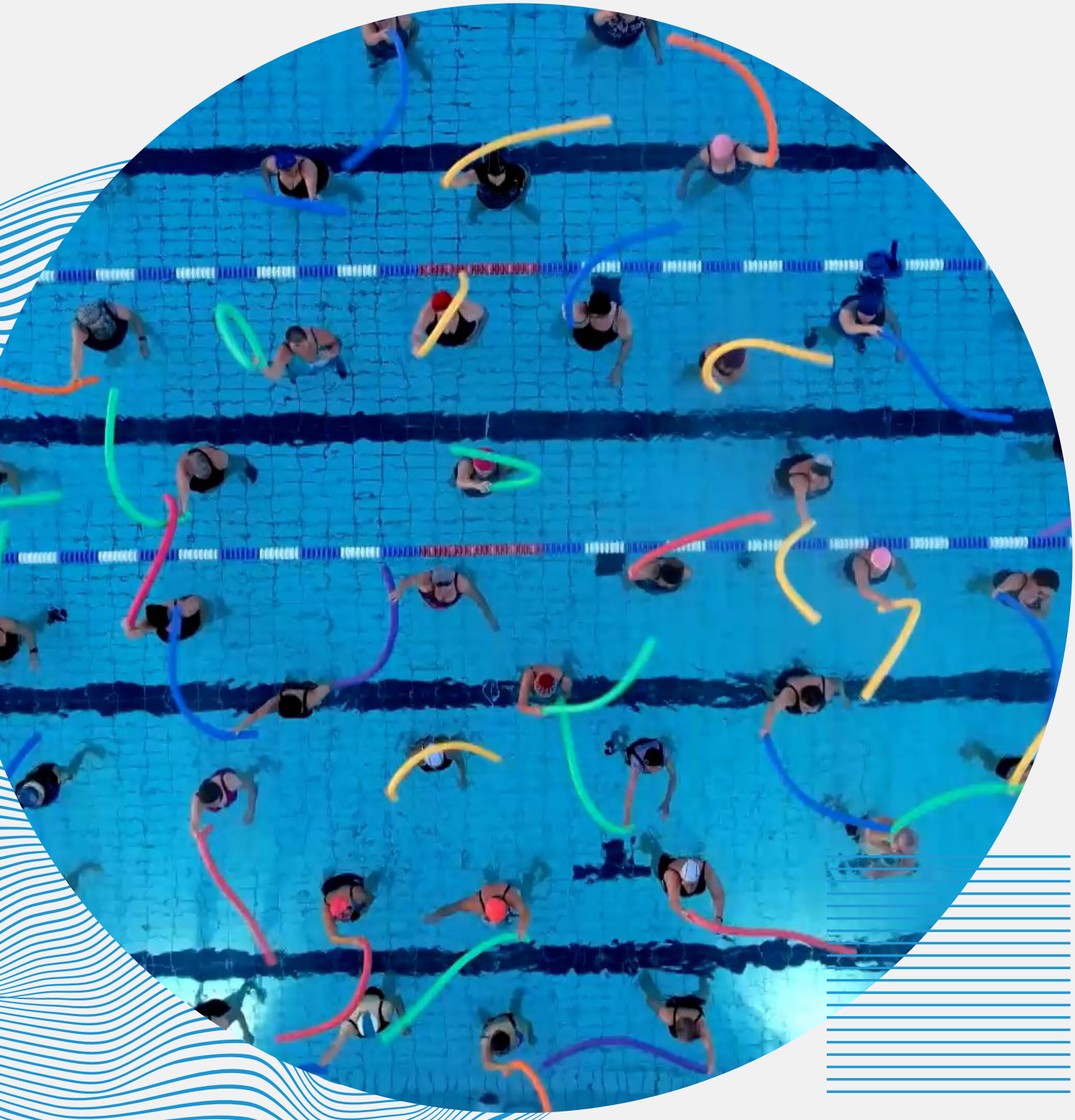
OR Reykjavík Energy



Annual Report | OR 2021

Contents

Appendices to the report are only available in its on-line edition.

From the CEO

Bjarni Bjarnason

It is often difficult to realise when a revolution has taken place, when it is occurring, and what enduring changes will remain after it ends. The focus here is on four areas where radical changes are taking place and we need to understand where they will lead to: changes in the workplace, the automatisation of operations and services, energy switching and climate change.

The workplace is changing faster than we imagined. The dire need, which the pandemic forced upon us, to reduce the number of people who could gather scattered work extensively in a very short period of time, throughout the country and even around the world, particularly office work. Groups of colleagues who used to meet over a cup of coffee in the morning were unable to come together for months on end. The importance of the workplace in our social existence has thus diminished, but numerous surveys have shown that employees would rather have a good working atmosphere and fair management than higher wages. This is something we have experienced in the Reykjavik Energy Group. People's connection to their workplace and colleagues has changed. The pandemic has perhaps also altered people's perceptions of what matters most in life and what place work should occupy in people's sense of identity.

A quarter of employees under telework contracts

In 2021, the companies in the RE Group entered into a number of agreements with employees, giving personnel the authorisation – one might even say obligation – to work elsewhere than in the traditional workplace for a certain number of days a week, month or year. For the first time, the companies in the Group advertised jobs without a location.

The technology to make this procedure work has been around for years. It was the accursed virus that really forced us to use it and now we will be put to the test to see whether we manage to use this technology successfully or whether it will be a burden. Attitudes towards these changes vary greatly between individuals and, at the same time, there are differences in how people envisage their jobs once the pandemic is over. It will be a challenge for employers to shape the changed workplaces in such a way that the mutations that have already taken place and will continue to take place can lead to the increased well-being and satisfaction of employees.

Jobs that will become obsolete or change

Related to this development, but of a different nature, are the various changes caused by increased automation. It has transformed some jobs and made others obsolete. This is why, for example, we are currently seeing that the work of meter readers is coming to an end. The increased self-reading of the meters of Veitur Utilities's customers has already resulted in considerable decreases in this line of work. The replacement of old energy meters, which has now started, will shift meter readers into the category of water carriers and other jobs which technological innovations have made redundant.

The replacement of meters has no less of an impact on those who manage the utility systems. Increased data on customer usage provide the opportunity for a better management of utilities, more efficient load management and therefore a better utilisation of the energy we obtain from Icelandic nature. Artificial intelligence comes into play when computers learn the most sensible responses to changes in customer usage or inflow deficiencies in utility systems. This calls for our staff to acquire a different know-how that will help us to make even better use of the natural resources we are entrusted with and from which we process our energy.

Fossil fuel vehicles being phased out

In 2021, for the first time there were more alternative energy cars registered on the roads than fossil fuel vehicles. Alternative energy cars are synonymous with grid-connectable electric vehicles, hydrogen electric vehicles and methane vehicles. Reykjavik Energy has vigorously supported this development for years. Evidence of this is to be found in the decisive leadership ON Power has shown in the development of EV charging stations of various kinds, its production of hydrogen, RE and Veitur Utilities' grants for the development of facilities in apartment buildings, Veitur Utilities' methane pipeline from Álfsnes and more. The benefits of this trend are so evident and many Icelanders are so positive about them that energy switching in transport is pivotal in the climate objectives of the Icelandic government. The importance of Carbfix in combating climate change can also not be overestimated, both in reducing emissions from polluting operations and now also by sucking carbon dioxide out of the atmosphere and disposing of it. This actually means reducing pollution that has already occurred.

Resilience and adjustments

Although good opportunities are opening up here for making a smaller carbon footprint, we need to both create more opportunities if the climate goals are to be achieved and to prepare for the events and developments that will occur with the climate changes we have already caused. Just as with technological developments, some are dealing with them successfully, while others fare less well in grappling with the changes, participating in them or leading them. These differences – our human diversity – must be understood and respected, as we adhere to the fundamental principle of sustainable life to ensure that our offsprings are offered a world that is no worse than ours; that the revolutions occurring now do not eat their own children.

From the Chairman of the Board

Brynhildur Davíðsdóttir

Reykjavik Energy's Ownership Strategy is now a decade old. It proved to be particularly successful in the restoration and reshaping of Reykjavik Energy and has been a guiding light in providing us board members with a solid road map when tackling current projects.

The draft Ownership Policy was presented to the public for review in 2011 and was approved in mid-2012 by the City Councils of Reykjavík and Akranes and the Municipality of Borgarbyggð. It was unanimously approved by all the councils, since it had been carefully prepared, taking into account the different points of view. As is natural with companies of the size of Reykjavik Energy and its activities and subsidiaries, there are often varying opinions on the individual aspects of its operations. Disagreements between the owners of the company regarding its role and priorities, on the other hand, are almost a thing of the past.

Guiding vision

This is the guiding vision behind the 2012 Ownership Policy:

In the operations of RE, emphasis shall be placed on respecting the environment, responsible utilisation of natural resources and the responsible utilisation of capital. RE operates in a solid and reliable manner, exercising social responsibility in its activities. The company focuses on the interests of the community and deals respectfully with nature, natural resources and its customers. The owners want the company to be regarded as a solid partner that is desirable to work for and with, and holds an important role in the community.

It then goes on to define the role of the owners and the delineation of powers and responsibilities of the company's board with a view to guaranteeing the democratic, transparent, professional and effective management of the company. Every year, the owners are given a formal report on how their policy is being implemented.

The tasks of Reykjavik Energy's board of directors have changed somewhat since the Ownership Policy was first approved. Its first years largely revolved around rectifying its finances after the Crash, but also around implementing the Ownership Policy in a formal manner. The only review of the policy was conducted with the mandatory unbundling of the Reykjavik Energy Group in 2014. A new law on Reykjavik Energy then came into force and various corporate governance provisions in the original Ownership Policy were transposed into the owners' Partnership Agreement.

Opportunity for dialogue

RE's ownership policy is still – ten years after it was originally approved – the only ownership policy of an energy company in Iceland, even though almost all companies of this kind in this country are publicly owned. The activities of energy and utility companies are by their very nature tenacious, not least because they need to devote significantly longer periods of time to research, investments and operations, but the changes that have taken place in various aspects of the operating environment in the last decade are grounds for a structured dialogue about the priorities of activities. No one is better suited than the owners of the company to reflect changes in social attitudes to operations and how, for example, a new energy policy for Iceland, climate change objectives, emphasis on a circular economy, green investments, the Internet of Things (IOT), automation and changes in Reykjavík's competitive markets should be reflected in RE. The tenth anniversary of the Ownership policy of Reykjavik Energy in the summer of 2022 could be an ideal opportunity to start such a conversation.

Sustainability

Looking at the operations of the RE Group in 2021 through the lens of sustainability, the year was successful in most respects. Finances strengthened and green financing was boosted, precisely because the financial market gives operations good marks in terms of their sustainability. Our carbon footprint was slightly reduced, but the foundations were laid for a significant contribution to the fight against climate change, with ON Power and Carbfix receiving a very generous European grant to take giant steps in increasing carbon sequestration at geothermal power plants. Other environmental and resource issues were on a solid footing, guided by the principle of foresight, and the well-being of staff was closely monitored during the great upheavals caused by the coronavirus pandemic. The companies in the Reykjavik Energy Group are therefore well placed to take the lead in looking to the future as an opportunity to improve the quality of life without edging too close to the earth's tolerance limits; so that the companies' customers think of them as sponsors in the development of the low-carbon economy of the future.

Reykjavik Energy Group prioritises five Sustainable Development Goals in its operations.

The work of the board in 2021

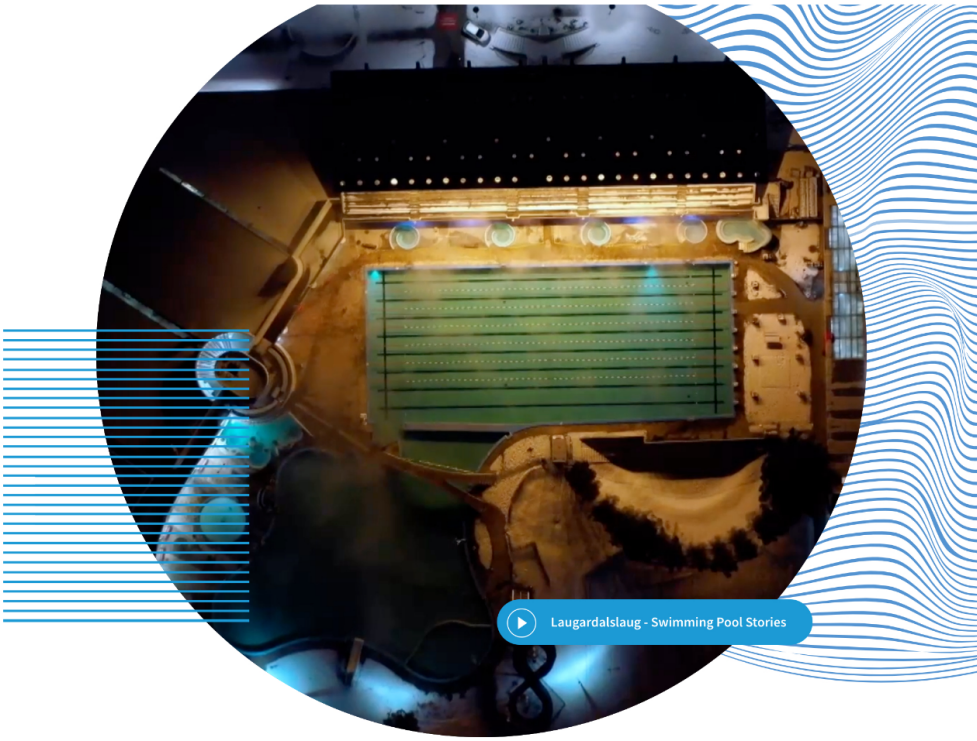
In 2021, the board of Reykjavik Energy held 14 formal meetings in addition to a working day in March. Due to the epidemic, all meetings were hybrid, meaning that some board members attended the meetings in person when circumstances or community regulations permitted, but otherwise participated through video-teleconferencing. One innovation that was introduced was that an observer from the Employees Association of Reykjavik Energy also sat in on board meetings, and this observer was appointed after a request was made at the staff workshop.

