

# Climate Accounts 2025





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**CLIMATE ACCOUNTS  
2025**

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# Climate Accounts 2025

I hereby confirm Landsvirkjun's Climate Accounts  
and carbon footprint for 2025.

**Hörður Arnarson, CEO**

**Release Date**

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Our vision is a sustainable world, powered by renewable energy. We take climate change very seriously and take pride in our climate contribution. Landsvirkjun's renewable energy is environmentally sustainable and aligned with global goals to limit global warming to 1.5°C above pre-industrial levels.

The Climate Accounts contain numerical information on Landsvirkjun's greenhouse gas emissions and carbon sequestration for 2025, as well as information on the status of the Company's climate targets.

↓ Key Figures

Electricity generation

**13,501** GWh ↓4.7%

Generation-related emissions intensity

**3.1** g CO<sub>2</sub>-eq/kWh ↓4.6%

Total GHG emissions

**77,850** t CO<sub>2</sub>-eq ↑9.9%

Total emissions intensity

**5.8** g CO<sub>2</sub>-eq/kWh ↑15%

Carbon Sequestration

**36,705** t CO<sub>2</sub>-eq ↑0.7%

Avoided emissions

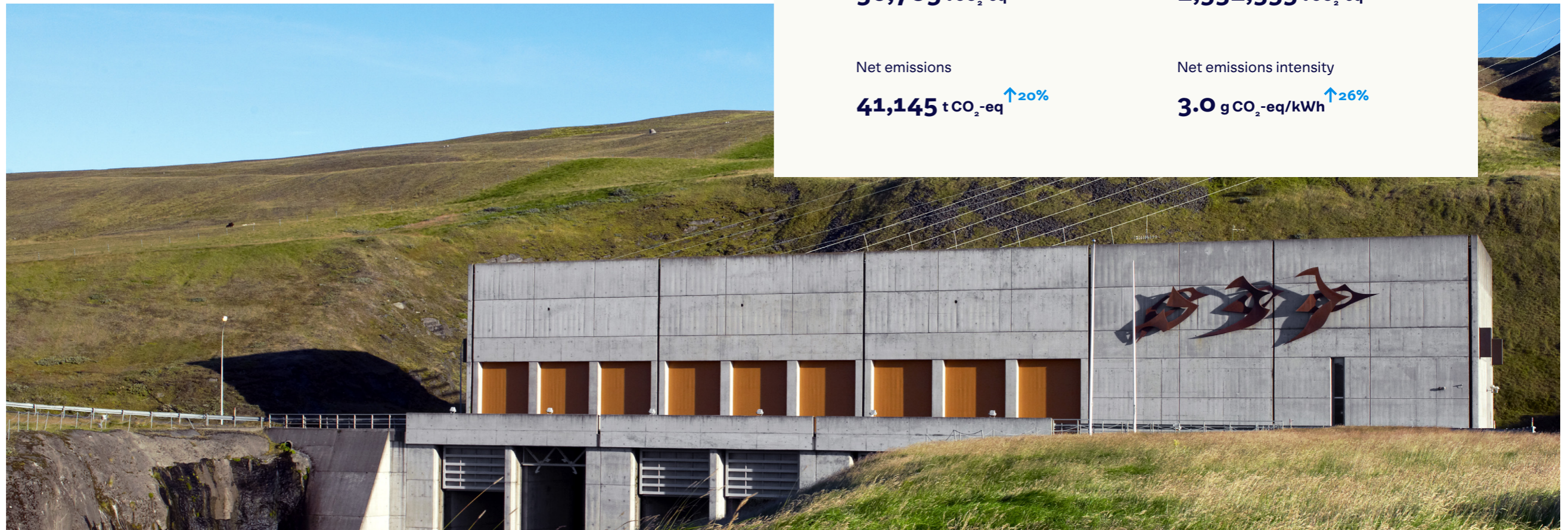
**2,532,355** t CO<sub>2</sub>-eq ↓0.1%

Net emissions

**41,145** t CO<sub>2</sub>-eq ↑20%

Net emissions intensity

**3.0** g CO<sub>2</sub>-eq/kWh ↑26%





# Climate Action Plan

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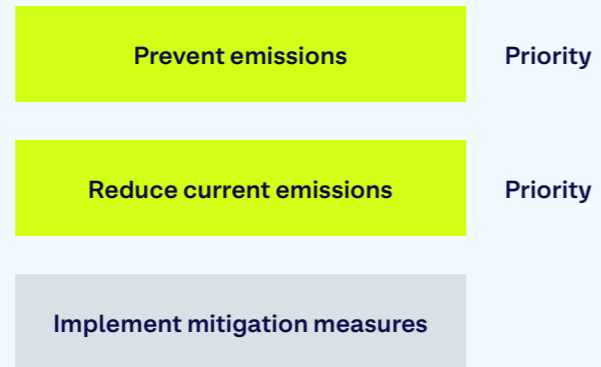
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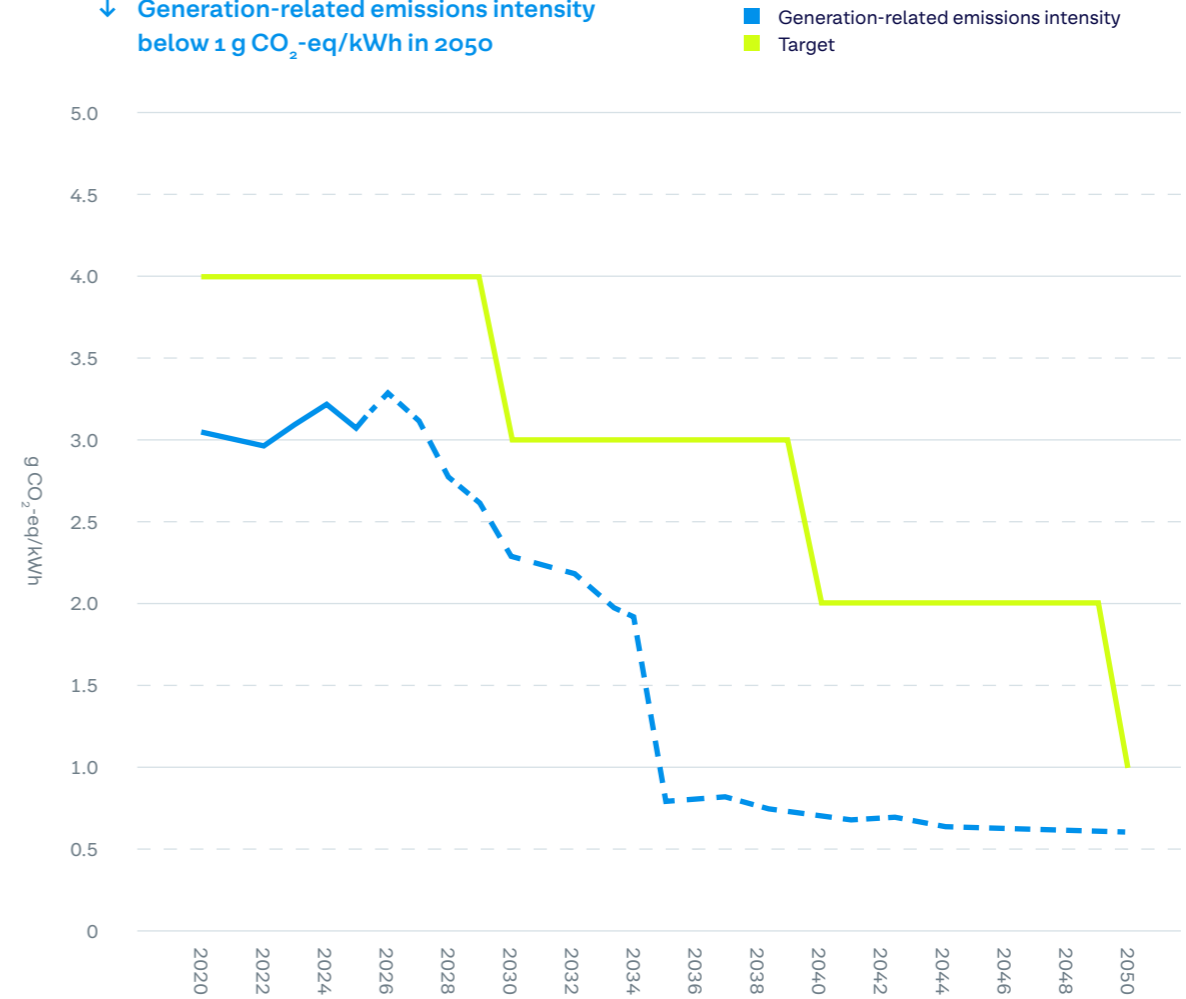
Our Climate Action Plan guides our path forward

