31.12.2024		2024
Total number of employees		799
Total number of nationalities		42
Average age of employees		35,2

There were no non-guaranteed hours employees in 2024. Our region is Iceland.

General information 2024	Total number	Percentage	Male	Female
Nationality				
Icelandic	401	50%	180	221
Other nationalities	398	50%	167	231
Total	799	100%	347	452
Work				
Part-time	89	11%	28	61
Full-time	710	89%	319	391
Total	799	100%	347	452
Work				
Temporary contract	32	4%	15	17
Permanent contract	767	96%	332	435
Total	799	100%	347	452
Living in				
Reykjavík area	365	46%	162	203
Reykjanes	411	51%	174	237
Other	23	3%	11	12
Total	799	100%	347	452

Numbers are reported in headcount at 31.12.2024.

Employee turnover 2024	Total number	Percentage
Females	80	10%
Males	45	6%
Other nationalities	67	8%
Icelandic	58	7%
Age < 30	73	9%
Age from 30 to 50	51	6%
Age > 50	7	1%
Year-over-year change for contractors and/or consultants	-	0%

Numbers are reported in headcount from 01.01.2024 to 31.12.2024.

Employees newly hired 2024	Total number	Percentage
Females	161	20%
Males	100	13%
Other	0	0%
Other nationalities	117	15%
Icelandic	143	18%
Age < 30	169	21%
Age from 30 to 50	86	11%
Age > 50	15	2%

Numbers are reported in headcount from 01.01.2024 to 31.12.2024.

Breakdown by company

Highlights KPI at 31.12.2024	Blue Lagoon Iceland	Blue Lagoon Skincare	Highland Base Kerlingarfjöll
Total of employees	735	47	18
Nationalities	39	7	6
Average age	35.4	36.6	31.4

Blue Lagoon Iceland	Total number	Percentage	Male	Female
Nationality				
Icelandic	361	49%	174	187
Other nationalities	374	51%	160	214
Total	735	100%	334	401
Work				
Part-time	68	9%	26	42
Full-time	667	91%	308	359
Total	735	100%	334	401
Work				
Temporary contract	24	3%	11	13
Permanent contract	711	97%	323	388
Total	735	100%	334	401
Living in				
Reykjavík area	327	44%	154	173
Reykjanes	391	53%	172	219
South Iceland (excluding Reykjanes)	0	0%	0	0
Abroad	0	0%	0	0
Other	17	2%	8	9
Total	735	100%	334	401
Age				
Age < 30	276	38%	135	141
Age 30-50	364	50%	161	203
Age > 50	95	13%	38	57
Total	735	100%	334	401

Numbers are reported in headcount at 31.12.2024.

Blue Lagoon Skincare	Total number	Percentage	Male	Female
Nationality				
Icelandic	34	72%	2	32
Other nationalities	13	28%	0	13
Total	47	100%	2	45
Work				
Part-time	18	38%	0	27
Full-time	29	62%	2	18
Total	47	100%	2	45
Work				
Temporary contract	44	94%	0	3
Permanent contract	3	6%	2	42
Total	47	100%	2	45
Living in				
Reykjavík area	27	57%	1	26
Reykjanes	18	38%	0	18
South Iceland (excluding Reykjanes)	0	0%	0	0
Abroad	0	0%	0	0
Other	2	4%	1	1
Total	47	100%	2	45
Age				
Age < 30	20	43%	0	20
Age 30-50	19	40%	2	17
Age > 50	8	17%	0	8
Total	47	100%	2	45

Numbers are reported in headcount at 31.12.2024.

Highland Base Kerlingarfjöll	Total number	Percentage	Male	Female
Nationality				
Icelandic	7	39%	4	3
Other nationalities	11	61%	7	4
Total	18	100%	11	7
Work				
Part-time	3	17%	2	1
Full-time	15	83%	9	6
Total	18	100%	11	7
Work				
Temporary contract	3	17%	3	0
Permanent contract	15	83%	8	7
Total	18	100%	11	7
Living in				
Reykjavik area	11	61%	7	4
Reykjanes	3	17%	2	1
South Iceland (excluding Reykjanes)	0	0%	0	0
Abroad	0	0%	0	0
Other	4	22%	2	2
Total	18	100%	11	7
Age				
Age < 30	4	22%	2	2
Age 30-50	14	78%	9	5
Age > 50	0	0%	0	0
Total	18	100%	11	7

Numbers are reported in headcount at 31.12.2024.