There were three formal owners' meetings during the year. The Annual General Meeting in April, the owners' meeting on Carbfix issues in August and then a regular owners' meeting on finance in December where Carbfix issues were also discussed.

The pandemic had a major impact on society as a whole in 2021, no less than the year before. The pandemic was a challenge on multiple levels**.** As I thank my colleagues on the board of Reykjavik Energy for their cooperation in 2021, I particularly want to thank the staff and management of Reykjavik Energy, Veitur Utilities, ON Power, RFN-Ljósleiðarinn and Carbfix for their perseverance and energy in keeping all our services and activities going with such minor disruptions. It is a testament to the invaluable human resources of the entire group.

2021 in a Nutshell

The year turned out to be eventful for Reykjavik Enerfy Group's diverse operations and the learning curve was steep. The following is a short recap of main events.



11. January 2021

Changes in ON Power EV charging network

Changes to ON Power´s EV charging network as the contract with N1 has expired. ON Power sets up new fast EV charging points in Viðigerði in Húnaþing and at Mt. Baula in Borgarfjörður and upgrades equipment in many places, but N1 itself takes over the charging services at the company's servicing stations.

Read More (is)

21. January 2020

Major cold water leak in Vesturbær

A large leak from a cold water pipe valve is reported south of the main building of the University of Iceland and a large volume of water leaks into the university premises. The leak was detected in a Veitur Utilities water control centre when a drop in pressure was observed in the cold water distribution system west of Snorrabraut.

Read More (is)

24. January 2020

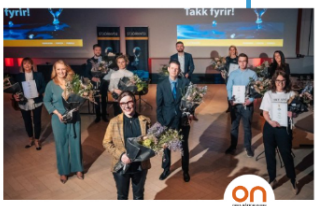
Power contract between Reykjavík Energy and Norðurál made public

An agreement is reached between Reykjavík Energy (OR) and Norðurál to lift the confidentiality on the companies' electricity sales agreement from the year 2008.

Read More (is)

29. January 2021

We are delighted to announce:



Reykjavik Energy has been granted membership of the international Nasdaq Sustainable Bond Network (NSBN), which is a joint platform for issuers of green and socially responsible bonds in the Nasdaq securities markets around the world. Reykjavik Energy is the first Icelandic issuer to be granted a membership of this kind.

Read More (is)

30. January 2021

182 charging points opened by ON Power in February

ON Power launches local EV charging points at 32 locations in Reykjavík and 4 locations in Garðabær, which can serve two to six electric vehicles at a time. The charging points were installed in collaboration with the two municipalities in public car parks owned by them.

Read More (is)

15. February 2021

Veitur Utilities makes deal with Securitas for the installation of 160 thousand smart meters

Veitur Utilities accepts Securitas' offer for the installation of 160,000 smart meters for customers. The contract is worth about ISK 1,800 million. This involves replacing about 102 thousand electricity meters, 55 thousand heat meters and 3 thousand water meters in Veitur Utilities' servicing areas.

Read More (is)

11. March 2021

Berglind Rán, chairperson of Samorka

Berglind Rán Ólafsdóttir, CEO of ON Power, is elected chairperson of Icelandic Energy and Utilities (Samorka), becoming the first woman in the association's history to hold the position of chairperson. Berglind takes over from Helgi Jóhannesson, CEO of Norðurorka, who held the position for the past five years.

Read More (is)

13. March 2020

Reykjavík Energy becomes a global leader in gender pay equity

Reykjavík Energy receives recognition for good results in the field of equal pay from gender pay equity certification organisations. This is the first time that recognition for gender pay equity has been awarded in this way. “It’s an honour to be ranked among the first companies,” says Víðir Ragnarsson, project manager for gender equality at Reykjavík Energy.

Read More (is)

29. March 2021

Carbfix disposes of carbon dioxide from SORPA

Carbfix and SORPA start experiments to dispose of carbon dioxide (CO2) emitted from SORPA's landfills in Álfsnes. The aim is to reduce greenhouse gas emissions by up to 3,500 tonnes of CO2 in the early stages and by up to 7,500 tonnes per year by the end of the experimental phase. In parallel with the re-injection of CO2, a method will be developed for awarding carbon units for offsetting carbon emissions using the Carbfix method.

Read More (is)

14. April 2021

History of the sewerage system finally recorded in writing.

Veitur Utilities publishes a book, *CLOACINA - a history of sewerage* by historian Guðjón Friðriksson, who traces the history of the capital’s waste water system over the past hundred years. Mayor Dagur B. Eggertsson received the book in the spot where the cover photo was taken, close to the city's ancient so-called “Public toilet zero” in Bankastræti.

Read More (is)

5. May 2021

Wildfires in water protected areas of Heiðmörk

Veitur Utilities is preparing for wildfires in Heiðmörk. The capital’s water sources and the water protected zones around it are located in Heiðmörk and it is very important to ensure that they are not polluted, e.g. by oil or other substances that can permeate the bedrock into the groundwater streams.

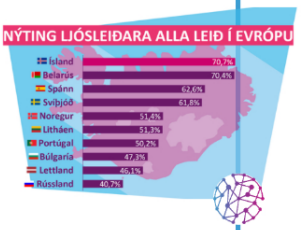
Read More (is)

12. May 2021

Iceland leads in the utilisation of fibre optics in Europe

Iceland maintains its top position as the European country where the highest percentage of households use fibre-optic connections to meet the data transmission needs of the home. This was announced at a meeting in which the Fibre to the Home Council Europe Association presented the situation on the continent.

Read More (is)



18. May 2021

Blinken interested in Carbfix technology

US Secretary of State, Antony Blinken, is relieved when he visits ON Power's Hellisheidi Power Plant. Bjarni Bjarnason, CEO of Reykjavík Energy, received Blinken and briefed him on the use of geothermal energy and, not least, Carbfix technology, which the Secretary was very interested in.

Read More (is)

19. May 2021

Carbfix negotiates deal with Danish shipping company for the transport of CO2

Carbfix and the Danish Dan-Unity CO2 shipping company negotiate a deal for the transportation of CO2 for disposal at Coda Terminal, Carbfix's transport and storage hub in Straumsvík. The shipping company, which has decades of experience in transporting various gases by sea, will transport CO2 on specially designed ships that run on eco-friendly fuels.

Read More (is)

29. May 2020

Elliðaár power station becomes a new exhibition venue in DesignMarch festival

The Elliðaár power station is participating in the DesignMarch festival for the first time. It has also been decided that the station will take part in the festival in the coming years. This is one of a growing number of exhibition spaces, linking the valley with design and innovation. The DesignMarch festival was not held in March due to the pandemic.

Read More (is)

21. May 2021

Ístak rebuilding Bæjarháls headquarters

Bjarni Bjarnason, CEO of Reykjavík Energy, and Karl Andreassen, CEO of Ístak, sign a construction contract for the renovation of Vesturhús, part of Reykjavík Energy's headquarters at Bæjarháls 1. The project is expected to take 22 months.

Read More (is)

26. May 2021

New well at Nesjavellir looks promising

There is considerable anticipation as a new production well is tested at the Nesjavellir Geothermal Power Plant. The reason is that the bottom of the well, which is almost 2.4 kilometres deep, is one of the hottest to be drilled in Iceland. The new well, called NJ-32, looks promising, but testing will continue for several weeks.

Read More (is)

28. May 2021

Laying fibre optics cables in competition with the lava flow

Fibre optic experts will start laying fibre optic cables along Suðurstrandarvegur, south of the eruption site by Fagradalsfjall. It was important to get the pipes into the ground before the lava would shut off the path for the indeterminate future.

Read More (is)

7. June 2021

Changes to hot water delivery in Reykjavík's western district

Veitur utilities has changed its delivery of hot water in the districts of Reykjavík that are west of Elliðaár and in Kjalarnes. They now receive heated water from the ON Power plants in Hellisheidi and Nesjavellir instead of water from boreholes in geothermal areas in Reykjavík and Mosfellsbær. With this operation, the entire capital area will for the first time receive all of its hot water from ON Power plants.

Read More (is)

10. June 2021

Waste heat in Grundartangi used for district heating?

Elkem Ísland, Veitur Utilities and the Grundartangi Development Company (GDC) jointly intend to investigate the feasibility of utilising the heat generated by the silicon metal plant at Grundartangi to boost Veitur Utilities's district heating in the West.

Read More (is)

14. June 2021

ON Power in collaboration with Sjálfsbjörg to facilitate access to EV charging stations

Sjálfsbjörg and ON Power have signed a co-operation agreement, which aims to ensure that people with impaired mobility have access to all ON Power services and EV charging points throughout the country. Bergur Þorri Benjamínsson, chairman of Sjálfsbjörg, says that the collaboration is a major step forward, which will help people with disabilities to fully participate in energy switching in transport.

Read More (is)

21. June 2021

Home charging subscriptions available for the first time in Iceland

ON Power presents a revolutionary solution in the rapidly developing world of electric vehicle owners. For the first time in Iceland, it is now possible to obtain home charging points as a subscription service instead of electric vehicle owners having to invest in this equipment themselves.

Read More (is)

25. June 2021

ON Power's street EV charging points turned off due to complaint from Ísorka

On Power is compelled to pull the plug on the 156 street EV charging points the company has installed in many parts of Reykjavík. This will be done on Monday 28 June, after Ísorka complained that the chargers were open to anyone free of charge.

Read More (is)

27. June 2021

Elliðaár power station's centenary

The Elliðaár power station marks its 100th anniversary since King Kristján X and Queen Alexandrína formally launched the first two generators there on 27 June 1921. This was commemorated with a simple ceremony at the Elliðaár power station where Mayor Dagur B. Eggertsson and Bjarni Bjarnason, CEO of Reykjavík Energy, delivered speeches.

Read More (is)

28. August 2021

Siminn's services now available on the Reykjavík Fibre Network

Siminn's customers can now avail of their services on the Reykjavík Fibre Network, whether it is telephone services, internet connections or television. The first customer has already been connected, and that was the home of Ellen Ýr Aðalsteinsdóttir and family.

Read More (is)

8. September 2021

Reykjavík Energy placed in investment category

The international Moody's rating agency has given Reykjavík Energy (OR) an investment grade in its rating when it assigned the group with a Baa3 long-term issuer rating with a stable outlook.

Read More (is)

8. September 2021

Huge step taken with the opening of Orca

A huge step is taken in ON Power's geothermal park in Hellisheidi when Orca, Climeworks' air carbon dioxide capture and storage system, starts operations. This is a major step in direct air carbon dioxide capture, since the station can capture 4,000 tons of CO2 each year, which it removes directly from the atmosphere in a secure manner.

Read More (is)

14. September 2021

Reykjavík Energy Group presents its code of ethics for its suppliers

Reykjavík Energy publishes a code of ethics which the Group's suppliers are expected to confirm they adhere to. The code of ethics is published in accordance with Reykjavík Energy's emphasis on corporate social responsibility and the priorities of the United Nations Global Goals in its operations.

Read More (is)

23. September 2021

Launch of Veitur Utilities' magnificent headquarters in West Iceland

Veitur Utilities' new offices at Lækjarflói in Akranes are formally opened. The new building is about 1000 sqm in size and revolutionises all the work facilities of our staff in West Iceland, who for the past four years have worked in office containers, after mould appeared in its premises.

Read More (is)

27. October 2020

Aluminium smelter uses Carbfix technology for the first time

Rio Tinto and Carbfix join forces to capture carbon from the ISAL smelter at Straumsvík and permanently sequester it into the bedrock near the smelter.

Read More (is)

27. October 2021

Up to 10.7% reduction in connection fees for household pipelines

Veitur Utilities lowers its household pipeline connection fees for new customers of district heating, the electricity utility and water supply. The decrease ranges between 2.2% and 10.7%. The change will take effect at the beginning of December.

Read More (is)

2. November 2021

The Reykjavik Fibre Network (Gagnaveita Reykjavíkur) is now called RFN-Ljósleiðarinn.

After appearing under the brand name of Ljósleiðarinn for the past seven years, the name of the Reykjavik Fibre Network is now formally changed to RFN-Ljósleiðarinn. The company operates an extensive fibre-optic network and is still under construction. All of the country's largest telecommunication and content providers offer their services via the RFN-Ljósleiðarinn network, and the company has been the lifeline of competition in the telecommunications market over the past years.

Read More (is)

3. November 2021

ON Power attends COP26

COP26, the United Nations Climate Change Conference, begins in Glasgow. Representatives from ON Power will be attending and endeavouring to hold informed discussions about the problem that nations face, as well as networking and participating in events.

Read More (is)

4. November 2021

Birna, chairperson of RFN-Ljósleiðarinn's board of directors

Birna Bragadóttir takes over the chairmanship of the board of RFN-Ljósleiðarinn, a telecommunications company that has provided fibre optic connections to more than 100,000 homes in Iceland and is owned by Reykjavik Energy. Birna has been a member of the company's board, formerly known as the Reykjavik Fibre Network, since 2019.

Read More (is)

5. November 2021

ISK 600 million EU grant goes to Carbfix

Dirk Beckers, Director at the European Climate, Infrastructure and Environment Executive Agency, and Edda Sif Pind Aradóttir, CEO of Carbfix, sign a ISK 600 million grant agreement where the EU Innovation Fund supports further development of the Carbfix carbon sequestration method at the Hellisheidi Geothermal Power Plant.

Read More (is)

13. October 2021

Crown Prince of Denmark acquaints himself with eco-friendly energy in Hellisheidi

Crown Prince Friðrik of Denmark visits ON Power's Hellisheidi power plant where he was accompanied by a Danish trade delegation that is studying energy issues and Carbfix's carbon capture and mineral storage at the plant.

Read More (is)

23. November 2021

ON Power prevailed and will be allowed to open its EV charging points

Next year it will be a hundred years since the power station in Elliðaárdalur was inaugurated. To mark the occasion, Reykjavík Energy intends to bring even more life to the valley with the opening of a history and technology exhibition under the auspices of the Elliðaár power station. The turf at Rafstöðvarvegur will then acquire a new role as our remarkable history will be told through a varied and informative experience, both indoors and in the adventurous surroundings of the valley.

Read More (is)

10. December 2021

Is there a shortage of electricity in Iceland today?