Action prioritisation



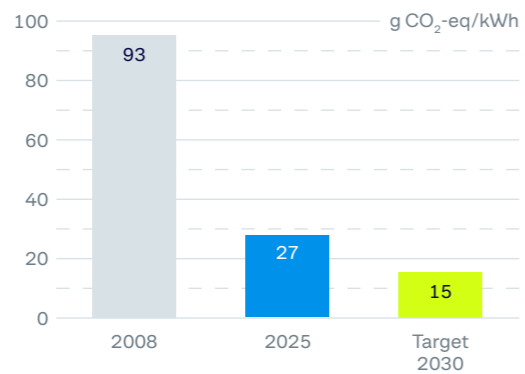
[Our Climate Action Plan](#) →  
[The Climate Action Plan dashboard](#) →

↓ Generation-related emissions intensity below 1 g CO<sub>2</sub>-eq/kWh in 2050

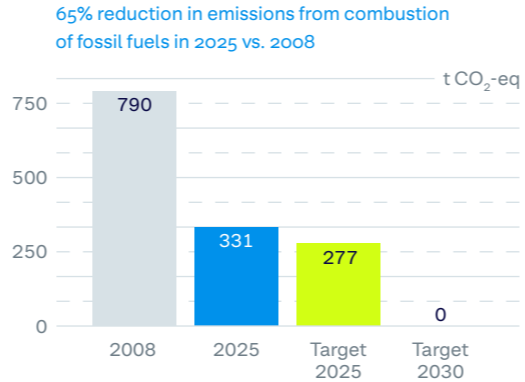


## Climate Targets and Progress

↓ 80% reduction in geothermal emissions intensity in 2030 vs. 2008



↓ Purchases of fossil fuel will end in 2030



↓ Maintain total emissions intensity below 9.1 g CO<sub>2</sub>-eq/kWh





# Climate Accounts

Landsvirkjun is leading the way in climate action and actively participates in the global fight against climate change. We generate 100% renewable energy with a negligible carbon footprint and operate under an ambitious climate and environmental action plan.<sup>1</sup>

Our action plan is based on a comprehensive mapping of the company's carbon footprint. We are dedicated to knowing our emissions, monitoring our progress, and responsibly providing information about the Company's climate impact.

Our real-time monitoring of GHG emissions from our operations enables us to make informed decisions, analyse the effectiveness of actions, and track our progress steadily throughout the year. We compile information about GHG emissions, sequestration, and net emissions in our Climate Accounts, which detail emission sources, changes in emissions, and target progress.

We use the Greenhouse Gas Protocol (GHGP)<sup>2</sup> methodology for our Climate Accounts, the leading global corporate standard for reporting GHG emissions. We include emissions from our operations and subsidiaries, Landsvirkjun Power and Icelandic Power Insurance.

We are committed to providing correct and transparent information. The international audit company Bureau Veritas has reviewed and confirmed our Climate Accounts, according to ISO 14064-3, with limited assurance (see below).

## Greenhouse gases in Landsvirkjun's operations

Landsvirkjun's operations produce the greenhouse gases carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), as well as sulphur hexafluoride (SF<sub>6</sub>).

**CO<sub>2</sub>** Carbon dioxide is mainly emitted by combusting fossil fuels, the decomposition of organic matter in reservoirs and is also a geothermal gas. GHG emissions are expressed in carbon dioxide equivalents (CO<sub>2</sub>-eq).

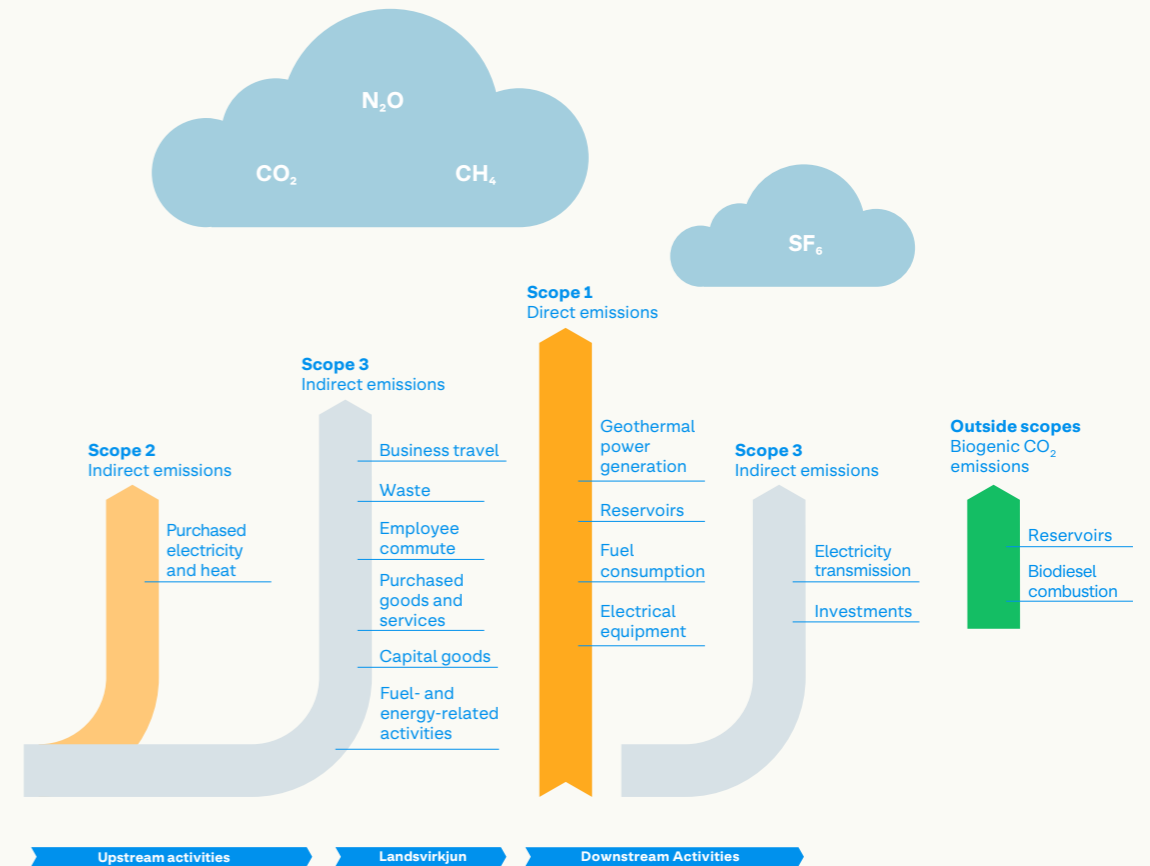
**CH<sub>4</sub>** Methane is a greenhouse gas 28 times more potent than carbon dioxide, emitted by the decomposition of organic matter in reservoirs, landfills, and the combustion of fossil fuels. It is also a geothermal gas.