In 2024, staff from two newly established business units were added to the Blue Lagoon Ltd. staff register: six employees from Hrauneyjar and two from Hoffell.

These additions will be included in the 2025 Corporate Social Responsibility report. Furthermore, in December 2024, one employee was recorded as working in two business units.

S1-9 Diversity indicators

Employee structure 2024	Total number of employees	Total number of females	Total number of males	Percentage of females	Percentage of males
All employees	799	452	347	57%	43%
Others	405	246	159	61%	39%
Shift managers and over-seers	74	49	25	66%	34%
Technicians and specially trained employees	183	73	110	40%	60%
Specialists	91	61	30	67%	33%
Middle management	19	12	7	63%	37%
Senior management	20	7	13	35%	65%
Executives	7	4	3	57%	43%

Numbers are reported in headcount at 31.12.2024.

Employee structure 2024	Total number of employees	Total number of Age < 30	Total number of Age 30-50	Total number of Age > 50	Percentage of Age < 30	Percentage of Age 30-50	Percentage of Age > 50
All employees	799	301	395	103	38%	49%	13%
Others	405	197	164	44	49%	40%	11%
Shift managers and over-seers	74	21	49	4	28%	66%	5%
Technicians and specially trained employees	183	74	85	24	40%	46%	13%
Specialists	91	9	70	12	10%	77%	13%
Middle management	19	0	13	6	0%	68%	32%
Senior management	20	1	11	8	5%	55%	40%
Executives	7	0	2	5	0%	29%	71%

Numbers are reported in headcount at 31.12.2024.

Employee structure 2024	Total number of employees	Total number of nationals*	Total number of internationals	Percentage of nationals*	Percentage of internationals
All employees	799	401	398	50%	50%
Others	405	140	265	35%	65%
Shift managers and over-seers	74	33	41	45%	55%
Technicians and specially trained employees	183	93	90	51%	49%
Specialists	91	89	2	98%	2%
Middle management	19	16	3	84%	16%
Senior management	20	19	1	95%	5%
Board of Directors	7	7	0	100%	0%

Numbers are reported in headcount at 31.12.2024.

*Icelandic citizenship

S1-11 Social protection

All our workers are covered by social protection, through public programs, against loss of income due to any of the following major life events:

- (a) sickness
- (b) unemployment starting from when the worker is working for the under-taking
- (c) employment injury and acquired disability
- (d) maternity leave
- (e) retirement

S1-12 Persons with disabilities

Employees with disabilities 2024	Total number	Percentage
Percentage of persons with disabilities amongst employees.	0	0%

Numbers are reported in headcount at 31.12.2024.

S1-13 Training and skills development indicators

Blue Lagoon complies with the Icelandic law and collective agreements in this regard. SA Confederation of Icelandic Enterprise negotiates on behalf of Blue Lagoon in collective agreements. Article 1.2.2. of the collective wage agreement between VR and SA provides that an employee has the

right to an annual interview regarding their job and any possible change to employment terms. If an employee requests an interview, it should be granted within two months, and the results of the interview should be available within one month.

Blue Lagoon and Blue Lagoon Skincare

Employee training per gender 2024		2024
Average training hours per employee		5.5
Total number of training hours provided to employees		4,420
Total number of employees		799
Average training hours per female		5.8
Total number of training hours provided to female employees		2,635
Total number of female employees		455
Average training hours per male		5.2
Total number of training hours provided to male employees		1,754
Total number of male employees		336

Blue Lagoon and Blue Lagoon Skincare

Employee training per employee's category 2024		2024
Average training hours, others		7.9
Total number of training hours, others		3,015
Total number, others		381
Average training hours per shift managers and overseers		8.6
Total number of training hours provided to shift managers and overseers		630
Total number of shift and task managers		73
Average training hours per technicians and specially trained employees		0.6
Total number of training hours provided to technicians and specially trained employees		108
Total number of technicians and specially trained employees		179
Average training hours per specialists		3.6
Total number of training hours provided to specialists		328
Total number of specialists		91
Average training hours per middle management		7.7
Total number of training hours provided to middle management		138
Total number, middle management		18
Average training hours per senior management		-
Total number of training hours provided to senior management		0
Total number, senior management		20
Average training hours per managing directors		40.0
Total number of training hours provided to managing directors		280
Total number of managing directors		7
Average training hours per members of board of directors		-
Total number of training hours provided to members of board of directors		0
Total number of members of board of directors		8