Bjarni Bjarnason, CEO of Reykjavik Energy, writes an official article. The short answer, he says, is yes. Otherwise there would be no need to reduce the supply of electricity to industrial users. The reason is not that there is a need for more and larger power plants, but first and foremost that there is a lack of water to run them.

Read More (is)

14. December 2021

Strong position of women in the Reykjavik Energy Group

The influence of women in energy companies is greatest at Reykjavik Energy. This is stated in a new report prepared by the Ernst & Young auditing firm on Women in power and utilities.

Read More (is)

Climate Issues

Global climate disasters seemed continuous in 2021; floods in Western Europe and China, forest fires in Siberia and the west coast of the United States, and tornadoes swept across the Philippines and beyond. Even in Iceland, there were extremes in the weather, such as droughts in the North and East, and wildfires raging in Heiðmörk water protection area, where Veitur Utilitie's staff had to protect infrastructures and water resources.

Reykjavik Energy Group has been at the forefront among Icelandic companies when it comes to climate issues, and its performance in environmental issues is vital. The Carbfix process, which has been applied at the Hellisheidi Geothermal Power Plant, clearly demonstrates that it is possible to take measures to reduce greenhouse gas emissions, and thus the climate crisis we are facing.

Changes in consumer behaviour in Iceland, due to COVID-19, that started in the spring of 2020, indicate that consumer patterns can be permanently changed, thus positively affecting the climate and the environment. These changes in consumer patterns have been manifested, e.g. by telecommuting, resulting in less work related travel, both of which have high beneficial impact on the carbon footprint. Here at Reykjavik Energy Group, we have instances where employees have lowered their carbon footprint by approximately three tonnes in 2021.

Reykjavik Energy Group's climate issue priorities:

- Achieve carbon neutrality by 2030, thereof zero footprint Hellisheiði plant 2025 and Nesjavellir plant 2030
- Increase capture and removal of carbon dioxide, domestically and globally
- Motivate energy switching in the transport sector

Dispelling the threat of climate crisis is a responsibility we all share. The state and municipalities must do their share, businesses need to take action, and each and everyone of us has to contribute to making the earth liveable for future generations. For a discussion on Reykjavik Energy Group's light footprint processing and operations, and plans for a large portion of carbon dioxide and hydrogen sulphide from its geothermal power plants to be captured and minerally stored in basaltic bedrock, see video below.

Chapters on climate issues address greenhouse gas emissions from operations, as well as projects implemented to ensure that the target of carbon neutrality is met by 2030.

E1 Greenhouse Gas Emissions

Promotes UN's Sustainable Development Goals

Climate change objectives

Reykjavik Energy Group aims to achieve carbon neutrality by 2030.

In 2021, the emission of greenhouse gasses decreased from the Reykjavik Energy Group and increased capture and storage of carbon dioxide into basaltic bedrock at Hellisheidi has the largest impact on reduction of greenhouse gas emissions from the Group. The percentage of reinjected and sequestered carbon dioxide from the Hellisheidi Geothermal Power Plant amounted to about 30% of its emissions. This is an increase from 2020. Electrical- and methane energy switching of the company's vehicle fleet also plays a crucial role, as well as proactive projects at Veitur Utilities, that aim at boosting the resilience of the utilities systems, due to climate crisis.

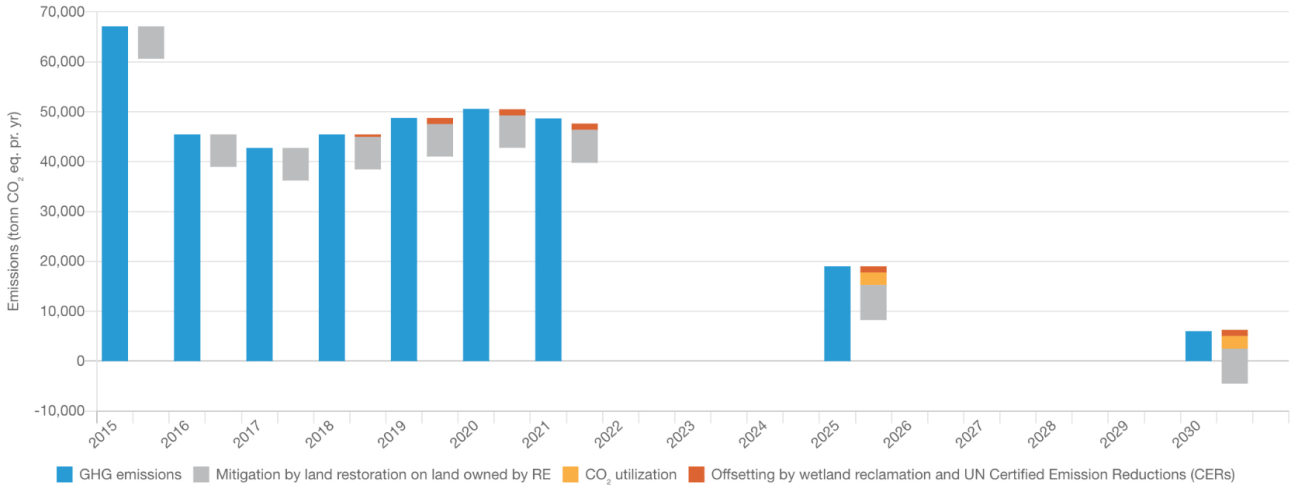
As a consequence COVID-19 and increase of telecommuting and decrease on work travel for the Group following the pandemic, emissions due to employees' commute and airline commute has decreased considerably the past two years.

In 2021 the Reykjavik Energy Group offset carbon emissions from the Group's vehicle fleet, air travel, etc., by supporting the reclamation of the wetland areas in Iceland, in collaboration with the Icelandic Wetland Fund (Votlendissjóður), and by supporting UN's developmental aid project promoting clean cooking fuel in Malawi.

Guarantee of origin for electricity has been in place for the Group's total consumption of electricity, from 2016 to 2020. However, this was not the case with respect to Veitur Utilities, Reykjavik Energy and Reykjavik Fibre Network in 2015, which explains the large amounts of emissions that year.

Greenhouse gas emissions are calculated in accordance with the standard Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard.

GHG emissions and mitigations 2015-2030

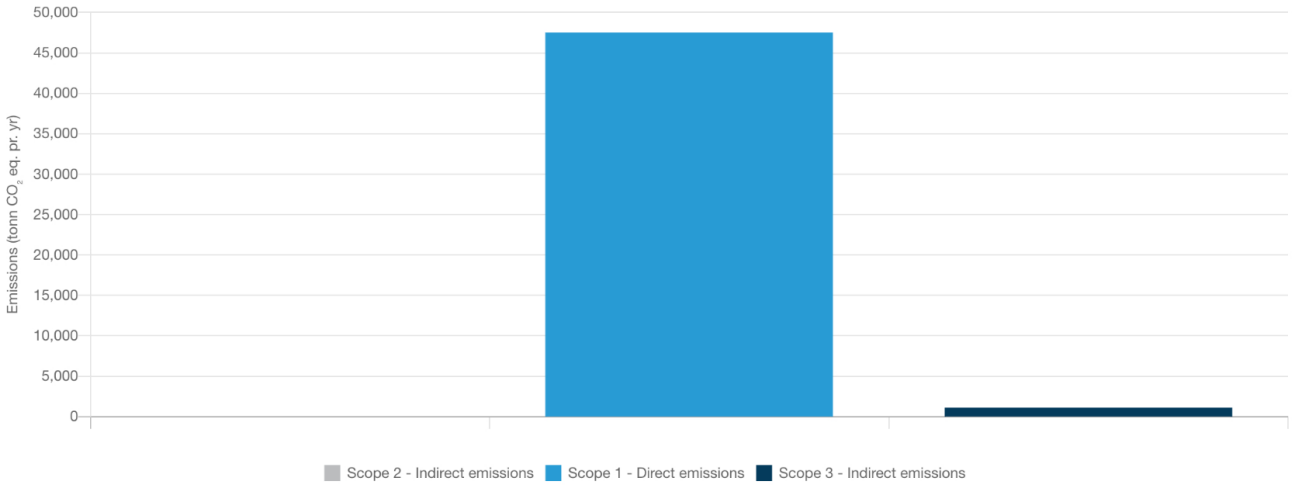


Direct & indirect GHG emissions

In 2021, Scope 1, or direct emissions from Reykjavik Energy Group's core operations, amounted to approximately 47,500 tonnes of CO_2 equivalents. Scope 2, or indirect emissions due to usage of electricity and hot water in the Group's core operations, was none due to the fact that the Group produces electricity for the national grid and emissions from that production are already accounted for in scope 1. Scope 3, or indirect emissions, was approximately 1,100 tonnes of CO_2 equivalents. The data for scope 3 are not exhaustive, as production of resources is not included. A project has been started to determine the role of procurement in OR‘s carbon footprint. OR aims to weigh climate issues more heavily into procurement in the future but steps have already been taken in tenders where contractors, suppliers and manufacturers supply OR with information regarding their product‘s or service‘s carbon footprint.

Reykjavik Energy Group accounts for approximately 1% of Iceland's total GHG emissions, based on total emissions recorded in 2019 (Environment Agency of Iceland, 2021).

Direct and indirect emissions 2021



E2 Emission Intensity

Promotes UN's Sustainable Development Goals

Carbon dioxide emission intensity

Carbon dioxide emission intensity is defined as the level of emissions, relative to each operating unit, e.g. unit of produced energy, income, and other indicators relevant to the operation.

ON Power produces electricity for consumers, as well as hot water, which is sold wholesale to Veitur Utilities. Carbon emissions per unit of electricity and hot water at ON Power Plants have decreased since 2015, and are now 7.4 g of CO_2 equivalents per kWh. Proportionate reinjection of carbon dioxide at the Hellisheidi Geothermal Power Plant was approximately 30% in 2021. Operations at Hellisheidi and Nesjavellir Geothermal Power Plants are carried out under a scheme that aims for a zero carbon footprint in 2025 and 2030, respectively. This means that 95% of the carbon dioxide emitted from the power plants, will either be captured and stored, or utilised.

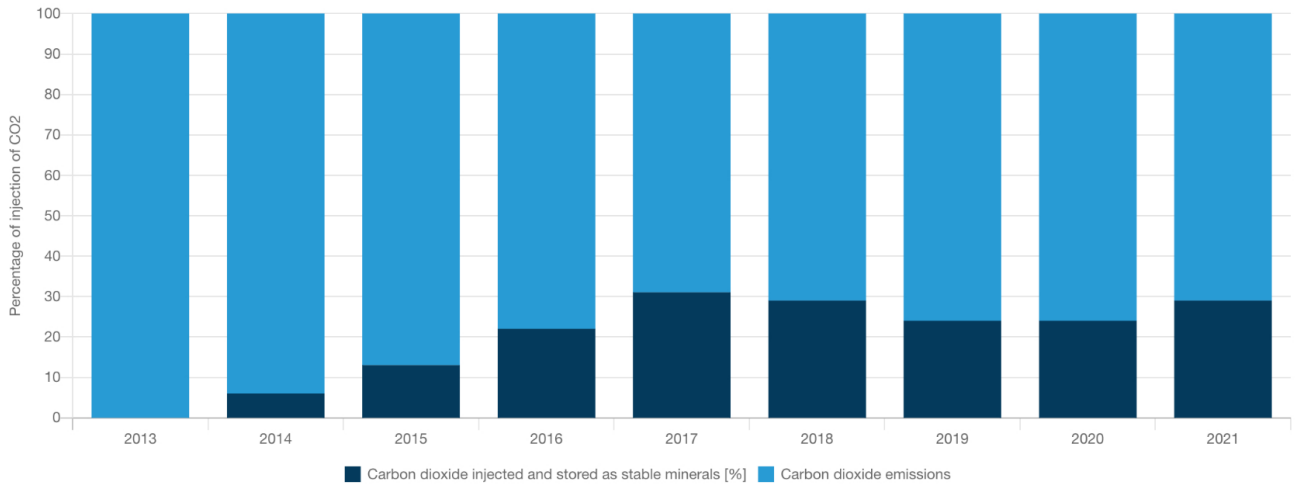
It should be noted that the emissions uncertainty is +/- 12% compared to the 95% uncertainty range.

Veitur Utilities distribute electricity and hot water to consumers, process and distribute potable water, as well as managing the sewerage systems. Veitur Utilities' water utility, district heating, electricity utility, and sewerage systems have reduced their carbon emissions since 2015.

Reykjavik Fibre Network's data transmission has increased its carbon emissions per unit data transmission due to construction work.

Reykjavik Energy Group's activities do not emit any ozone depleting substances.

Annual percentage of injection of carbon dioxide from the Hellisheidi Geothermal Power Plant in 2013-2021



Key performnce indicators (KPIs)	Unit	2015	2016	2017	2018	2019	2020	2021
GHG emission, Sc.1, 2 & 3	t CO2eq-yr	49,900	46,650	43,500	45,950	49,950	52,850	47,500
Revenue	ISK bn.	40	41	44	46	47	49	52
Premises	thousand m3	780	780	780	780	780	780	790
Carbon intensity/ revenue	t CO2 eq/ISK bn.	1.742	1.161	1.027	1.036	1.100	1.114	936
Carbon intensity/ premises	t CO2eq/thousand m3	90,0	61,6	57,9	61,5	65,7	69,4	61,5
Hot water*:								
Weighted average of CO2 intensity for hot water	g CO2eq/kWh	4,0	3,6	3,3	3,3	3,6	3,9	3,8
Electricity:								
Carbon intensity/unit electricity produced	g CO2eq/kWh	9,0	8,4	7,0	7,8	8,7	8,3	7,4
Carbon intensity/unit electricity distributed	g CO2eq/kWh	1,0	1,0	1,0	1,2	0,8	0,3	0,3
Total CO2 intensity/ electricity produced & distribute	g CO2eq/kWh	10,0	9,4	8,0	9,0	9,5	8,7	7,7

*Carbon footprint of low-temperature geothermal fields has been rated as approximately 0 g/kWh.