**N<sub>2</sub>O** Nitrous oxide is a greenhouse gas 265 times more potent than carbon dioxide and is emitted by combusting fossil fuels and using fertilisers.

**SF<sub>6</sub>** Sulphur hexafluoride is a manufactured gas used in Landsvirkjun and Landsnet's operations to insulate electrical equipment. When it leaks, it can be released into the atmosphere. SF<sub>6</sub> is a greenhouse gas 23,500 times more potent than carbon dioxide.

<sup>1</sup> Climate and Environmental Action Plan. Landsvirkjun, 2025.  
<sup>2</sup> The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard Revised Edition. World Resources Institute og World Business Council for Sustainable Development, 2004.

## ↓ Landsvirkjun's emissions sources categorised by scope

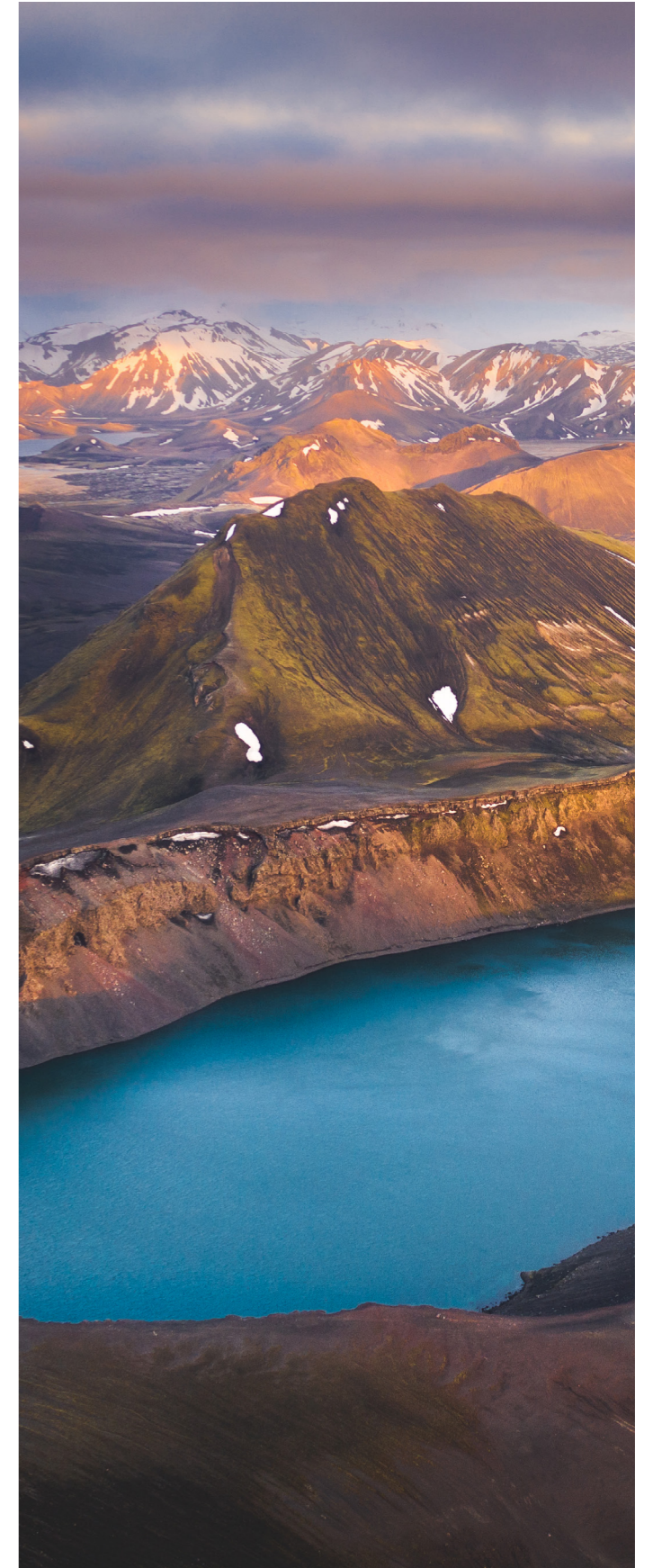




# Greenhouse Gas Emissions

GHG emissions (t CO <sub>2</sub> -eq)	2021	2022	2023	2024	2025	Change since 2024
<b>Scope 1</b>						
Geothermal energy	32,288	34,225	35,767	37,166	30,564	-18%
Reservoirs (CH <sub>4</sub> )	7,519	7,459	8,111	6,826	7,897	16%
Fuel combustion	394	339	301	306	331	8.2%
Electrical equipment (SF <sub>6</sub> )	105	68	132	200	75	-63%
<b>Total scope 1</b>	<b>40,305</b>	<b>42,090</b>	<b>44,311</b>	<b>44,498</b>	<b>38,867</b>	<b>-13%</b>
<b>Scope 2</b>						
Purchased electricity, location-based	5,5	6,4	6,3	3,2	4,2	31%
Purchased electricity, market-based	5,5	6,4	2,2	1,6	1,8	13%
Purchased heating	14	19	19	23	43	90%
<b>Total scope 2, location-based</b>	<b>20</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>47</b>	<b>82%</b>
<b>Total scope 2, market-based</b>	<b>20</b>	<b>25</b>	<b>21</b>	<b>24</b>	<b>45</b>	<b>85%</b>
<b>Scope 3</b>						
Purchased goods and services, total	1,295	1,091	10,821	9,807	10,930	11%
Fertiliser	1,295	1,091	1,186	1,238	964	-22%
Other purchased goods and services	-	-	9,635	8,569	9,966	16%
Capital goods, total	560	259	10,012	12,621	22,951	82%
Construction	560	259	1,227	448	4,643	937%
Other capital goods (e.g. machinery and equipment)	-	-	8,785	12,173	18,308	50%
<b>Fuel- and energy-related activities, total</b>	<b>120</b>	<b>169</b>	<b>97</b>	<b>469</b>	<b>465</b>	<b>-0.9%</b>
Fuel production	116	107	97	103	108	4.8%
Purchased electricity for resale	4	62	0	366	357	-2.5%
<b>Waste</b>	<b>30</b>	<b>24</b>	<b>39</b>	<b>34</b>	<b>53</b>	<b>56%</b>
<b>Business travel, total</b>	<b>122</b>	<b>136</b>	<b>254</b>	<b>335</b>	<b>412</b>	<b>23%</b>
Air travel	67	82	189	258	289	12%
Rental car travel	55	54	65	77	122	58%
Employee commuting	107	95	94	119	102	-14%
Downstream electricity transmission	1,929	1,518	1,151	1,059	2,537	140%
Investments	-	-	1,182	1,171	750	-36%
<b>Total scope 3</b>	<b>4,163</b>	<b>3,292</b>	<b>23,650</b>	<b>25,621</b>	<b>38,200</b>	<b>49%</b>
<b>Outside scopes</b>						
Reservoirs (CO <sub>2</sub> )	549	613	624	599	635	6.0%
HVO combustion (CO <sub>2</sub> )	61	83	84	100	101	1.3%
<b>Total outside scopes</b>	<b>610</b>	<b>697</b>	<b>708</b>	<b>699</b>	<b>736</b>	<b>5.3%</b>
<b>Total emissions</b>	<b>45,098</b>	<b>46,104</b>	<b>68,693</b>	<b>70,838</b>	<b>77,850</b>	<b>9.9%</b>
<b>Carbon Sequestration</b>	<b>34,400</b>	<b>35,152</b>	<b>35,794</b>	<b>36,438</b>	<b>36,705</b>	<b>0.7%</b>
<b>Net emissions</b>	<b>10,698</b>	<b>10,952</b>	<b>32,899</b>	<b>34,400</b>	<b>41,145</b>	<b>20%</b>