Blue Lagoon and Blue Lagoon Skincare

Average hours of training per year per employee 2024		2024
Average mandatory training hours per employee		3.6
First aid and rescue		204
First aid		270
HACCP		0
Total number of mandatory training hours provided to employees within the company		2,847
Total number of employees		799
Average training hours per employee for the promotion of health and safety*		1,5
Total number of training hours for the promotion of health and safety provided to employees within the company		1,226
Total number of employees		799

*Onsite data only.

Programs for upgrading employee skills and transition assistance 2024	On site	Online
Evacuation training	x	
First aid and rescue	x	
Training for expense approvers expenses approvers	x	x
We create memories	x	
Setting boundaries with Ragga Nagli	x	x
Pension and retirement planning - MSS	x	
Workshop for warehouse	x	
Leadership training - positive psychology for shift and assistant shift managers	x	
First aid (Icelandic, English and Polish)	x	
Moustache march (Movember)	x	

Programs for upgrading employee skills and transition assistance 2024	On site	Online
Train the trainer	x	
Training day	x	
Leadership training - What type of manager are you? For shift and assistant shift managers	x	
Time management - Ingrid Kuhlman	x	
Positive communication - Kvan	x	
Leadership training - equals and communication	x	x
Leadership training - equals and communication	x	x
Cocktail workshop - Jungle	x	
Running / movement - Arnar P. for the Reykjavík marathon	x	
Stress and the effects of change for evacuation officers	x	
Micro-course in gas meters network	x	x
Power BI micro-course	x	x
Let's talk hormones - Halldóra Skúla		x
Leadership training - the 5 weaknesses of team spirit	x	x
Leadership training - the 5 weaknesses of team spirit	x	
Leadership training - the 5 weaknesses of team spirit	x	
Asana on-site events	x	
Pink October - cancer awareness course	x	
Teamwork training for R&D	x	
Teamwork training for P&C and marketing	x	
Leadership training - Difficult one-on-one's, encouragement and praise	x	
Leadership training - Difficult one-on-one's, encouragement and praise	x	
The Retreat, day X the Open University	x	
Bad Bosses - workshop with Debra and Ken Corey	x	

We offer employees to attend pension and retirement planning courses.

Kerlingarfjöll

Employee training per gender Kerlingarfjöll 2024		2024
Average training hours per employee		16.6
Total number of training hours provided to employees		298
Total number of employees		18
Average training hours per female		13.0
Total number of training hours provided to female employees		104
Total number of female employees		8
Average training hours per male		19.4
Total number of training hours provided to male employees		194
Total number of male employees		10

Average hours of training per year per employee Kerlingarfjöll 2024		2024
Average mandatory training hours per employee		16.6
First aid and rescue		140
HACCP		0
Total number of mandatory training hours provided to employees within the company		298
Total number of employees within the company		18
Average training hours per employee for the promotion of health and safety*		17,6
Total number of training hours for the promotion of health and safety provided to employees within the company		316
Total number of employees within the company		18

*On site data only.

Programs for upgrading employee skills and transition assistance Kerlingarfjöll 2024	On site	Online
Training day - Kerlingarfjöll	x	
LS retail training - Kerlingarfjöll	x	
Service and housekeeping, house tour	x	
Wine course	x	
First Aid - Kerlingarfjöll	x	
Fire drill - Kerlingarfjöll	x	
Cocktail course	x	
Storytelling and navigation, snowmobile tour - Kerlingarfjöll	x	
Response to threatening behavior - Kerlingarfjöll	x	
First aid and rescue - Kerlingarfjöll	x	

We offer employees the chance to attend pension and retirement planning courses.