Hydrogen supphide emission intensity

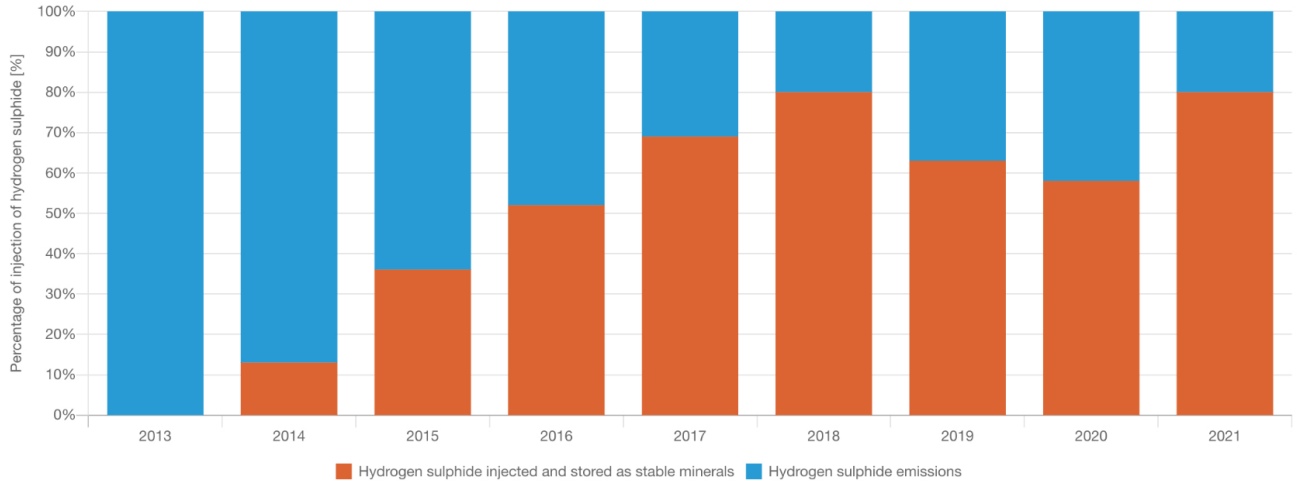
The hydrogen sulphide emission intensity from one unit of produced electricity per kWh at the Hellisheidi Power Plant has been reduced since 2015, or from 6 g per KWh to approximately 1 g, and at the Nesjavellir Power Plant from 4 g per kWh to approximately 2 g.

The concentration of hydrogen sulphide (H_2S) in populated areas did not exceed limits 2021. The result of systematic cleaning and reinjection of hydrogen sulphide from the Hellisheidi Geothermal Power Plant in 2021 increased from 2020. Proportionate reinjection of hydrogen sulphide from the plant was approximately 80%, which is a little less than previously planned, as the hydrogen sulphide abatement unit at the plant had to be adjourned for a prolonged period, due to unforeseen malfunctions.

Hydrogen sulphide emissions from Nesjavellir and Hellisheidi Geothermal Power Plants amounted to 8.3 thousand tonnes in 2021. Operation activities at the power plants at Hellisheidi and Nesjavellir are in accordance with the objective of a light carbon footprint by 2025 and 2030, respectively. Thus, almost all hydrogen sulphide from the power plants will be captured and stored in basaltic rock.

It should be noted that the emissions uncertainty is +/- 12% compared to the 95% uncertainty range.

Annual percentage of injection of hydrogen sulphide from the Hellisheidi Geothermal Power Plant in 2013-2021



Key performance indicators (KPIs)	Unit	2015	2016	2017	2018	2019	2020	2021
Hydrogen sulphide emissions from Hellisheidi and Nesjavellir	thous. tons	12.9	12.1	10.3	8.8	10.7	11.7	8.3
Hydrogen sulphide intensity/electricity produced at Hellisheidi	g H2S/kWh	6	1	1	1	1	1	1
Hydrogen sulphide intensity/electricity produced at Nesjavellir	g H2S/kWh	4	3	3	3	3	3	2

Maximum injection of carbon dioxide and hydrogen sulphide since 2014

In 2021, the combined injection of carbon dioxide and hydrogen sulphide from the Hellisheidi Geothermal Power Plant was 20,800 tons and exceeded the maximum amount injected since 2014.

E3 Energy Usage

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group produces renewable energy, electricity, and hot water, from sources such as geothermal energy and hydropower. The Group utilises about 12% of produced electricity and a little under 1% of its hot water production for its own operations.

Fossil fuels, particularly diesel oil and methane, are used during construction activities and operations by the consolidation. All fossil fuel is identified as indirect energy consumption, as it is purchased from a third party.

The proportion of direct energy consumption (electricity and hot water) by Reykjavik Energy Group is 99.5%, and indirect energy consumption (fossil fuels and methane) is 0.5%.

E4 Energy Intensity

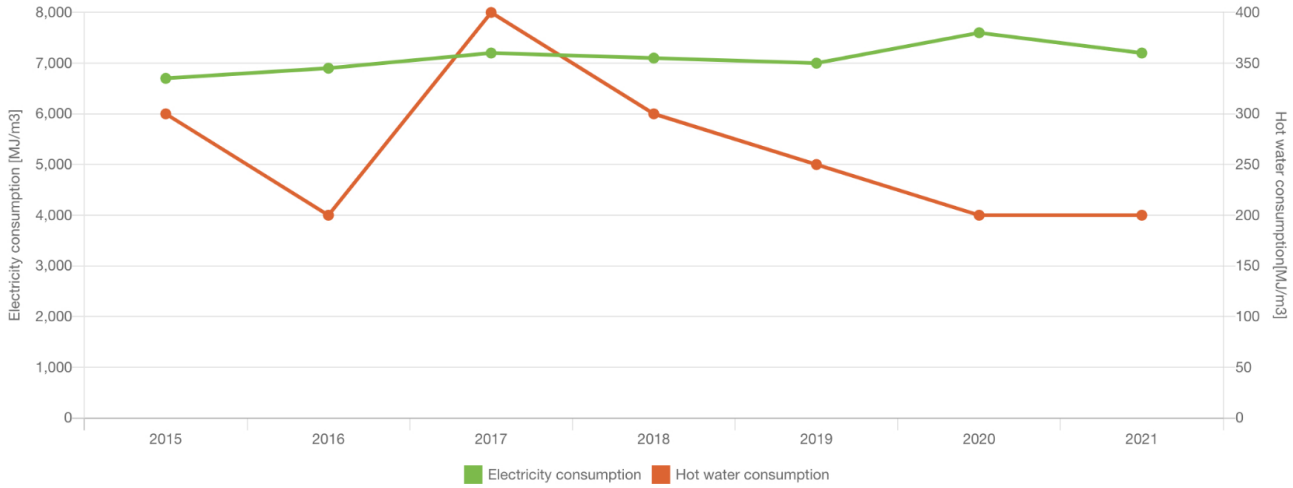
Promotes UN's Sustainable Development Goals

Direct energy consumption by each operating unit, e.g. size of property, average positional value, etc., is sometimes called energy intensity.

The Group's own use of electricity is primarily due to the production of hot water, pumping of sewage, hot and cold water, and property management. The Group's own use of electricity, in relation to the total size of its properties, has in general increased since 2015, whereas hot water usage has decreased.

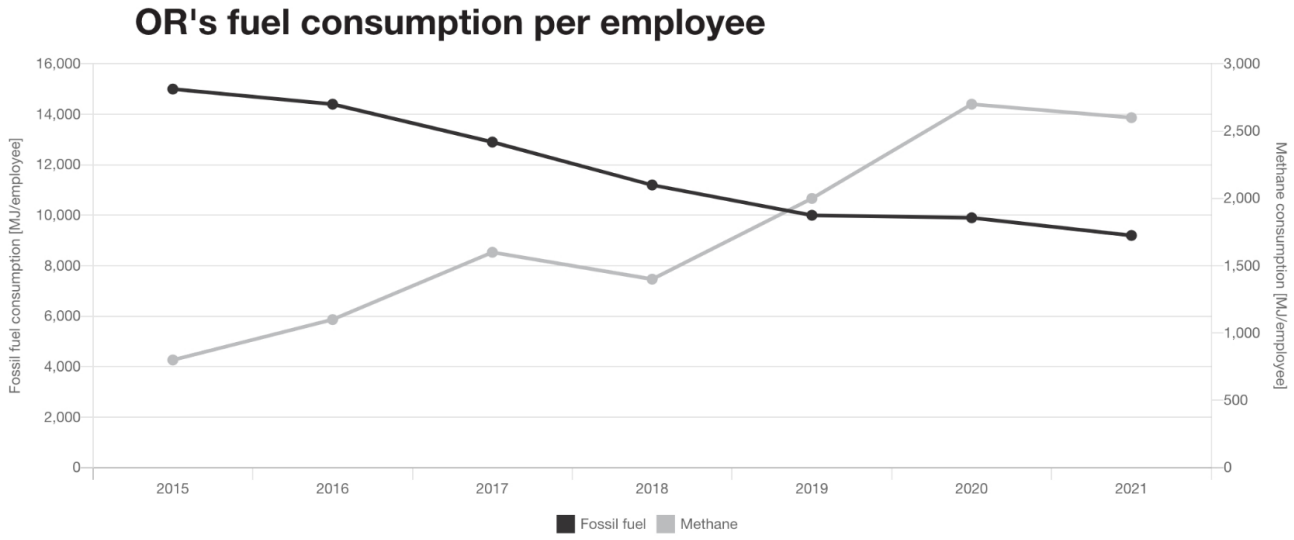
Primary energy consumption is expressed in megajoules (MJ), for data comparison purposes.

OR's electricity and hot water consumption per unit of premises



Fossil fuel consumption per position has decreased when compared with 2015, whereas the use of methane has increased.

Primary energy consumption is expressed in megajoules (MJ), for comparison purposes.



E5 Energy Mix

Promotes UN's Sustainable Development Goals

Primary energy sources

Reykjavik Energy Group produces renewable energy, electricity and hot water for district heating, from geothermal energy and hydropower, and uses part of this energy production for its own operations. The main sources of energy, which are used for the Group's operations, are electricity and hot water, which are 99.9% renewable.

At Reykjavik Energy Group, the effect of the climate change on its operations is mapped, since the resiliance of its utilities is affected by it and has direct effect on its operations, as well being the basis of quality of life for people and businesses. See further discussion on the effect of the climate crisis in E8 Climate Risk Supervision / BoD and E9 Climate Issue Supervision / Management.

Renewable energy intensity

Energy intensity is identified as energy need per unit of indicator in the relevant operations, e.g. production, revenues or manpower.

The renewable energy intensity of Reykjavik Energy Group is high, as operating utilities and power plants is energy intensive. Almost all the energy, needed for these operations is derived from renewable energy sources, as for 1 MJ of non-renewable energy used by the Group, 1,100 MJ are renewable.

E8 Climate Risk Supervision / BoD

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group's Board of Directors oversees assessment and management of climate related risk for the Group.

The Board reviews the Environment and Resource Policy at least once a year, which includes climate and climate risks, and perspective important climate aspects, according to the Board's working program. The Board addresses gaps and guides the management if needed.

Climate related issues are scheduled into the Board meeting's agenda every month. At these monthly meetings, the Board reviews and monitors major plans of climate action, climate risks, implementation, and performance and progress of climate objectives as well as the opportunities inherent in this risk.

For further information on Reykjavik Energy Group's Board of Directors, see here.

E9 Climate Issue Supervision / Management

Reykjavik Energy Group's Executive Board of Directors reports climate risk issues to the Board of Directors.

The CEO receives updates monthly on climate-related performances from OR‘s Head of Environmental Affairs. The responsibility of OR‘s Head of Environmental Affairs includes keeping track of climate-related issues on a day-to-day basis. This includes the monitoring of the Group's performance towards its climate goals.

Reykjavik Energy Group has identified and evaluated the severity of possible impact, due to climate change, on its operations and its appropriate responses. In 2021 began the implementation of these risks more clearly in the Group's risk-database. By focusing on the Group’s utilities systems, it has identified potential adjustments, needed to accommodate extreme precipitation, quick thaws, temperature changes, and rising sea levels. The water utilities monitor microbes in potable water in real time, in order to be able to take precautionary measures and to guarantee its quality. The district heating utilities evaluate future demand for hot water and seek out new ways to increase usage efficiency in order to increase delivery reliability. Sewerage utilities monitor sea levels and extreme precipitation forecasts for planning purposes. Sustainable Drainage Solutions (SuDS) are used to channel and filter rainwater from roads before it flows into rivers and lakes. This also boosts biodiversity and enhances the urban environment. These projects are both mitigation measures and adaption, due to climate crisis. Veitur Utilities is responsible for the project's implementation, in collaboration with municipalities.

As Reykjavik Energy Group's operations include the construction and operation of infrastructure (utilities), which are expected to have a lifetime of over 50 years, the company needs to take into account these long-term climate-risks in it's operations.

E10 Climate Risk Mitigation

Promotes UN's Sustainable Development Goals

Reykjavik Engergy (OR) has updated the green financing framework, where all financing at OR is covered, whether it is loans, bonds or other financing.

The Carbfix technology, is being applied in one of OR's two geothermal power plants and a pilot plant will start operating in 2022 in the other one. This is a direct response to the climate crisis and a part of Reykjavik Energy Group's significant contribution to Iceland's plan to reduce it's greenhouse gas emissions. Additionally, the Group has developed a Green Bond Framework, by issuing green bonds and green loans. Operating an environmentally and socially sustainable business, constituting the basis of Reykjavik Energy Group's long-term strategy. Sustainable financing is a key part of the strategy and the framework offers investors the opportunity to support the transition to a low-carbon and climate resilient future.

In 2021, Reykjavik Energy Group funded various green and climate friendly projects for a total of ISK 13.2 billion, where new projects were awarded ISK 8.5 billion. These projects were, e.g. power production from renewable energy sources, such as electricity production and the expansion of district heating utilities, automatic meter reading of utilities systems, carbon dioxide sequestration in basaltic bedrock, projects to boost the resilience of utilities systems, and more. This funding amounts to 25% of the turnover of Reykjavik Energy Group. Eligible projects for green funding are selected by an interdisciplinary team within the Group, and a review is performed by an external agency.