In 2023, the methodology for calculating scope 3 emissions was revised to include all relevant categories in accordance with the Greenhouse Gas Protocol. As a result, total emission reported for the years 2021-2022 are lower than those reported for 2023-2025.





# Changes Between Years

## Scope 1

### Geothermal energy

Geothermal power stations' GHG emissions decreased by 18% annually. The decrease can be attributed to a decrease in energy generation due to lower demand. Geothermal emissions intensity decreased by 4% year-on-year.

### Reservoirs (CH<sub>4</sub>)

Methane emissions from reservoirs increased 16% from the previous year, with 2025 experiencing more ice-free days than 2024. The number of ice-free days influences reservoir emissions. Emissions intensity increased by 20% year-on-year.

### Fuel combustion

Fossil fuel emissions increased by 16% year on year. The increase can mainly be attributed to increased activity in construction projects and increased use of diesel oil for backup power generators, mostly due to equipment testing. Fuel tanks for backup generators are periodically filled and the corresponding emissions are part of the given year's Climate Accounts.

Our aim is to stop purchasing fossil fuels by 2030 and we are actively focused on the energy transition of our vehicle and equipment fleet. At year-end, 97% of our passenger vehicle fleet ran on clean energy. In addition, we use hydrotreated vegetable oil (HVO) to run part of our fleet of non-electrical vehicles, thereby decreasing our purchase of fossil fuels. The use of HVO increased by 1% between years. In 2025, the Mývatn area was our first fossil fuel free operational area.

In 2025, the Icelandic Environment and Energy Agency published emission factors for biofuel blended diesel and petrol for the first time. These emission factors were used in this year's calculations, and previous years' emissions were updated accordingly. Consequently, emissions from fuel combustion are lower than those reported in the 2024 Climate Accounts.

### Electrical equipment

In 2025, the leakage of SF<sub>6</sub> insulation gas from electrical equipment in the Þjórsá and Fljótsdalur operational areas was 3.2 kg. As SF<sub>6</sub> is a highly potent greenhouse gas, this emission is equivalent to 75 tonnes of CO<sub>2</sub>, representing a 63% decrease compared to 2024. The significant difference between years can mainly be attributed to SF<sub>6</sub> refills in equipment every few years due to slow leaks, with emissions recorded in the refilling year.

## Scope 2

### Purchased electricity

Location-based and market-based emissions due to purchased electricity increased by 31% and 13% year-on-year, respectively. The increase can be attributed to an increase in the purchase of electricity as well as increased emissions from electricity generation compared to the previous year.

### Purchased heating

Emissions from the production of purchased hot water increased by 90% compared to 2024. The increase is largely attributable to a true-up of previously reported hot water consumption in the Sog operational area, as emissions are reported in the year the invoice is received.

## Scope 3

### Purchased goods and services

Emissions from purchased goods and services increased by 11% year-on-year. Emissions from fertiliser use in our land reclamation and afforestation projects decreased by 22% between years, due to a lower volume of fertiliser purchased in 2025 and lower production related emissions compared to the fertiliser purchased the previous year. The difference in fertiliser purchases between years is due to variations in ongoing projects. For example, the same amount of fertiliser is not needed every year, and fertilisation is paused as vegetation becomes more established. We apply an internal carbon price when evaluating fertiliser procurement offers, thereby accounting for emissions in our purchasing decisions.

Emissions from other purchased goods and services increased by 16% year-on-year. These emissions are calculated based on spend, and the spend on purchased goods and services increased between years.

### Capital goods

Emissions from capital goods increased by 82% from the previous year. Emissions from construction projects increased by over 900%, but these emissions can fluctuate significantly between years depending on the scale of the projects. In 2025, an important step was taken into a construction period that will be one of the most extensive in the Company's history. Construction of the Vaðalda wind farm progressed well and preparatory work for the Hvammsvirkjun hydropower project continued.

Emissions from other capital goods increased by 50% year-over-year. These emissions are calculated based on spend, and the spend on capital goods increased between years, which can be attributed to the construction projects.

### Fuel- and energy-related activities

Emissions from fuel- and energy-related activities in Scope 3 reduced by 1% year-over-year. This includes emissions from the production and transportation of the fuel used in our own vehicles and equipment, as well as emissions from purchased electricity that is resold to customers.

Emissions from the production and transportation of fuel increased by 5% between years, as we purchased more fuel for our vehicles and equipment compared to 2024. Emissions from purchased electricity that was resold to customers amounted to 357 tonnes of CO<sub>2</sub>-eq, representing a 2% decrease from the previous year.

### Waste

Emissions from waste treatment decreased by 56% year-on-year. The quantity of waste generated from operations can fluctuate significantly annually, mainly depending on the number and scope of renovation and maintenance projects ongoing at any given time.

### Business Travel

Emissions from employee business travel increased by 23% year-on-year. Emissions from employee air travel saw an increase of 12%, while emissions from rental cars used for work-related trips increased by 58%.

### Electricity transmission

Electricity transmission emissions decreased by 140% between years. The emissions originate from the insulating gas SF<sub>6</sub> used in Landsnet's substation equipment. The increase can be attributed to a malfunction and an emergency leak in Landsnet's equipment in Þjórsá operational area.

### Employee commuting

Employee commuting emissions to and from work decreased by 14% between years. These emissions are estimated based on the result of a commuting survey sent to all employees annually. Employees who commute to and from work sustainably are offered transportation benefits. The proportion of salaried employees utilising transportation benefits was 23%.

### Investments

Emissions from the operations of companies in which Landsvirkjun holds shares decreased by 36% year-on-year. The emission calculations are based on the companies' revenue and the average emissions of the sectors in which they operate, which saw a decrease between years.

## Outside Scopes

### Reservoirs (CO<sub>2</sub>)

Carbon dioxide emissions from reservoirs increased by 6% between years, attributable to an increase in ice-free days relative to the previous year, affecting the emission levels based on the duration of ice-free periods.