Employee training per employee category Kerlingarfjöll 2024		2024
Average training hours, others		29.8
Total number of training hours provided, others		298
Total number, others		10
Average training hours per shift and task managers		-
Total number of training hours provided to shift and task managers		0
Total number of shift and task managers		3
Average training hours per technicians and specially trained employees		-
Total number of training hours provided to technicians and specially trained employees		0
Total number of technicians and specially trained employees		4
Average training hours per specialists		-
Total number of training hours provided to specialists		0
Total number of specialists		0
Average training hours per middle management		-
Total number of training hours provided to middle management		0
Total number, middle management		1
Average training hours per denior management		-
Total number of training hours provided to denior management		0
Total number, denior management		0
Average training hours per managing directors		40.0
Total number of training hours provided to managing directors		280
Total number of managing directors		7
Average training hours per members of board of directors		-
Total number of training hours provided to members of board of directors		0
Total number of members of board of directors		8

S1-14 Health and safety indicators

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 safety and health policy in place that reflects the organization'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 organization.

The scope of our Occupational Health and Safety Management System (OHSMS) encompasses all workers, activities, and workplaces within Blue Lagoon Ltd. 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 prioritize the wellbeing of our employees and are dedicated to implementing comprehensive safety measures across our entire organizational 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 emphasizes the value of reporting for overall safety improvement, and the organization 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 wellbeing 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

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

We prioritize the confidentiality of workers' health information. Our commitment to privacy includes partnering with third-party health services adhering to GDPR regulations.

Blue Lagoon complies with the Icelandic Labor law and trade union rights in Iceland under Act No. 80/1938. SA Confederation of Icelandic Enterprise negotiates on behalf of Blue Lagoon in collective agreements.

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

We prioritize 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 eight 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 2024, our occupational health and safety training focuses on employee wellbeing. New hires undergo basic safety and mandatory first-aid training. We also focused on volcanic eruptions and the risk of gas pollution. Specialized 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. A Polish translator has been provided, and the need is assessed for each course. Some training sessions are mandatory, while others are voluntary. Evaluation methods vary, including tests and Mood-up surveys for effective feedback.

Promotion of worker health

We prioritize employee wellbeing 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 prioritizes the holistic wellbeing 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 programs empower employees to make positive lifestyle choices, fostering a healthier and more balanced life. Blue Lagoon's commitment to holistic wellbeing extends beyond the workplace, creating a supportive environment for employees to actively engage in their own health.

Workers covered by an occupational health and safety management system: 100%

All employees and workers are covered by our health and safety management system.

Work-related injuries2024	
Type of work-related injury related to employees	Total number of incidents 2024
Mainly scrapes, bruises and swelling on arms and legs	43
Type of work-related injury related to other workers working at BL sites	Total number of incidents 2024
None	0
Fatalities due to injuries	Total number of fatalities 2024
Employees	0
Other workers working at BL sites	0

Work-related ill health2024	
Work-related ill health, employees	Total number of ill health cases in 2024
Work related sickness	1
Work-related ill health, other workers working at BL sites	Total number of incidents 2024
None	0
Fatalities due to ill health	Total number of fatalities 2024
Employees	0
Other workers working at BL sites	0
Days lost	Total number of days 2024
Number of days lost due to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	108

S1-15 Work-life balance indicators

Employees are entitled to family-related leaves through collective bargaining agreements.

Maternity and paternity leave 2024	Female	Male
Total number of employees that were entitled to parental leave	All employees	All employees
Total number of employees that took parental leave	43	27
Total number of employees that returned to work after parental leave ended*	22	26
Total number of employees that returned to work after parental leave ended one year before, who were still employed 12 months after their return to work	9	32
Return to work	51%	96%
Retention rates	-	-

*Numbers are reported in headcount from 01.01.2024 to 31.12.2024.

S1-16 Compensation indicators
(pay gap and total compensation)

Equal pay certification	2024	2023	2022
Gender pay gap	1.1%	0.7%	0.6%
Explanation ratio	95.0%	95.2%	96.2%

CEO pay ratio	2024	2023	2022
Ratio: CEO total compensation to median FTE total compensation	-	-	-

S1-17 Incidents, complaints and severe human rights impacts and incidents

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

Child labor

A national ID number indicating the age of the individual is requested. If the national ID number is not available, identification showing the date and year of birth is required. All hiring goes through our recruitment system, 50skills. Business partners review all applications and national ID numbers to ensure they meet age requirements. National ID numbers are issued by the National Registry of Iceland according to the year of birth.