Electrification of Transport

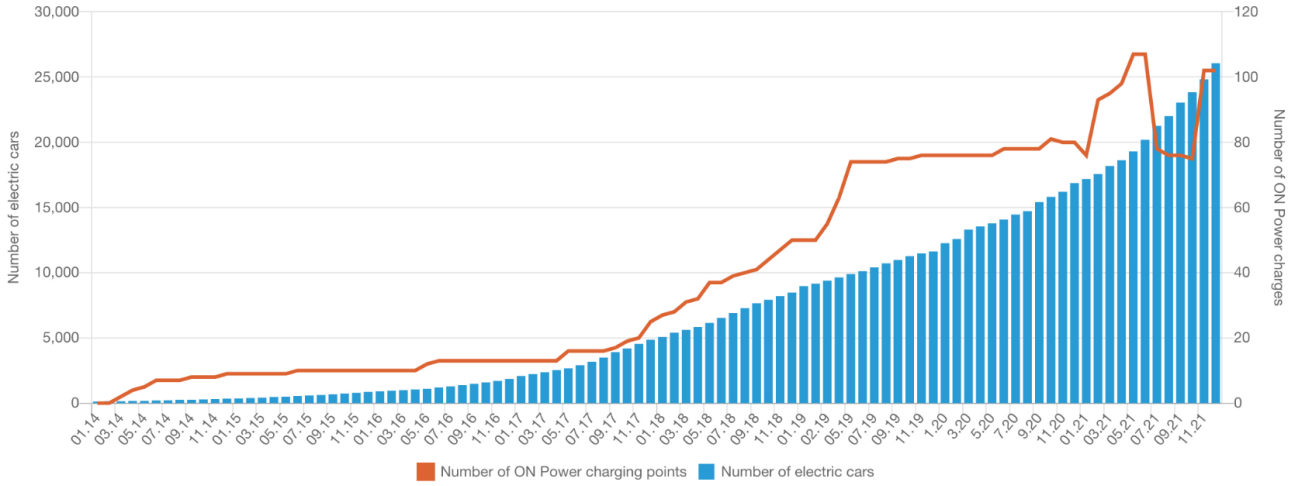
Reducing emissions from transport is one of the great opportunities for Icelanders to tackle climate change and also actually improve air quality in populated areas. Because of the nature of the operations of Reykjavik Energy and its subsidiaries, the Group can contribute by supporting energy switching in transport.

Charging subscriptions and neighbourhood charging points

Since ON Power set up the first fast charging station in Iceland in 2014, the company has been a pioneer in developing infrastructure for energy switching in transport. Fortunately, more companies have followed suit and set up their own charging stations. ON Power is now focusing on helping those who for some reason have difficulty taking the plunge or switching to an electric vehicles, by offering Home Charging on subscription and by developing ON Power neighbourhood EV charging points. A lawsuit was filed in 2021 over the latter issue. The Public Procurement Complaints Committee had ruled that the City of Reykjavík's tender for ON Power's EV charging stations was illegal and the company was ordered to close down those that had already been set up. After expedited proceedings in the District Court, however, this ruling was overturned and the neighbourhood EV charging points were reopened. This explains the fluctuations in the number of charging points during the year.

2021 was the first year in which the number of alternative energy cars, i.e. cars that do not burn fossil fuels, exceeded the number of newly registered fossil fuel vehicles.

The number of electric cars in Iceland and ON Power charging points



Grants to housing associations

In the spring of 2019, an agreement was signed between the City of Reykjavík, Reykjavik Energy and Veitur Utilities regarding a large-scale infrastructure development in the city for electric vehicle owners. The agreement includes Veitur Utilities providing power supply connections for charging equipment at the municipality's offices and following indications from residents. OR and the City of Reykjavík also invest in a fund to support the housing associations of apartment buildings to set up charging equipment for residents. Veitur Utilities and OR then made a corresponding agreement with the town of Akranes.

The table below shows OR's payments to residents' associations under this agreement.

	2019	2020	2021
In Reykjavík	387,863 ISK	16,266,234 ISK	15,579,931 ISK
In Akranes		2,430,414 ISK	932,556 ISK

Electrification of the Port of Reykjavík

In 2020, Veitur Utilities, Faxaflóahafnir sf. (Associated Icelandic Ports) and the state agreed to invest ISK 100 million each in the first phase of strengthening electrical connections for large ships. The project is in accordance with Iceland's Climate Action Plan, but a prerequisite for effective connections is the construction of a new Veitur substation at Sægarður, which will also boost electricity delivery security in many parts of the capital area.

Innovation and Development Climate Projects

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group has been at the forefront of innovation and development on climate and environmental issues for the past decade. Among successful projects are:

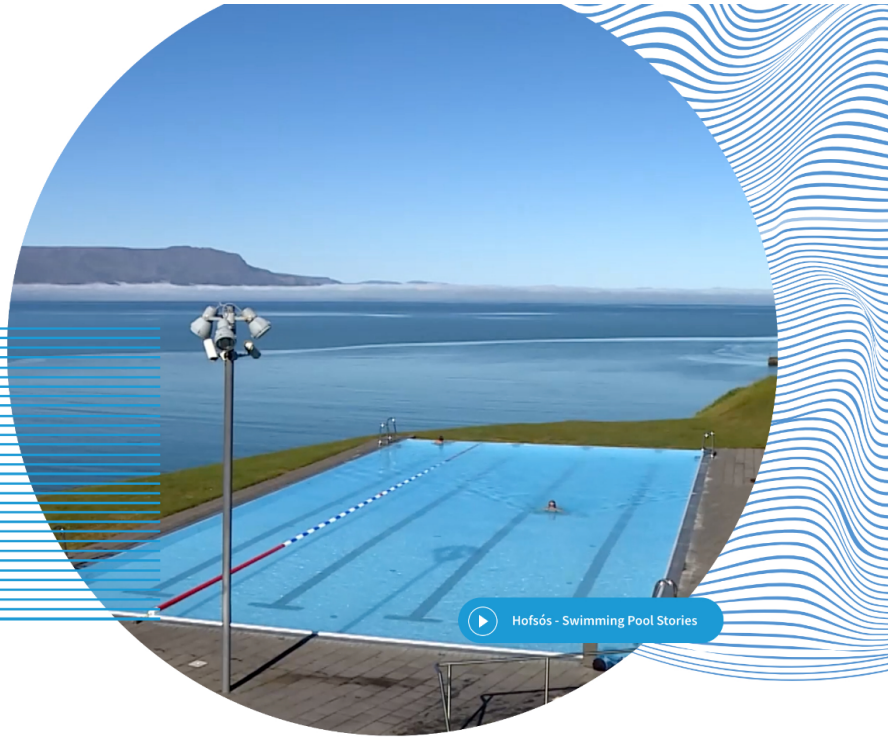
- Reducing carbon dioxide and hydrogen sulphide emissions at the Hellisheidi and Nesjavellir Geothermal Power Plant by turning these geothermal gases into stone (see video below).
- Collaboration with the Swiss company Climeworks regarding cleaning and sequestration of carbon dioxide from the atmosphere at Hellisheidi.
- Preparing the energy change in transport by installing charging stations for electric vehicles (EV).

Many of these successful projects have led to further developments and innovations. This work is being conducted in accordance with multiple collaboration agreements and programmes with universities, in the field of science and technology, domestically and internationally. Indeed, collaboration between the business sector and the academic community has often been a platform for turning ideas into concrete projects, useful for the economy.

Examples of promising projects of this kind, already launched by Reykjavik Energy Group:

- Zero carbon footprint from geothermal energy.
- Development of carbon sequestration at Sorpa biogas- and composting plant, using the Carbfix method.
- Energy change in transport and hydrogen production at Hellisheidi.
- Deep drilling.
- Managing induced seismicity.
- More effective utilisation of low-temperature fields.
- Water quality and better overview of water distribution.
- Development of the utilisation of biodegradable sewage waste.

Environment



Reykjavik Energy Group is among the largest companies in Iceland. Therefore, the Group's performance in environmental issues is vital. Operations of Reykjavik Energy Group are certified, according to the ISO 14001 environmental management system. The Group regularly submits environmental reports to the Public Health Authority, the National Energy Authority, and the Environment Agency, all of which are licencing and monitoring authorities.

Environmental priorities of Reykjavik Energy Group:

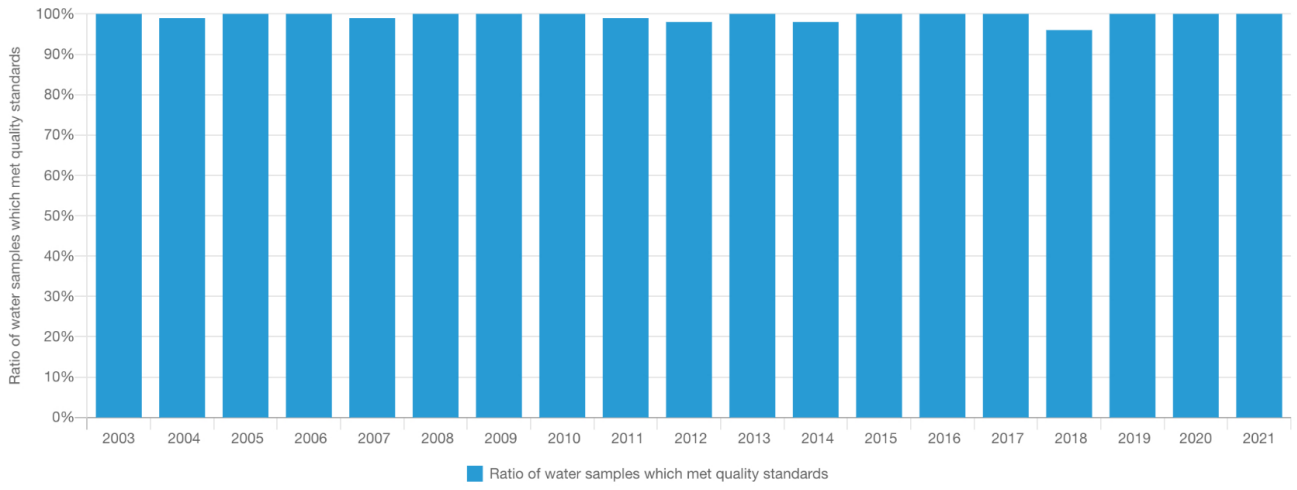
- Water protection and safe drinking water for the future.
- Sustainable management of low- and high temperature geothermal resources.
- Zero carbon footprint in water distribution, electricity supply, district heating, sewerage systems, and fibre network connection.
- Green loans and green funding.

Taking good care of the environment is a "group sport", as it is necessary to combine practical know-how with ingenuity in order to lighten the carbon footprint. For discussion, see video below (IS).

Water Protection and Water Management

In 2021, Veitur Utilities secured the supply of drinking water to residents and the business community in the distribution area, in accordance with established quality standards, statutory and regulatory provisions, and objectives of Veitur Utilities.

Quality of potable water in Reykjavik



Veitur Utilities has fifteen water sources, and its water utilities' distribution systems serve the capital area and the Western and Southern parts of Iceland. ON Power has two water reserves. The water utilities' distribution system serves 45% of the population in Iceland. Strategic water preservation, other preventive measures, and controls have been implemented in order to guarantee water quality.

A dense network of water level meters in and around Veitur Utilitie's waterresource areas near the capital area. Due to droughts in 2021, the water level in Grenkriki was at an all-time low in May 2021. Projects are still being worked on to better understand the connection between environmental factors, microbial pollution and climate change. Following the eruption in Geldingadalur and the wildfires in Heiðmörk in 2021, research was undertaken to assess the impact of the quality of drinking water, no noticeable changes were observed. A preliminary analysis was launched of the impact of an increase in groundwater production in Engidalskvísl by the Hellisheidi power plant, and the results are expected in 2022. In order to better monitor water quality, water sampling was increased at Nesjavellir in 2021.

A drinking water purifying equipment, using ultraviolet (UV) light, was installed in Grundarfjördur to safeguard the quality of the water from the water extraction wells. Preparations for the drilling of two experimental wells in Grábrókarhraun and the renewal of two production wells in Seleyri began in 2021.

Water conservation

Water conservation areas are delimited around the water sources of Veitur Utilities and ON Power. Water conservation areas in Heiðmörk are monitored with regard to, among other things, the transport of oil, petrol and other hazardous chemicals. Accidents and incidents, caused by dangerous behavior within the protected water areas, are registered, addressed, and appropriate action taken. Veitur Utilitites' and ON Power's employees and contractors, that work at the protected water sources, are required to take environmental courses before projects commence, to prevent contamination accidents. This requirement is stipulated in tender documents.

In order to reduce the risk of accidents from oil- or hazardous chemicals accidents in protected water zones within the area, Veitur utilities has consulted with the Icelandic Road and Coastal Administration (IRCA), the Association of Local Authorities, and local health inspectorates about the closure and improvement of roads, in addition to further groundwater research in the area. Newly laid ski trails for cross-country skiing run from the former farm Elliðavatnsbær to Heiðmörk, and connect to other ski trails. This ensures accessibility for cross-country skiers, even if the Heiðmörk Road is closed due to icy conditions and water protection.

E6 Water Usage

Own use

In 2021, Reykjavik Energy Group's production of cold water amounted to over 26 million m^3 and hot water to around 96 million m^3. Of the 96 million m^3 of hot water produced, 49 million m^3 was cold water, which was heated in ON Power's plants at the Hengill area. The rest was hot water from low-temperature geothermal fields.

Reykjavik Energy Group's own use of cold water was about 77 million m^3 and its hot water use was over 500 thousand m^3.

All thermal energy used to heat buildings at Hellisheidi is in a closed system. The same water is recirculated and the use of thermal energy is not measured. Reykjavik Energy Group's own use of cold water is almost exclusively for ON Power's geothermal power plants at the Hengill area. In 2021, nearly 77 million m^3 of cold water was pumped, almost 49 million m^3 of which was utilised for thermal production, mainly domestic heating in the greater Reykjavík area, but approximately 0.3 million m^3 was used for power plant operations, approximately 1%.

The percentage of Veitur Utilities' own use of hot water is very low in relation to the production volume. Veitur Utilities emphasises minimising energy consumption and waste in its utilities systems.