### HVO combustion (CO<sub>2</sub>)

Carbon dioxide emissions from the combustion of hydrotreated vegetable oil (HVO) increased by 1% from the previous year. We use HVO in our operations due to its limited effect on climate, compared to the use of fossil fuels.

## Carbon Sequestration

Carbon sequestration increased by just under 1% between years. Most of the carbon sequestration stems from land reclamation activities, or 90%. Additional carbon sequestration efforts on our part come from afforestation and wetland restoration projects. The year-on-year rise is credited to continued efforts and expanding land reclamation and forest growth. Data on carbon sequestration is predicated on evaluations conducted by Land and Forest Iceland.

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# Electricity Generation

## ↓ Electricity Generation (GWh)

	2021	2022	2023	2024	2025	Change since 2024
Geothermal energy	1,052	1,255	1,248	1,305	1,116	-15%
Hydropower	13,077	13,494	13,480	12,859	12,380	-3.7%
Wind power	6.1	5.7	6.2	6.7	5.1	-23%
<b>Total electricity generation</b>	<b>14.135</b>	<b>14.755</b>	<b>14.734</b>	<b>14.171</b>	<b>13.501</b>	<b>-4.7%</b>
Own consumption	85	91	102	95	112	18%
Losses	50	55	54	49	50	1.6%
<b>Electricity delivered to the grid</b>	<b>14,000</b>	<b>14,608</b>	<b>14,578</b>	<b>14,027</b>	<b>13,339</b>	<b>-4.9%</b>

In 2025, Landsvirkjun's electricity generation totalled 13,501 GWh, with 13,339 GWh fed into the grid, a 5% decrease from the previous year. Landsvirkjun accounted for 75% of the electricity supplied to the grid during the year.

# Emissions Intensity

## ↓ Emissions intensity (g CO<sub>2</sub>-eq/kWh)

	2021	2022	2023	2024	2025	Change since 2024
Geothermal energy (Scope 1)	31	27	29	28	27	-3.8%
Hydropower (Scope 1)	0.57	0.55	0.60	0.53	0.64	20%
Emissions from electricity generation (Scope 1)	2.8	2.8	3.0	3.1	2.8	-8.2%
Other emissions	0.34	0.26	1.6	1.9	2.9	55%
<b>Total emissions intensity</b>	<b>3.2</b>	<b>3.1</b>	<b>4.7</b>	<b>5.0</b>	<b>5.8</b>	<b>15%</b>
<b>Net emissions intensity</b>	<b>0.76</b>	<b>0.74</b>	<b>2.2</b>	<b>2.4</b>	<b>3.0</b>	<b>26%</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Change since 2024</b>
Generation-related emissions intensity*	3.0	3.0	3.1	3.2	3.1	-4.6%
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Change since 2024</b>
Operating revenues (million USD)	485	608	657	561	608	8.3%
Total emissions per net revenue (t CO <sub>2</sub> -eq/mUSD)	93	76	104	126	128	1.5%

\*Generation-related emissions intensity includes emissions from Scope 1 and 2, in addition to emissions from electricity transmission in Scope 3.

Emissions intensity was 5.8 g CO<sub>2</sub>-eq/kWh in 2025, an increase of 15% between years. The increase is largely attributable to emissions related to construction projects. Generation-related emissions intensity decreased by 5% year-on-year. Emissions intensity of geothermal electricity generation was 27 g CO<sub>2</sub>-eq/kWh, a decrease of 4% from the previous year. Hydropower emissions intensity was 0.54 g CO<sub>2</sub>-eq/kWh, an increase of 20% due to longer ice-free periods on reservoirs compared to the preceding year. The net emissions intensity (emissions less carbon sequestration) was 3 g CO<sub>2</sub>-eq/kWh, a 26% annual rise. Total emissions per net revenue were 128 t CO<sub>2</sub>-eq/mUSD, an 1.5% increase year-on-year.



# Avoided Emissions

## ↓ Avoided emissions from Landsvirkjun's operations

	2021	2022	2023	2024	2025	Change since 2024
Energy sold (GWh)	14,052	14,629	14,686	14,118	13,859	-1.8%
Benchmark factor (g CO <sub>2</sub> -eq/kWh)	227	185	183	183	186	1.6%
<b>Avoided emissions (t CO<sub>2</sub>-eq)</b>	<b>3,155,696</b>	<b>2,664,328</b>	<b>2,641,874</b>	<b>2,533,823</b>	<b>2,532,355</b>	<b>-0.058%</b>

Our electricity has a very low carbon footprint and prevents GHG emissions from the use of other energy sources with a higher emissions intensity. Avoided emissions, or the emissions our energy generation prevents, is a part of our contribution to climate change mitigation. Each year, in line with Landsvirkjun's green finance framework, we assess the climate impact or avoided emissions due to our eligible green assets. In 2025, our electricity generation avoided around 2.5 million tonnes of CO<sub>2</sub>-eq and remained consistent year-over-year. Total electricity sales decreased by just under 2%, while sales to large end users accounted for a higher proportion of the total compared to the previous year. More information on calculation methods for avoided emissions can be accessed in the Green Finance Impact Report.<sup>3</sup>

# Energy consumption and sourcing

## ↓ Energy consumption and sourcing (MWh)

	2021	2022	2023	2024	2025	Change since 2024
Energy consumption from fossil sources	1,630	1,399	1,243	1,264	1,368	7.6%
<b>Total energy consumption from fossil sources</b>	<b>1,630</b>	<b>1,399</b>	<b>1,243</b>	<b>1,264</b>	<b>1,368</b>	<b>7.6%</b>
Consumption of purchased or acquired electricity and heat from renewable sources	2,417	3,072	2,736	2,882	4,216	32%
Consumption of self-generated non-fuel renewable energy	85,470	91,387	101,971	95,328	112,077	15%
Energy consumption from renewable fuels	237	324	325	388	393	1.3%
<b>Total energy consumption from renewable sources</b>	<b>88,124</b>	<b>94,782</b>	<b>105,031</b>	<b>98,598</b>	<b>116,687</b>	<b>16%</b>
<b>Total energy consumption</b>	<b>89,754</b>	<b>96,182</b>	<b>106,275</b>	<b>99,862</b>	<b>118,055</b>	<b>15%</b>
<b>Percentage of fossil sources in total energy consumption</b>	<b>1.8%</b>	<b>1.5%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.2%</b>	-
<b>Percentage of renewable sources in total energy consumption</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	-

We use fuel for vehicles, back-up power generators and other equipment. Electricity and heating are used in office buildings and at our operational sites. The total energy consumption in 2025 amounted to approximately 118,000 MWh, of which 99% came from renewable sources.

# Emissions Separated by Gases

## ↓ Emissions in Scope 1 separated by greenhouse gases (tonnes)

	Geothermal energy	Hydropower	Fossil fuel	HVO	Electrical equipment	Total
CO <sub>2</sub>	30,070	-	343	-	-	<b>30,413</b>
CH <sub>4</sub>	18	282	0.0067	-	-	<b>300</b>
N <sub>2</sub> O	-	-	0.015	-	-	<b>0.015</b>
SF <sub>6</sub>	-	-	-	-	0.0032	<b>0.0032</b>
CH <sub>4</sub> & N <sub>2</sub> O*	-	-	-	1.5	-	<b>1.5</b>

\*A separate itemisation of CH<sub>4</sub> and N<sub>2</sub>O from HVO combustion is unavailable. Emission factors in the Company's calculations do not provide such itemisation. These emissions are recorded as CO<sub>2</sub>-eq.