In Iceland, special laws are in place pertaining to child and teenage labor. In general, they are enforced by Icelandic unions, and they prevent the occurrence of child labor. The following are examples of regulations that an Icelandic labor 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 labor market. Children up to 18 years old cannot sign an employment contract without their parents' consent.

Find more details at vinnueftirlitid.is

Forced labor

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.

Diversity, discrimination, and harassment

Blue Lagoon complies with the Icelandic law and collective agreements in this regard. See act 46/1980 Act on Working

Environment, Health and Safety in Workplaces and regulation nr. 1009/2015 Regulation on measures against victimization, sexual harassment, gender-based harassment and violence in workplaces.

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

In 2024, Blue Lagoon had the honor of receiving the Jafnvægisvugin recognition, for the third time. Blue Lagoon has placed great emphasis on creating an environment characterized by equality and diversity. The company is extremely proud of this recognition.

Non-discrimination	2024
Number of incidents of discrimination	0
Disclosure of the status of incidents and/or complaints and actions taken	0

Employee benefits 2024

Employee benefits	Type of benefit
Gym membership or health grant	Gym membership
Discount at Hreyfing SPA	15% discount on SPA treatments
Golf courses	Free course
Gym Heilsa Vogar, Hafnarfjörður, Álftanes	Gym membership
Vök Fellabæ	Free admission + one guest
Geosea Húsavík	Free admission + one guest
Jarðböðin Mývatn	Free admission + one guest
Fontana Laugarvatn	Free admission + one guest
Forest Lagoon	Free admission + 50% off for one guest
Hvammsvík	Free admission + 50% off for one guest
Farmers Market	30% discount
66°North	30% discount
Vinnuvernd	Psychological help
Wellbeing Hub	3 credits for a specialist appointment per employee per year
Flothetta	30% discount
Swimming pools in Reykjanesbær	Health grant
Christmas discount	10-15% discount for Christmas shopping with different companies

*All employees could visit the swimming pool in Keflavík, free of charge, all year. Staff could visit swimming pools in Reykjavík, free of charge, over the summer.

Employee social activities 2024

In 2024, Blue Lagoon organized more than 38 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.

Events for staff 2024

Social activities	Description
Blátoppur hike	Staff went on a hike in Þórólfsfell
Career days	The company supported Career days, promoted activities
The HR day in Harpa	The Director of Human resources gave a lecture attended by the human resources division and marketing, along with other interesting lectures
Mottumars (No-shave March; Movember)	An incentive for all staff
Darts and karaoke	Social activity organized by staff entertainment committee
Blue Lagoon annual celebration	Music acts, fine dining, party, annual celebration video premiered
Bowling night	Social activity organized by staff entertainment committee
Easter fun	Easter presents, good coffee, good atmosphere
Family day	Family day in Keflavík for staff and families
The big trash collection day	Staff at all operational units went out to pick up trash
Open-mic lunch at Blue Lagoon	Staff performed for coworkers during lunch
Easter bingo	Social activity organized by staff entertainment committee
Country shindig	Staff ball in Hlégarður and line dancing
Summer trip to Laugarvatn	Choice between two activities, hiking or scavenger hunt around Laugarvatn
Camping trip in Hólaskógur	Staff entertainment committee organized a one-night camping trip in Hólaskógur
End-of-summer party	Good summer results celebrated at Iðnó in Reykjavík
Independence day	We celebrated Iceland's independence day on June 17

Social activities	Description
Highland Base Ultra	Healthy lifestyle encouragement
Reykjavík marathon	Healthy lifestyle encouragement
Golf tournament	Staff encouraged to participate
New quiet room	Healthy lifestyle encouragement
Darts and karaoke	Dart night with the Staff association
Kahoot lunch	Several Kahoot lunches for staff members both for education and fun
Pride	We celebrated Pride week and diversity
Waffle day	Waffles made for all staff members
Ice cream day	We offered staff members ice cream at all workstations
Yellow day	Mental health awareness
Trade presentation	Presentation for teenagers in Reykjanes
Halloween tea party	Costume party, cakes, and fun during working hours
Pink October	Pink event with education and a trip into the Blue Lagoon
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
Holiday discount days	Various discounts offered to staff to reduce holiday stress
Tidyber	Emphasis on order and tidiness throughout the company
Christmas fun in the Heart of Hafnarfjörður	Ice-skating, walk in the park, Yule Lads, and hot chocolate
Christmas concert	At Gamla Bíó with Ásgeir Trausti, organized by staff entertainment committee
Advent joy and holiday gifts	Musicians, holiday food, gifts distributed both at Bláberið and Esja
Happy hour	Staff event in Esja after working hours

Freedom of association and collective bargaining

The Icelandic labor 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.

