

## Climate and Environmental Policy

### 1. Introduction

The purpose of Landsvirkjun's Climate and Environmental Policy is to protect the environment while responsibly utilising natural resources and minimise the potential impact of the Company's activities on the environment. The policy aligns with the goals of the Paris Agreement, aiming to limit global warming to below 1.5°C above pre-industrial levels.

2. The Board of Directors approves the Climate and Environmental Policy upon the CEO's proposal. Landsvirkjun fulfils its obligations and complies with expectations. The Company is committed to continuous improvement.

### 3. Scope

The Climate and Environmental Policy applies to all Landsvirkjun operations and covers both direct and indirect environmental impacts.

### 4. Definitions

Direct impact:	The environmental impact of operations controlled by Landsvirkjun's employees, for which the Company is financially responsible.
Biodiversity:	Variability among living organisms in variable environment, inter alia, terrestrial, marine and other aquatic ecosystems and the diversity within species, between species and of ecosystems.
Indirect impact:	Environmental impact from Landsvirkjun's value chain, controlled by suppliers, contractors, and customers, for which they are financially responsible.
Effort sharing regulation:	Binding annual greenhouse gas emission targets concerning emissions from most sectors not included in the EU Emissions Trading System (EU ETS) or within Land-use, Land-use changes and forestry (LULUCF).
Environmental incident:	An unplanned event caused by company operations that impacts the environment. The impact can be anything from a minor, reversible impact near the source to a significant irreversible impact on the environment.
Environmental impact:	The impact of energy generation on the environment.
Environmentally sustainable:	Business activities that make a substantial contribution to one or more environmental objectives and do not significantly harm other environmental objectives, in accordance with EU Regulation 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy Regulation).
Ecosystem approach:	Integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way.



## 5. Policy

Landsvirkjun contributes to a sustainable world through environmentally sustainable energy generation, aligned with global goals to limit the temperature increase to 1.5°C.

We respect the Icelandic landscape and natural environment and continually strive to optimise the use of resources and prevent waste. We safeguard biodiversity guided by an ecosystem-based approach. Emphasis is placed on understanding and minimising the environmental impact of our operations and preventing environmental incidents.

We actively participate in the global response to climate change. We systematically work towards reducing our carbon emissions, supporting Iceland's commitment to the Paris Agreement, and responding to climate change-induced challenges and opportunities.

## 6. Performance indicators

- Proportion of energy generation considered environmentally sustainable (%). (target 100%)
- Deviation of energy generation from contract capacity. (%)
- Number of environmental incidents. (target 0)
- Net carbon emissions. (tonnes CO<sub>2</sub> eq/year)
- Generation-related emission intensity (gCO<sub>2</sub> eq/kWh). (target <1 in the year 2050)

## 7. Implementation

The CEO is responsible to the Board of Directors for implementing the Climate and Environmental Policy.

The implementation of the Policy is in accordance with ISO 14001 and procedural rule VKL-0161 pertaining to Landsvirkjun's environmental management system. We are committed to consulting and cooperating with our employees and stakeholders and following international priorities in environmental matters.

## 8. Reporting

Numerical information about environmental matters is available in our environmental data dashboard. Results are reviewed at annual management review meetings and published via i.e. annual reports (e.g., financial statements and climate account) and the company website.

## 9. Review

The Board of Directors reviews the Climate and Environmental Policy at least every three years.

## 10. Ratification

This Policy becomes effective once approved by the Board of Directors.

13. December 2024

Landsvirkjun Board of Directors

This document is a translated version of the Icelandic original.