# Climate Accounting Methodology

Climate accounting methodology and assumptions are discussed below.

## Defining the Company's impact

We include emissions from all our operations and any emissions from our subsidiaries we directly manage, i.e. Landsvirkjun Power and Icelandic Power Insurance.

## Data Collection and Handling

As part of our climate accounting process, we follow a clearly defined procedure to ensure data quality. The data we use (environmental data and emission factors) are read into a database, a so-called data warehouse. This data is either read automatically from our accounting system and direct data from suppliers or manually recorded based on the obtained information.

The data is published in an environmental data dashboard, where it can be accessed, and the progress of climate targets and other environmental matters can be monitored in real time. Additionally, we monitor the progress of our emission reduction targets using a climate dashboard accessed on our website.<sup>4</sup>

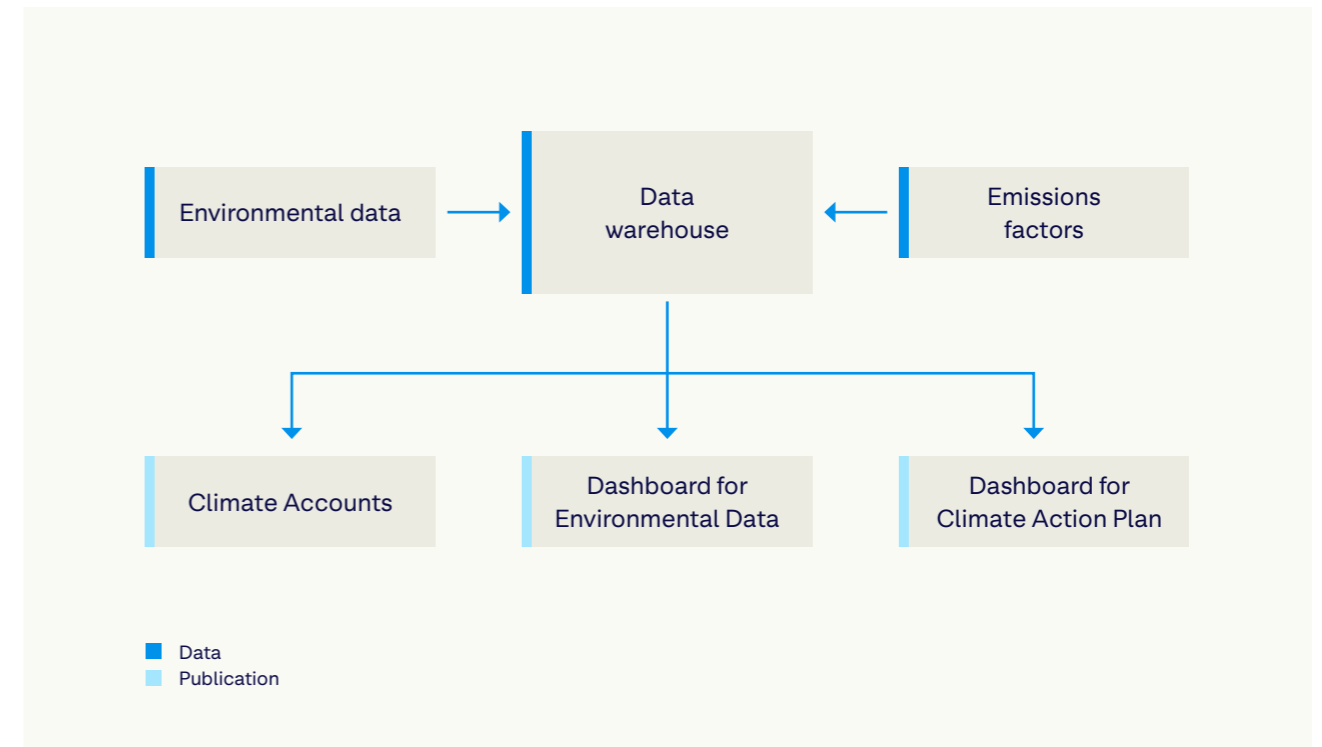
## Emissions Calculations

Emissions from geothermal power stations are calculated for each geothermal well. The wells are either active (in production) or idle. Chemical composition tests are carried out annually in each well to assess the concentration of GHGs in the geothermal fluid. Annual well testing is carried out using the tracer dilution method, and monthly tests are carried out to estimate well output and temperature. The results show the production capacity for each well. The concentration of GHGs in each well is multiplied by the total amount of steam and liquid released from each well to show the total emissions from geothermal energy generation. An appropriate emission factor is used to convert methane emissions into CO<sub>2</sub>-eq.

Calculations of emissions from hydropower reservoirs are based on research by experts at the Icelandic University of Agriculture, University of Iceland and Land and Forest Iceland.

Emissions from other sources are calculated by multiplying activity data with appropriate emission factors. In cases where emission factors are not available from suppliers or manufacturers, emissions factors from the Icelandic Environment and Energy Agency, DEFRA<sup>5</sup>, IPCC<sup>6</sup>, Watershed<sup>7</sup> and ICAO<sup>8</sup> are used.

## ↓ Model for Environmental Data



<sup>4</sup> Climate Dashboard. Landsvirkjun, 2025.

<sup>5</sup> Greenhouse gas reporting: conversion factors 2025. Department for Environment, Food & Rural Affairs, 2025.  
<sup>6</sup> Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change. IPCC, 2013.  
<sup>7</sup> Comprehensive Environmental Data Archive (CEDA). Watershed, 2025.  
<sup>8</sup> ICAO Carbon Emissions Calculator (ICEC). ICAO, 2025.



### Carbon Sequestration Calculations

Carbon sequestration activities are evaluated in regions where land reclamation, afforestation, and wetland restoration initiatives are conducted either independently by us or in partnership with others. These efforts include mitigation strategies linked to construction, land improvements near the Company’s power stations, and projects aimed at sequestering carbon within soil and vegetation.

Land and Forest Iceland, formerly known as the Soil Conservation Service and Forest Service, assesses carbon sequestration from land reclamation and afforestation activities as the basis for climate accounting. Carbon sequestration on forestry lands owned by Landsvirkjun was evaluated in 2021, with the initial assessment dating back to 2011. The first evaluation of carbon sequestration on land reclamation sites also took place in 2011 and was updated in 2016. While the results have not been publicly disclosed, efforts are being made to update the evaluation. As per recommendation, wetland restoration to decrease carbon emissions is expected to reduce 20 tonnes of CO<sub>2</sub> equivalents per hectare annually. Land and Forest Iceland adhere to the IPCC methodology.<sup>9</sup>