Recycling

Approximately 76% of geothermal water from Hellisheidi and Nesjavellir Geothermal Power Plants has been reinjected into the geothermal field. The mission of the reinjection of the geothermal water into the reservoir is to prolong its use.

Veitur Utilities place importance on reinjecting used geothermal water back in to the reservoir, when applicable.

E7 Environmental Operations

Promotes UN's Sustainable Development Goals

Environmental and Resource Policy

Reykjavik Energy Group works in accordance with an Environmental and Resource Policy, which marks its commitment to steadily improve the Group's performance on environmental issues. The policy is based on six principles which apply to all operating units: The climate and climate crisis, responsible resource management, serviceability which provides access to the Group's utilities, impact of emissions from its operations, impact on the community, and the Group's activities. Key factors include the protection of potable water, sustainable utilisation of resources, carbon neutrality by 2030, and a zero carbon footprint in its operations and activities. In everyday operations, emphasis is placed on effectively utilising energy and resources, in collaboration with suppliers and contractors. The policy forms the basis for effective partnership with stakeholders.

The Group has defined significant environmental factors based on the principles stated in the Environmental and Resource Policy. Objectives have been established and defined for the handling of emissions and capture of carbon dioxide, responsible consumption, and energy switching in the transport sector.

The operations of Reykjavik Energy Group are not certified in accordance with a formal energy management system.

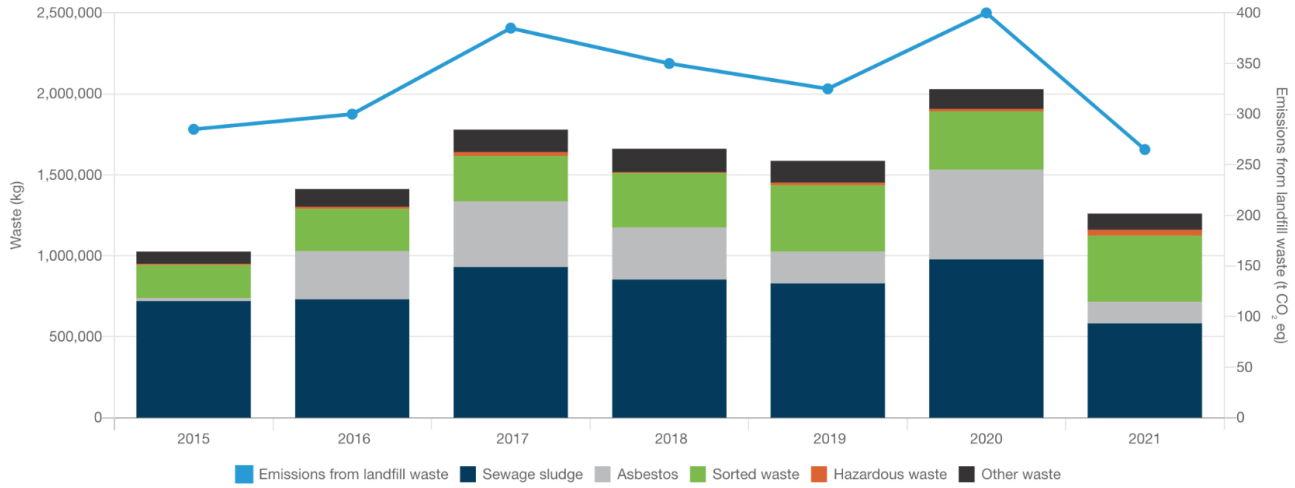
Responsible waste management

Greenhouse gas emissions from landfills have decreased since 2015.

The percentage of waste from wastewater treatment plants amounts to the highest proportion, or approximately 45% of the total volume of landfill waste, however it decreased substantially in 2021. There is no single explanation for the difference between years, but there is a discrepancy in the data and possibly the Covid-19 pandemic is involved. The scope for controlling this type of waste is limited, as it is produced by the public and the business community in the utility area. Veitur Utilities launched an advertising campaign to highlight the damage, caused by wet wipes and other garbage that can wreak havoc on the sewerage system. Furthermore, the aim is to better utilise sludge and fat which is in process.

The volume of other waste either increased or decreased. The appendices show how waste is divided into waste categories, work sites, and municipalities.

Waste management at Reykjavik Energy Group 2015-2021



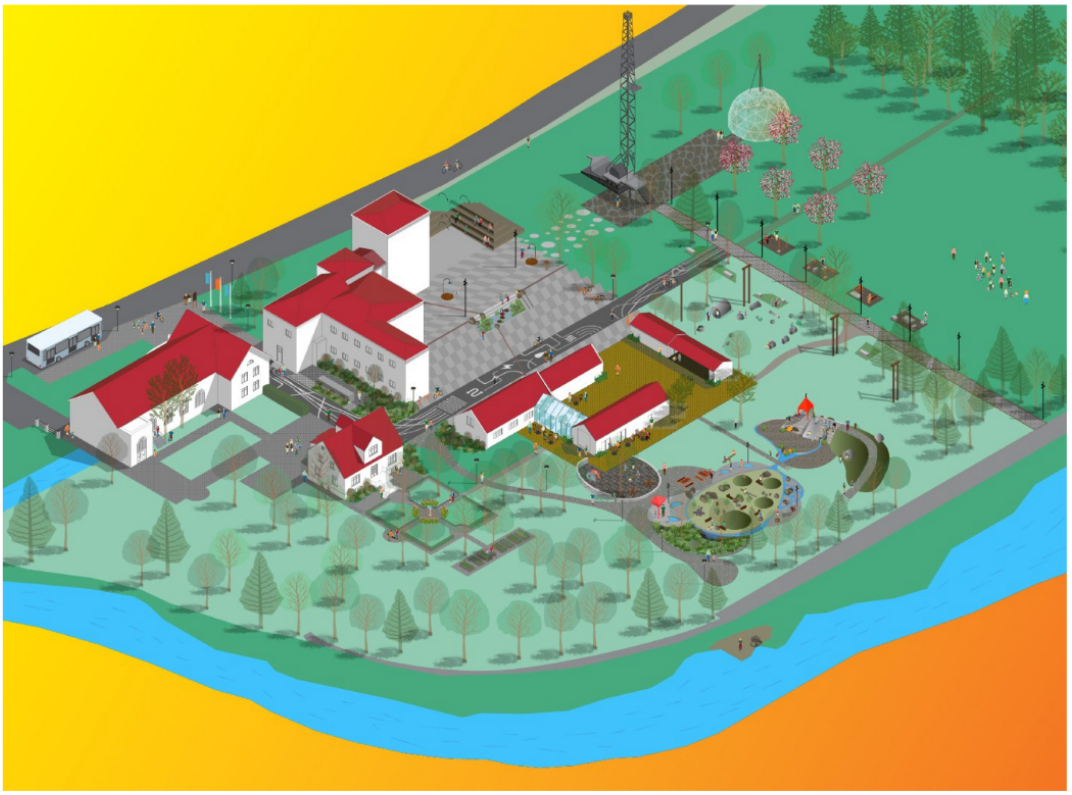
Reclamation of the Elliðaárdalur Valley

Promotes UN's Sustainable Development Goals

Since the wooden penstock pipe of the one-century-old power station at Elliðaár broke in 2014, it was doubtful whether electricity generation would resume there. The pipe was declared useless, its renewal expensive and the generating capacity of the power station small. Thus, in 2020, a formal decision was made not to discontinue electricity generation in the station for the foreseeable future. Instead, efforts were started to regenerate the site as a history and technology exhibition at Orkuveita Reykjavíkur's premises in the valley.

Elliðaárstöð

Elliðaárstöð is the name of the project and is a new experience in Elliðaárdalur Valley where children and adults learn about history and science in a live game. Considerable construction has taken place and the area has been reshaped to serve a new role, but the Covid-restrictions of recent months have delayed the operation's progress. Rafstöðin's 100th anniversary, on June 27, 2021, was low-key due to this.



At the beginning of 2019, Reykjavík Energy held a competition for the concept of a history and technology exhibition on the power station site to celebrate the 100th anniversary of Elliðaár power station. The design team *Terta* won the competition and construction began in October 2020.

Restoration of natural qualities

Now, that it is clear that electricity production has been discontinued, Reykjavík Energy has a legal obligation to submit a decommissioning plan which explains how "the environment [is] brought as far as possible to the previous state," as stated in the Icelandic Water Act. Research by OR on ecosystems and structures is currently underway to prepare such a plan.

In the year 2020, encroachment on nature by filling and emptying Árbæjarlón alternately in autumn and spring was stopped. It was controversial, but research in 2021 indicates that the move to stop creating such instability in the river ecosystem has already benefited salmon in the river.

After the Árbæjarlón reservoir was emptied, seeds were spread to the old bottom and the banks and vegetation soon started recovering.

Environmental Improvements at the Andakílsá Hydropower Station

In 2021, ON Power met with landowners from the area around lake Skorradalsvatn and river Andakílsá, as well as representatives of cabin owners in Fitjahlíð in Skorradalur. A scenario analysis has been drawn up for environmental and economic issues around Andakílsá Hydropower Station and on how it affects the community in Skorradalur and around Andakílsá. A decision regarding the hydropower station's operating framework has been taken. A conclusion from a risk assessment, carried out in 2021, regarding planned cleaning of silt from the station's dam intake, is pending while permits ar prepared.

River Andakílsá ecosystem

The ecosystem at river Andakílsá has recovered after a substantial amount of silt was carried into the river during an inspection of the dam intake at Andakílsá Hydropower Station in May 2017. More than 500 salmon were caught in the summer of 2021, which is incredibly good, compared to other salmon rivers in the area. The river will be ready for the 2022 fishing season. Approximately 20,000 smolts were released into the river in 2021, and 20,000 smolts are in a farming plan. In 2022 a similar amount of smolts will be released. ON Power has taken this accident seriously and reacted responsibly.

Land erosion prevention on the banks of river Andakílsá, started in October of 2021. Vegetation cover was taken up, Tree trunks with roots, stones and gravel were placed in the banks to strengthen it and the vegetation cover was reused. Willow and birch were planted in the banks for further strengthening. The second part of this project will be carried out in the spring of 2022.

Lake Skorradalsvatn

In 2021 lake Skorradalsvatn never exceeded ON Power's set limits.

Land erosion prevention on the banks of river Andakílsá 2021.

Restoration of Disturbed Areas

Promotes UN's Sustainable Development Goals

The Reykjavik Energy Group is responsible for about 19,000 ha of land, some 16,000 ha of which are within protected areas. These include water protection areas, nature reserves, and areas belonging to the Nature Conservation Register, or areas that are under special protection, see video below (IS). An annex contains a list of protected areas and the species of birds and plants on the 'Red List', whose local habitat is located in these areas.

Restoration and reclamation

Particular emphasis is placed on restoration and reclamation of the natural environment when work is done in areas where Reykjavik Energy Group operates. This is especially true when it comes to minimising visual impact of power plants. Procedures and training for employees and contractors are revised and improved regularly in order to ensure even better conduct, e.g. in the protected areas. To reclaim disturbed vegetated soil, the vegetative cover is reserved and replanted. This is done in collaboration with licence authorities, and according to Reykjavik Energy Group's objectives.

Revegetation and silviculture

In 2021, ON Power planted 6,000 birch trees and mountain ash on 4 ha of land in the vicinity of the Nesjavellir Geothermal Power Plant, and approximately 6 ha of land was revegetated in eroded zones, outside operational areas. This is keeping with ON Power's objectives of expanding land reclamation in eroded zones, and domestic silviculture.

Hiking trail to Kyrdalshryggur in Hengill repaired to reduce erosion. The path to the right is now closed.

Hiking trails

For the last 30 years, Reykjavik Energy Group has overseen and maintained about 130 km of marked hiking trails at the Hengill area, going back to the start of operations at the Nesjavellir Geothermal Power Plant. Considerable increase in the number of hikers visit the area, and the area is very popular for hiking in all seasons, especially during the pandemic. In the summer of 2021, hiking trails at Nesjavellir were repaired. The work will continue in the summer of 2022.

Changes in Elliðavatn's water level

In connection with an extensive installation work by Veitur Utilities, in Elliðaár's channel, close to its mouth, a flap in Elliðavatn's reservoir was opened in February 2020, causing fall in water level under the set benchmark for a week.

In 2021 it became clear that the Marine and Freshwater Research Institute's will research and monitor the lake, starting January 2022.

Responsible Management and Production at Low-Temperature Fields

Promotes UN's Sustainable Development Goals

Veitur Utilities operates thirteen district heating systems. The largest one is in the capital area, five are in West Iceland, and seven in South Iceland. These utilities provide space heating and hot water services to 2/3 of the country’s population. In 2021, Veitur Utilities' production in low-temperature geothermal fields in the capital area and most distribution areas in South and West Iceland were in accordance with the company’s policy and objectives, and the statutory and regulatory framework.

The Capital area

During summer 2021, hot water from geothermal power plants was temporarily supplied to the entire capital area. Consequently, the production in the low-temperature fields at Reykir, Reykjahlíð, Laugarnes and Elliðaárdalur, was eased, leading to increased winter reserves in those areas.

This practice will be continued make better use of the heat produced in the power plants. Efforts are ongoing to further increase the share of district heating water from the power plants in the Hengill area. In 2021, it was about 60% of total production and has never been higher. Pumps in high performance wells in the low-temperature areas will also be enlarged in the coming months to increase the maximum production capacity. A comprehensive review is ongoing for future plans of the district heating systems in the Capital area in order to meet predicted future demand.

One of Veitur Utilities' low-temperature wells in Reykjadalur valley.

West Iceland

The situation in the low-temperature district heating areas in Western Iceland is generally good. Although increased demand at Akranes and Borgarfjörður district heating has exhausted all extra capacity in the system. A new production well at Hellur in Bæjarsveit will soon be drilled to provide additional power to improve the situation.