Blue Lagoon complies with the Icelandic Labor law and trade union rights in Iceland regarding trade unions and collective bargaining, employment contracts, wages and working time, holiday allowance, payments in case of accidents and sickness, health and safety in the workplace, maternity and paternal leave, information and consultation of workers, access of foreign workers into the labor market, and other related issues.

Workers belonging to each trade union have a right to elect one union representative in workplaces employing 5 to 50 workers, and two union representatives if the number of workers exceeds 50. After an election, the trade union appoints the union representatives. This principle is established under Act No. 80/1938 and further developed in collective agreements. Union representatives are appointed for a term of two years.

Privacy

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 2024.

ESRS S4 Consumers and end-users

S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Customer health and safety

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 2024
Mainly scrapes, bruises, and swelling on arms and legs		21
Incidents of non-compliance concerning the health and safety impacts of products and services		0

Supporting local communities

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 organizations as well as the four municipalities within the Geopark agreed to Blue Lagoon's initiated improvements of the facilities at the Reykjanesviti lighthouse. This work will be conducted by a service center, majority-owned by Blue Lagoon, called *Þjónustumiðstöðin Reykjanes ehf.*

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.

In 2024, Blue Lagoon provided treatments 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 432, fewer than in 2023 due to closures caused by seismic activity.

Community projects and grants in 2024		ISK	%
Sports		33,745,820	29.4%
Culture		59,138,852	51.6%
Health		161,080	0.14%
Psoriasis treatments		21,600,000	18.8%
Total (ISK)		114,645,752	100.00%

Turnover ISK	17,181,482,888
% of donation	0.67%

Governance information

ESRS G1 Governance, risk management and internal control

G1-4 Confirmed incidents of corruption or bribery

No incidents of corruption were reported in 2024.

Other indicators

Direct economic value generated and distributed

Direct economic value in million ISK*	2024	2023	% 2023-2024
Revenues	17,181	20,880	-22%
Operating costs**	6,355	6,411	-1%
Employee wages and benefits	9,397	8,676	8%
Payments to providers of capital	0	0	0
VAT payments	369	809	-119%
Property tax	169	148	12%
Customs duty on productions	139	100	28%
Income tax	0	717	0
Community investments***	115	219	-90%
Total economic contribution	16,544	17,084	-3%
Economic benefits	637	3,796	-496%
Percentage of economic contribution	96%	82%	15%

*Average exchange rate EUR/ISK= 149,31

**without depreciation

***See donations

Economic value distributed	2024	2023
To our human resources	57%	51%
To the state	4%	10%
To the shareholders	0%	0%
To the community	1%	1%
To our suppliers	38%	38%
Total economic contribution	100%	100%

Taxation

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'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.

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

Tax footprint 2024	ISK	In percentage
Tax paid for employee wages and benefits	3,459,365,950	84%
VAT payments	368,906,458	9%
Property tax	168,981,210	4%
Customs duty on productions	138,581,118	3%
Income tax	0	0%
Total	4,135,834,736	100%

Procurement practices

Blue Lagoon defines local suppliers as those with legal headquarters within an 80-km radius of Blue Lagoon's headquarters in Garðabær. The 80-km distance is specified in the B Impact assessment according to their definition of "local suppliers." In 2024, approximately 95% of the company's total purchases were from Icelandic suppliers, with over 75% of those suppliers located

within 80 km of Blue Lagoon's headquarters. Additionally, about 28% of these suppliers were within the Suðurnes region. Analysis is ongoing to evaluate what constitutes as a local community when it comes to rural operational units. This analysis will affect the company's definition and evaluation of the following data.

Area	%
Within 80 km of headquarters	67%
Suðurnes	8%
Other domestic areas	20%
Domestic procurement	95%

Disclosures pursuant to Article 8 of the taxonomy regulation

EU Taxonomy

Blue Lagoon makes a direct contribution to environmental objective number 4, which is "The transition to a circular economy"

and its activities are not detrimental to the other environmental goals at all.

BLUE LAGOON