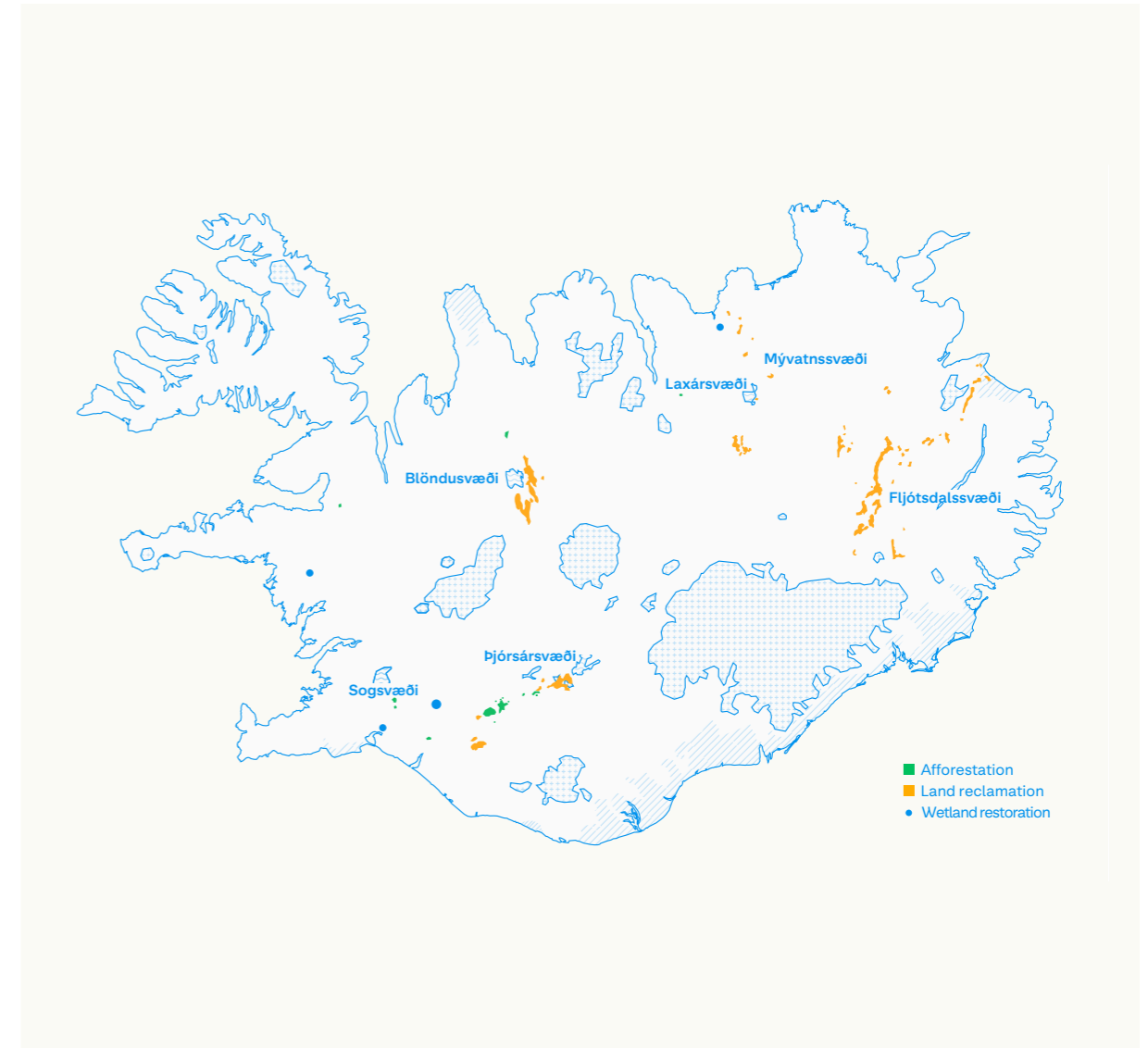
### Net Emissions Calculations

Landsvirkjun’s net emissions are total emissions from its operations, calculated using the GHGP methodology, less carbon sequestration from the Company’s activities.

$$\text{Net emissions} = \text{GHG emissions} - \text{carbon sequestration}$$

VWe include biogenic CO<sub>2</sub> emissions in our total greenhouse gas emissions. The GHGP methodology categorises these emissions as outside of scope and, often, they are not included in company emissions inventories because they are not thought to increase the greenhouse effect overall. Our decision to include biogenic emissions is based on best practice standards in corporate net emissions assessment.<sup>10</sup>

### ↓ A map of Landsvirkjun’s sequestration projects



<sup>9</sup> 2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands. IPCC, 2014.  
<sup>10</sup> The Corporate Net-Zero Standard. Science Based Targets Initiative, 2025.



# Independent Verification Report

## 1. Introduction and Objectives of Work

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by Landsvirkjun (Landsvirkjun) to provide limited assurance of its selected sustainability performance indicators for inclusion in the Climate Account 2025 Report (the 'Report'). The objective is to provide assurance to Landsvirkjun and its stakeholders over the accuracy and reliability of the reported information and data.

## 2. Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2025 (the 'Selected Information'):

- › Direct (Scope 1) GHG Emissions (tCO<sub>2</sub>e)
  - Category breakdown in Section 8
- › Indirect (Scope 2) GHG Emissions (location and market-based) (tCO<sub>2</sub>e)
  - Category breakdown in Section 8
- › Selected Other Indirect (Scope 3) emissions (tCO<sub>2</sub>e)
  - Category breakdown in Section 8
- › Out of scope GHG Emissions (tCO<sub>2</sub>e)
- › Performance compared to 2024 tCO<sub>2</sub>e as a percentage change

## 3. Reporting criteria

The Selected Information needs to be read and understood together with the Basis of Reporting in the Climate Account 2025 Report, as set out at [www.landsvirkjun.com/climate-action/climate-accounts](http://www.landsvirkjun.com/climate-action/climate-accounts)

## 4. Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- › Activities outside the defined assurance period;
- › Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- › Other information included in the Report other than the Selected Information.

The following limitations should be noted:

- › This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails;
- › The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance; and
- › This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## 5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Landsvirkjun.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- › Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- › Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- › Report our conclusions to the Directors of Landsvirkjun.

## 6. Verification Criteria

We performed our work to a limited level of assurance in accordance with ISO 14064-3: 2019 Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements.



## 7. Summary of work performed

As part of our independent assurance, our work included:

- 1 Conducting interviews with relevant personnel of Landsvirkjun from the following teams: Corporate, Hydropower, Fertiliser, Geothermal, and Carbon Sequestration teams;
- 2 Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
- 3 Reviewing documentary evidence provided by Landsvirkjun;
- 4 Agreeing a selection of the Selected Information to the corresponding source documentation;
- 5 Reviewing Landsvirkjun systems for quantitative data aggregation and analysis;
- 6 Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information;
- 7 Reperforming a selection of aggregation calculations of the Selected Information;
- 8 Reperforming greenhouse gas emissions conversions calculations;
- 9 Comparing the Selected Information to the prior year amounts taking into consideration changes in business activities, acquisitions and disposals; and
- 10 Evaluating the design of internal systems, processes and controls to collect and report the Selected Information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## 8. Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects. However, it should be noted that:

- » Scope 3 Category 15 of the 2025 data is derived from the 2024 financial data of the investment companies, as Landsvirkjun's 2025 reports were not yet published at the time of reporting.

- » Following last year's assurance process, Landsvirkjun made minor updates to some emission figures (e.g., due to revised emission factors). As a result, the percentage change that Bureau Veritas states between this year's verified figures and last year's verified figures may differ slightly from the percentage change the Landsvirkjun reports. Such variations may arise from year to year.