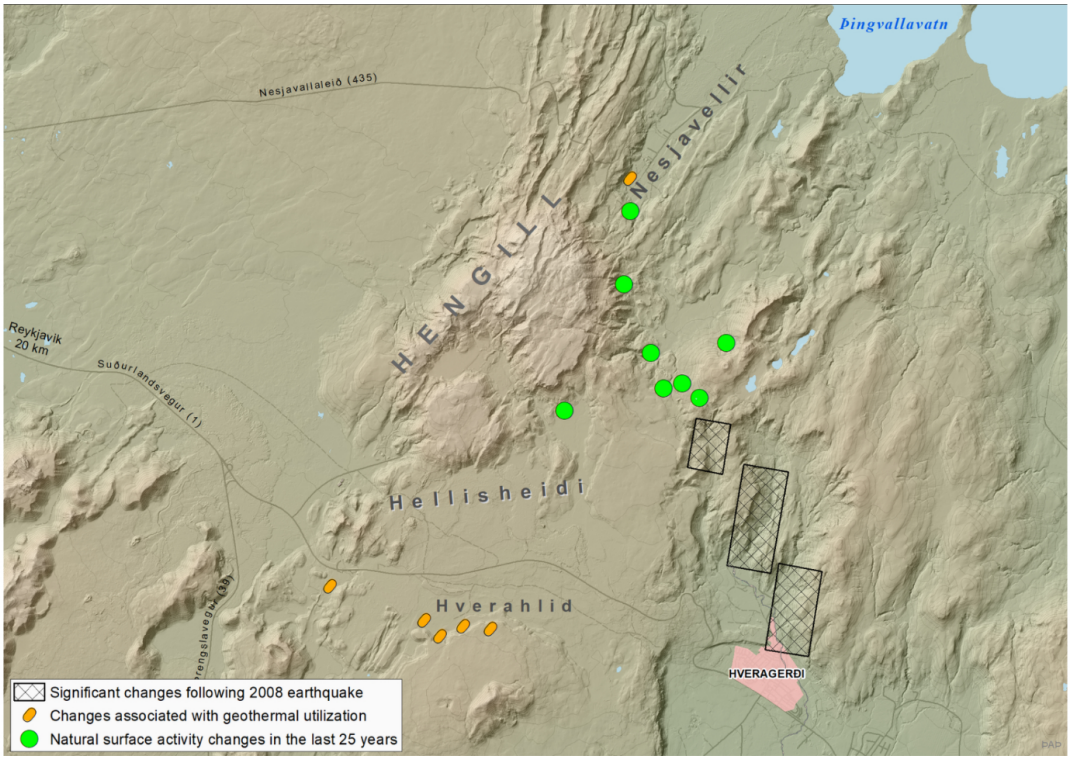
South Iceland

In South Iceland, production capacity increased in Grímsnes, Ölfus and Þorlákshafnarveita. The addition of well ÖN-30 to the system later this year will further increase production capacity in Grímsnesveita. When completed the area’s production capacity will triple from previous levels. In Hveragerði, Austurveita district heating system will be connected to the local system which will increase the production capacity in both areas.

More hot water is needed for Rangárveita district heating. This summer, the pumping capacity will be increased with a new ESP at Laugaland. Further projects are being prepared in accordance with the future plan review carried out last year.

Responsible Management and Production at High-Temperature Fields

Geothermal energy activity is monitored at the surface at the Hengill area. This area can be impacted by natural changes, as well as the production of geothermal energy. There is no definite way of discerning whether the changes occur naturally or from human action. The changes in surface activity at Hverahlíð for instance, started when boreholes were drilled in the area. Therefore, it may be inferred that these changes are due to utilisation of geothermal heat in the area.



Production field of geothermal power plants at the Hengill area and temperature changes in geothermal surface heat.

Energy production at Nesjavellir and Hellisheidi/Hverahlid

In 2021, energy production at Nesjavellir and Hellisheidi was in accordance with the power plants' operating licence and ON Power's objectives. Maintaining the power plants' production capacity at the Hengill area has been one of the company's most important tasks in recent years. However, it has been found that the production density is too high in some of the production fields, the pressure drop has increased in Hverahlíð and the negative effects of re-injection are within the Hellisheidi field.

Even though there are no plans for new power plants at the Hengill area, an extension of the current production area is anticipated, if full production capacity at Hellisheidi and Nesjavellir Geothermal Power Plants is to continue for the long term. Some preliminary research on the potential of future production areas have already commenced, to facilitate informed decisions on the future of power generation, and to guarantee sustainable utilisation of geothermal resources.

Reykjavik Energy Group places emphasis on sas ustainable utilisation of resources as possible, see video below (IS).

Discharge of geothermal fluids at Nesjavellir and Hellisheidi/Hverahlid

Geothermal fluid is reinjected into the geothermal system at Nesjavellit and Hellisheidi Geothermal Power Plants, to protect surface and groundwater, as the geothermal fluid is warmer than groundwater and has a different chemical composition. The aim is also to increase the pressure in the geothermal reservoir, which in turn boosts sustainable utilisation.

Various research and development projects have been conducted in recent years to fulfil reinjection requirements at Nesjavellir and Hellisheidi, with considerable success.

At Nesjavellir, in 2021, approximately 75% of the geothermal fluid extracted from the geothermal reservoir was reinjected into the system, thereof approximately 10% into the geothermal reservoir. The development of the reinjection utility at the plant in recent years, has resulted in the discharge of geothermal fluid being at an all time low over the past three years.

Despite the great success of the reinjection system at the Nesjavellir Geothermal Power Plant, energy production is nevertheless accompanied by substantial discharge of heated groundwater at the surface. Groundwater has been extensively monitored in the past by recording boreholes and hot spring temperatures in real-time, and samples have also been collected since the power plant began its operations in 1990. The results do not show a decrease in groundwater temperatures, despite less discharge. The reasons behind these findings are not clear, but could be attributed to the following:

- The reinjection of geothermal fluid does not result in cooling of the groundwater because the reinjected fluid mixes with the groundwater, following flow paths underground in the bedrock.
- Improvements, made to the release routes, have not yet resulted in cooling of the groundwater in the lake Þingvallavatn.

At Hellisheiði, in 2021, approximately 75% of geothermal fluid extracted from the geothermal reservoir (separated water and condensate water) was reinjected. The condensate water

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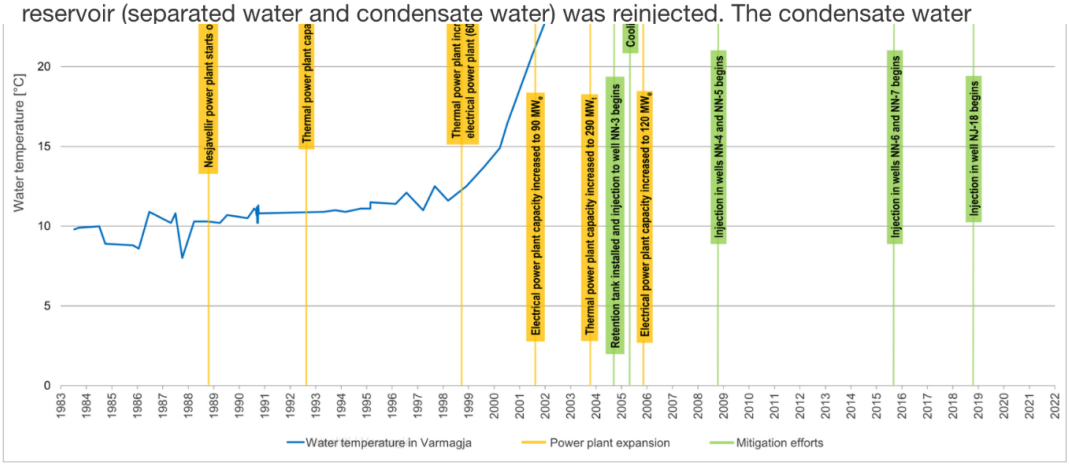


Water temperature at Varmagjá at Þingvallavatn, the development of the Nesjavellir Geothermal Power Plant and mitigation measures.

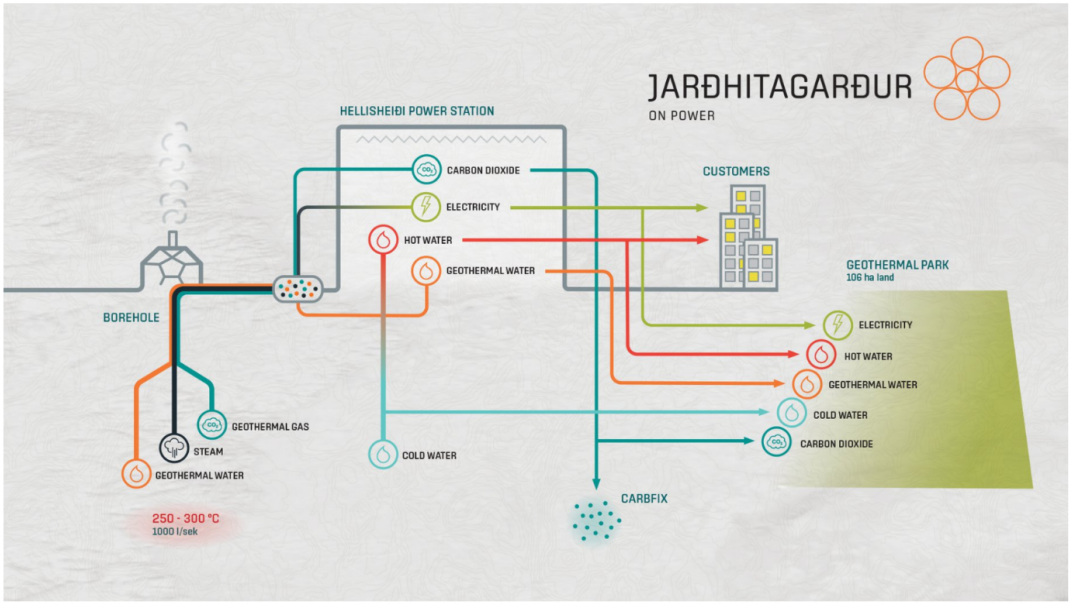
Induced seismic activity

The reinjection of geothermal fluid can cause seismic activity, known as induced seismic activity, or triggered earthquakes, especially at the Húsmúli area. Blasting, associated with geological research and drilling in high-temperature fields, may also be the culprit. ON Power follows procedures, that are designed to minimise the risk of triggered earthquakes at and around the Hengill area.

In 2021 Reykjavik Energy Group did meet its objective to safeguard that seismic activity, potentially associated with the reinjection of geothermal fluid, would not cause an inconvenience and damage. An earthquake of magnitude 3.1 hit ON Power's reinjection area, despite the fact that no significant changes had been made to the reinjection. Therefore no notifications were sent to the Icelandic Meteorological Office's seismic activity division, or the Department of Civil Protection and Emergency Management of the Icelandic Police, due to changes in the process of reinjection in 2021.

Geothermal Park in Hellisheiði

At ON Power's Geothermal Park at the Hellisheidi power plant, located in the municipality of Ölfus, ways are being sought to further diversify the utilisation of thermal energy, electricity, water and geothermal gases from the plant. A diversified use of geothermal energy can increase efficiency and strengthen environmentally sound operations and innovation in the business community. The diagram provides an overview of the energy-related natural resources that can be utilised in the operations of the Geothermal Park.



Overview of energy-related resource flows at the Geothermal Park at Hellisheidi Geothermal Power Plant.

A unique climate project

The latest example of a better usage of natural resources is how various energy-related supplies are being used by the Swiss innovation company Climeworks. In 2021, under the auspices of the so-called ORCA project, Climeworks started to suck carbon dioxide out of the air at the ON Geothermal Park, capturing about 4,000 tons of CO_2 from the atmosphere annually and mineralising it into the bedrock in collaboration with Carbfix and ON Power.

From the launch of the ORCA project. Pictured are, from left; Edda Sif Pind Aradóttir Managing Director of Carbfix, Dagur B. Eggertsson Mayor, Climeworks founders Christoph Gebald and Jan Wurzbacher, Katrín Jakobsdóttir, Prime Minister and Ólafur Ragnar Grímsson, former President of Iceland.

Hydrogen production

ON Power produces hydrogen at the Hellisheidi Geothermal Power Plant for experimental purposes, as part of the European Union's Hydrogen Mobility Europe development project. Energy production in the power plant is used for hydrogen production in periods when there is less demand for electricity and the hydrogen is used for the benefit of the community and the economy in energy switching in transport.

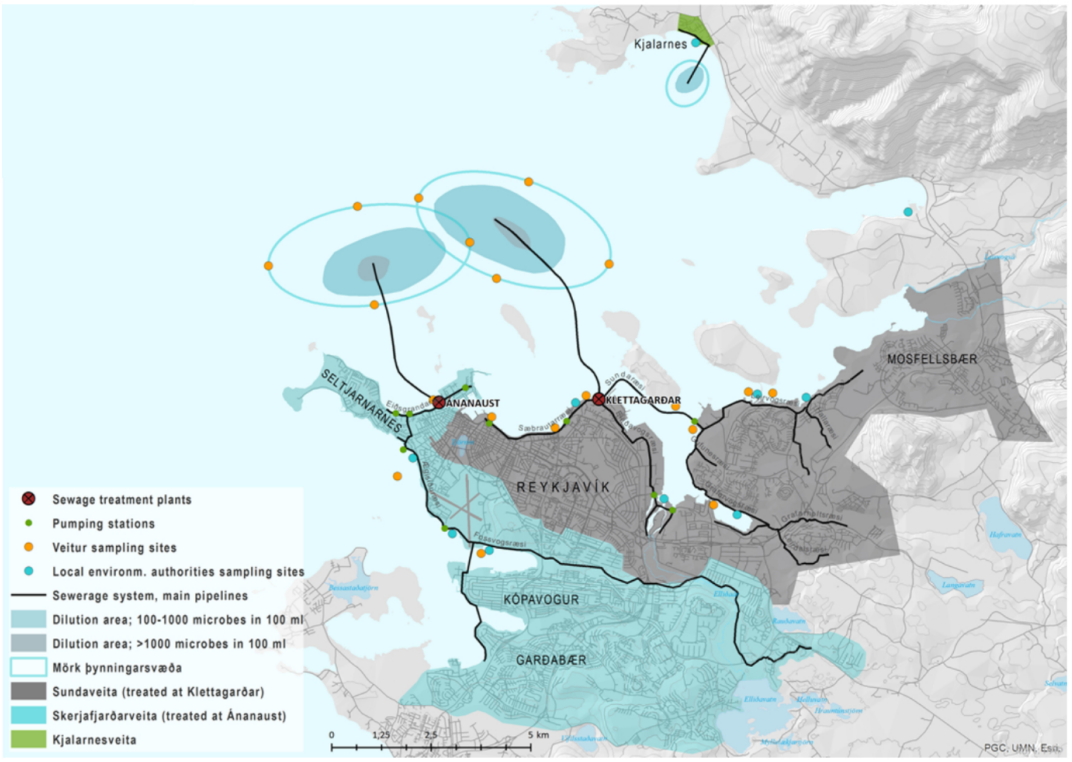
The international start-up company VAXA (formerly Algaennovation) uses energy-related supplies in a microalgae facility in ON Power's Geothermal Park and separated water from the Hellisheiði Geothermal Power Plant is used for the production of dietary supplements by the GeoSilica company. A considerable amount of carbon dioxide goes into electricity production in Hellisheiði. Numerous start-up businesses have shown an interest in using carbon dioxide and other elements from the plant. In Hveradalir, the old skiing resort, a bathing lagoon is being prepared that will utilise the water and heat generated during the energy production at the Hellisheidi Geothermal Power Plant.