Indicator Category	Indicator	Data (tCO <sub>2</sub> e)	% Change 2024-25
<b>Direct (Scope 1) GHG Emissions</b>	<b>Total Scope 1</b>	<b>38,867</b>	<b>-13.9%</b>
	Geothermal	30,564	-17.8%
	Hydropower Reservoirs (CH <sub>4</sub> )	7,897	6.3%
	Fuel Combustion	331	-3.8%
<b>Indirect (Scope 2) GHG Emissions</b>	Electrical Equipment (SF <sub>6</sub> )	75	-63%
	<b>Total Scope 2 (location-based)</b>	<b>47</b>	<b>82%</b>
	<b>Total Scope 2 (market-based)</b>	<b>45</b>	<b>85%</b>
	Purchased Electricity (location-based)	4.2	-9%
<b>Selected Other Indirect (Scope 3) GHG Emissions</b>	Purchased Electricity (market-based)	1.8	11%
	Purchased Heating	43	108.2%
	<b>Total Scope 3</b>	<b>38,200</b>	<b>66.3%</b>
	Category 1: Purchased Goods and Services Total	10,930	11.5%
	Category 1: Fertiliser	964	-22.1%
	Category 1: Other	9,966	16.3%
	Category 2: Capital Goods Total	22,951	130.3%
	Category 2: Construction	4,643	843.7%
	Category 2: Other	18,308	93.3%
	Category 3: Fuel and Energy Related Activities Total	465	-1.3%
	Category 3: Production and Transport of Fuel	108	2.86
	Category 3: Energy Purchased and Resold	357	-2.46%
	Category 5: Waste Generated in Operations	53	55.4%
Category 6: Business Travel Total	412	19.1%	
Category 6: Air Travel	289	11.02%	
Category 6: Rental Cars	122	43%	
Category 7: Employee Commuting	102	-14%	
Category 9: Downstream Transportation and Distribution (SF <sub>6</sub> )	2,537	139.6%	
Category 15: Investments	750	-35.93%	
<b>Outside of Scope GHG Emissions</b>	<b>Out of Scope Emissions Total</b>	<b>736</b>	<b>5.3%</b>
	Hydropower Reservoirs (CO <sub>2</sub> )	635	6.0%
	Biodiesel (HVO) Combustion	101	1%



Key Figures

Climate Action Plan

Climate Accounts

Greenhouse Gas Emissions

Changes Between Years

Electricity Generation

Emissions Intensity

Avoided Emissions

Energy consumption  
and sourcingEmissions Separated  
by GasesClimate Accounting  
MethodologyIndependent  
Verification Report

### 9. Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified<sup>11</sup> Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2.<sup>12</sup>

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>13</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code.<sup>14</sup> The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Landsvirkjun.

**Bureau Veritas UK Limited**

London

23<sup>rd</sup> February, 2026

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- <sup>11</sup> Certificate available on request  
<sup>12</sup> International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2  
<sup>13</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition  
<sup>14</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants



# Independent Verification Report

## 1. Introduction and objectives of work

Bureau Veritas UK Limited ('Bureau Veritas') has been engaged by Landsvirkjun to provide Limited Assurance of its selected sustainability performance indicators for inclusion in its Climate Account 2025 (the 'Report'). The objective is to provide assurance to Landsvirkjun and its stakeholders over the accuracy and reliability of the reported information and data.

## 2. Scope of Work

The scope of our work was limited to assurance over the following information included within the Report for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2025 (the 'Selected Information'):

### Carbon Sequestration Projects

#### Land reclamation

- Auðkúluheiði	- Húsey	- Víkingslækur
- Eyvindarstaðaheiði	- Landbótasjóður Norður-Héraðs	- Krákárbotnar og Katlar
- Hraunasvæði	- Bolholt	- Hrútorfur
- Háslón	- Hólasandur	- Sporðöldulón
- Tunga	- Kot-Steinkross	

#### Afforestation

- Blöndustöð	- Skarfanés	- Búrfell
- Laxárstöð	- Skálmholtshraun	- Búrfellsstöð
- Belgsá	- Kaldárhöfði	- Bjarnalón
- Laxaborg	- Sogsstöðvar	

#### Wetland Restoration

- Skálholt
- Sogn
- Ytri Hraundalur

## 3. Reporting criteria

For the Carbon Sequestration, the Selected Information has been prepared in accordance with internal definitions and methodologies developed by Landsvirkjun, as set out in the Climate Accounts Report [landsvirkjun.com/climate-accounts](https://landsvirkjun.com/climate-accounts) with reference to relevant external guidelines, models and tools for carbon sequestration accounting, such as the 2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands and the IPCC Good Practice Guidance for Land Use<sup>15</sup> and the IPCC Guidance for Land Use Change and Forestry.<sup>16</sup>

## 4. Limitations and Exclusions

Excluded from the scope of our work is assurance of information relating to:

- » Activities outside the defined assurance period;
- » Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions;
- » Other information included in the Report outside the selected information; and
- » For the carbon sequestration review, Bureau Veritas relied on information relayed by third parties to Landsvirkjun, this includes information from the following:
  - Land reclamation areas and carbon sequestration provided is based on data from 2019 provided by the Soil Conservation Service (SCS), now Land and Forest Iceland, to the Company.
  - Growth rate projections of reforestation areas per year, provided by the following study commissioned by the Company to the Icelandic Forest Service, now Land and Forest Iceland, experts: 'Úttekt á kolefnisbindingu skógrækar Landsvirkjunar 2021, LV-2022-035'.
  - Carbon sequestration factor used for wetlands, provided by the Soil Conservation Service (SCS), now Land and Forest Iceland, to the company, and based on IPCC's factors for rich boreal grassland and rewetted area: 'Endurheimt votlendis á tveimur jörðum og vöktun á árangri, LV-2022-036'.



Key Figures

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and sourcingEmissions Separated  
by GasesClimate Accounting  
MethodologyIndependent  
Verification Report

Moreover, excluded from our scope of work and conclusion is:

- » The appropriateness of the Reporting Criteria for the Selected Information; and
- » Any calculation input data provided by third parties, together with any potential errors, discrepancies or gaps identified in this input data by Bureau Veritas raised during the course of the engagement.

The following limitations should be noted:

- » This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails; and
- » This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

#### 5. Responsibilities

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Landsvirkjun.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- » Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- » Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- » Report our conclusions to the Directors of Landsvirkjun.

#### 6. Verification Criteria

We performed our work to a limited level of assurance in accordance with the ISO 14064-3: 2019, Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

#### 7. Summary of work performed

As part of our independent assurance, our work included:

- 1 Conducting interviews with relevant personnel of Landsvirkjun;
- 2 Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
- 3 Reviewing documentary evidence provided by Landsvirkjun;
- 4 Agreeing a selection of the Selected Information to the corresponding source documentation;
- 5 Reviewing Landsvirkjun systems for quantitative data aggregation and analysis;
- 6 Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information; and
- 7 Comparing the Selected Information to the prior year amounts.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



## 8. Conclusion

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects.

### Carbon Sequestered

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Landsvirkjun total Carbon Sequestration in 2025: 36,705 tonnes of CO<sub>2</sub>e

## 9. Statement of Independence, Integrity and Competence

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Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>19</sup>, across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA code.<sup>20</sup> The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Landsvirkjun.



**Bureau Veritas UK Limited**

London

20<sup>th</sup> February, 2026

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<sup>17</sup> Certificate available on request  
<sup>18</sup> International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2  
<sup>19</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition  
<sup>20</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