Strict requirements are placed on companies that intend to operate in the ON Power Geothermal Park regarding water protection, appearance, disturbances and orderliness. During the construction phases of projects, there are requirements to re-use the vegetation cover that is removed. It is put back in its place when the earthworks finish or it is used elsewhere where it may be needed.

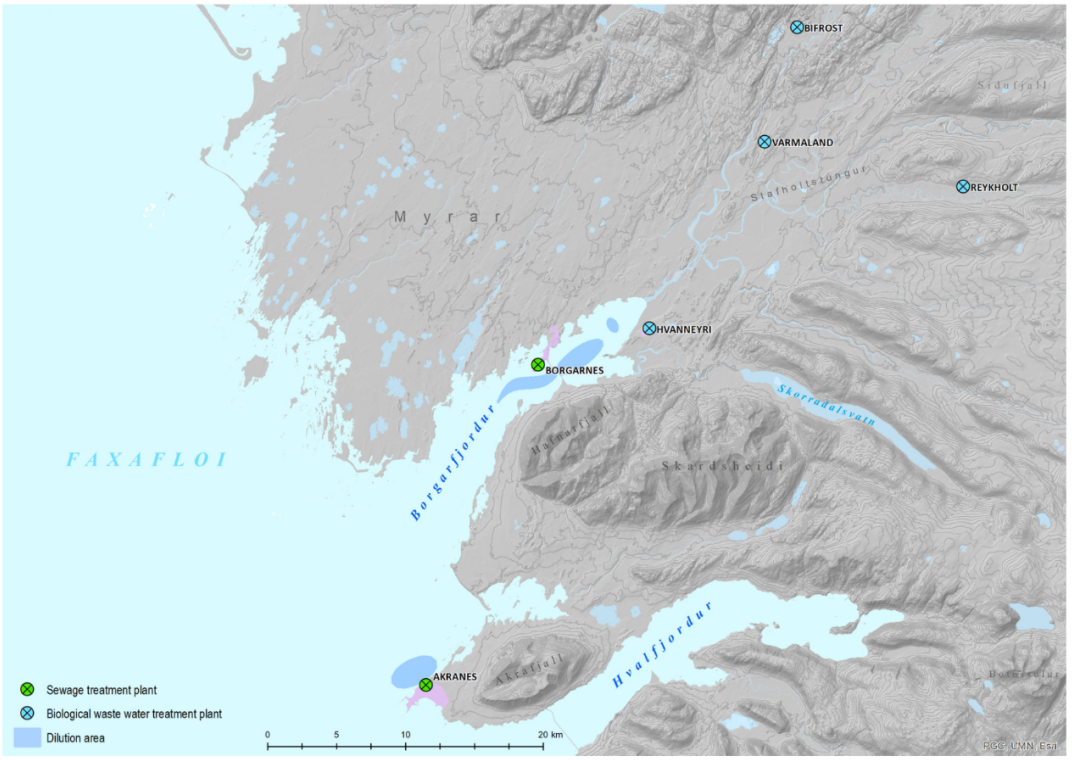
Wastewater System Discharge

Promotes UN's Sustainable Development Goals

Veitur Utilities manages the infrastructure and operation of wastewater systems in Reykjavík, as well as Akranes and Borgarbyggð in West Iceland. Wastewater from Kópavogur, Mosfellsbær and Seltjarnarnes, in addition to parts of Garðabær, is treated in wastewater treatment plants at Ánanaust and Klettagarðar. The infrastructure serves approximately 60% of the population.



Wastewater from about 60% of the population in Iceland is treated in sewerage treatment plants at Ánanaust and Klettagarðar in Reykjavík.



Sewerage treatment plants in Vesturland.

Residents and businesses in Veitur Utilities' accumulation area have access to utility systems and sewerage treatment plants, in accordance with law and regulations.

Veitur Utilities' long term objective is to ensure that the coastline is always clean, as the shore is defined as an outdoor recreational area. However, the discharge of unfiltered sewage via overflows is an inseparable part of the sewerage system, which has been developed over the last decades. This kind of discharge will continue to be the case as long as sewage and surface water is mixed in the receptor, which accounts for approximately 28% of the sewage collection system.

Effective measures taken to reduce the discharge of unfiltered sewage via overflows are, e.g. the development of procedures to systematically search for leaks, revision of procedures in the servicing of pumping stations, and extensive investments in the pipe system to divert surface water from the sewage system, such as at Hlemmur and Vesturgata areas in Reykjavík. In 2021 new procedures have increased the operational security of sewage pumping stations, as well as making it now possible to carry out servicing the stations without adjourning their operations and releasing wastewater directly into the ocean. A new procedure was tested and proved successful in 2021, e.g. sewage from the treatment plant in Ánanaust was partially treated despite the fact that the plant had to be taken out of operation due to urgent maintenance. Furthermore, these measures support improved working environment and employees' safety. Currently, a long term plan is being developed to fully keep infiltration of extraneous water from the sewerage system. This is well under way e.g. in Vatnsmýri, Laugalækur and Rauðará areas, as can be seen on Veitur Utilitie's website.

Environmental monitoring took place in the summer of 2021 at the main outlets of Veitur Utilitie's sewage treatment plants outside in the ocean near Reykjavík and in Hofsvík near Kjalarnes. Mussels were grown at the outlets as pollution indicators for various analysis. In addition, water samples were taken from the oceanwater at the outlets. This can be used to assess whether the discharge of treated sewage is having a measurable effect on the ocean, and if so, to what extent. Results are expected in the first quarter of 2022.

In the vicinity of the overflow channels of Veitur Utilities in Reykjavik, and elsewhere along the city's shore, 87 samples out of 100 were below the limit for enterococci, which means very little faecal contamination. A total of 93 samples were below the threshold for faecal coliforms. In Akranes in Vest Iceland 86 samples out of 100 were below the limit for enterococci and 93 samples were below the threshold for faecal coliforms.

The concentration of microbes in the vicinity of outlets from Veitur Utilities' biological sewerage treatment plants in West Iceland has exceeded the limits prescribed in the operating licence over the past few years. In 2021 and, an improvement project was launched for this purpose.

All annual overview reports of sampling and measurements, are accessible on Veitur Utilities' website.

Blue-green surface water solutions

Veitur Utilities continue working on the implementation of blue-green surface water solutions, in collaboration with municipalities, to minimise the flow of rainwater from streets, roads, and other areas into the sewerage system, and reduce the probability, and likelihood, of discharge through the system into the sea. Residents and businesses have expressed their interest in curbing the flow from their premises with blue-green surface water solutions.

Responsible consumer behaviour

Veitur Utilities has reiterated that toilets should not be used like dustbins, as disposable disinfectant- and wet wipes, along with other garbage in the sewerage systems will inevitably result in too much strain on the equipment at treatment plants, and the environment.

Use of Hazardous Chemicals

Promotes UN's Sustainable Development Goals

The main hazardous chemicals used by Reykjavik Energy Group are asbestos, the base material used in insulation foam, chlorine, acids and bases, welding gases, geothermal gases, oil and solvents. In 2021, the use of hazardous chemicals was substantial, as in previous years.

In 2020, an effort was made to decrease the number of hazardous chemicals used, succeeding in lowering their number from 900 down to around 200. Furthermore, improvements were made with regard to their storage, sorting and disposal, and an effort was made to increase employees' awareness by publishing educational material. For discussion on purchasing, handling, storage and disposal of hazardous chemicals, see video below (IS).

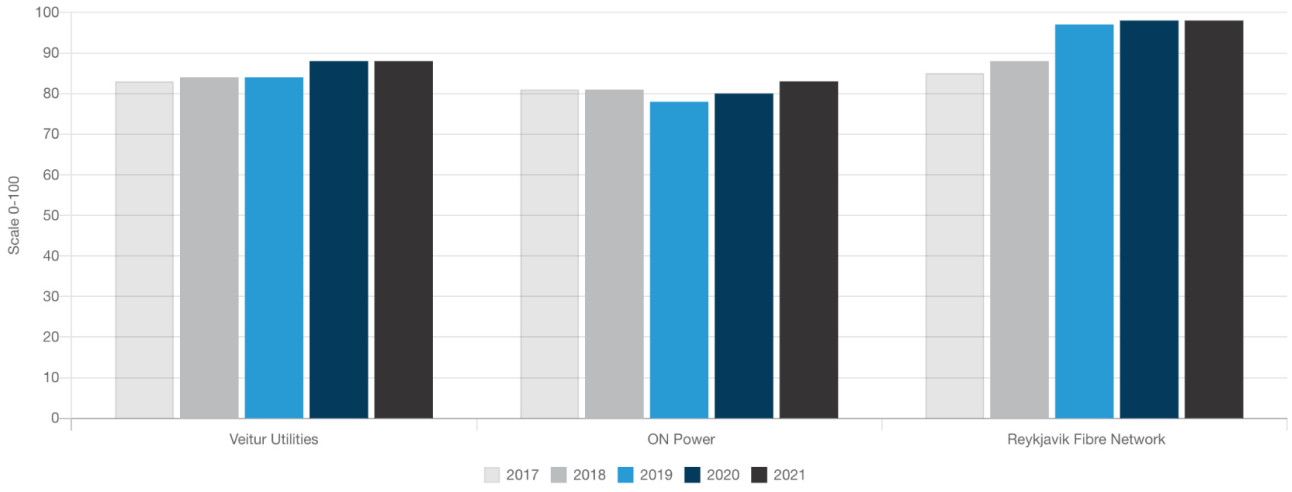
Society

Reykjavik Energy, Veitur Utilities, ON Power and Reykjavik Fibre Network, are responsible for ensuring public access to potable water, sewerage system, electricity, district heating and a fibre network. The most recent subsidiary, Carbfix, battles the climate crisis. The reliability of these basic services at an affordable price and customer satisfaction are the Group's main corporate social responsibilities. However, it is not only important to provide these services, but also how these services are rendered.

Reykjavik Energy Group aims to create a desirable workplace, and views skilled and happy staff as a prerequisite to achieving this goal. The Group is large, by Icelandic standards, hence the working practices can have widespread impact on the community. Reykjavik Energy Group aims to set high standards, and continuously looks for ways to best serve its corporate social responsibility.

The Group's subsidiaries track customer satisfaction by performing regular service surveys. The outcome forms an index, and its trend from 2017 to 2021 can be seen below.

Customer satisfaction 2017-2021

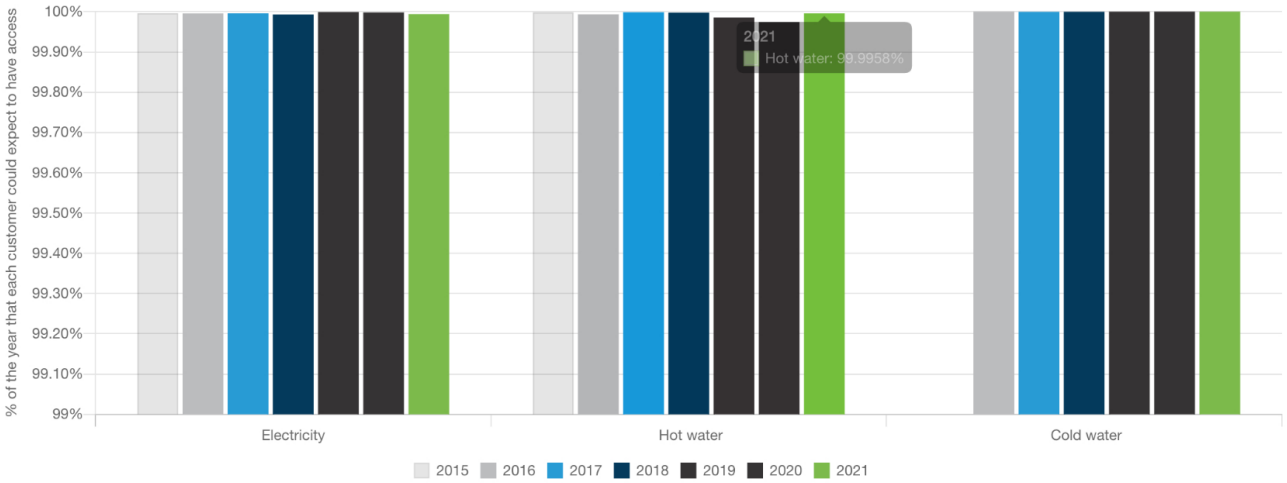


Reykjavik Fibre Network's measurements of customer satisfaction were changed in 2019. Since then, in-house calls are made to approximately 100 customers every week, inquiring about services and contentment.

ON Power tops Icelandic Customer Satisfaction third year running

According to ON Power's survey, customer satisfaction increased from 2019 to 2020. The Icelandic Customer Satisfaction rated ON Power the best Icelandic electric power supplier, third year running. The results were presented in January 2022.

Reliability of the utilities

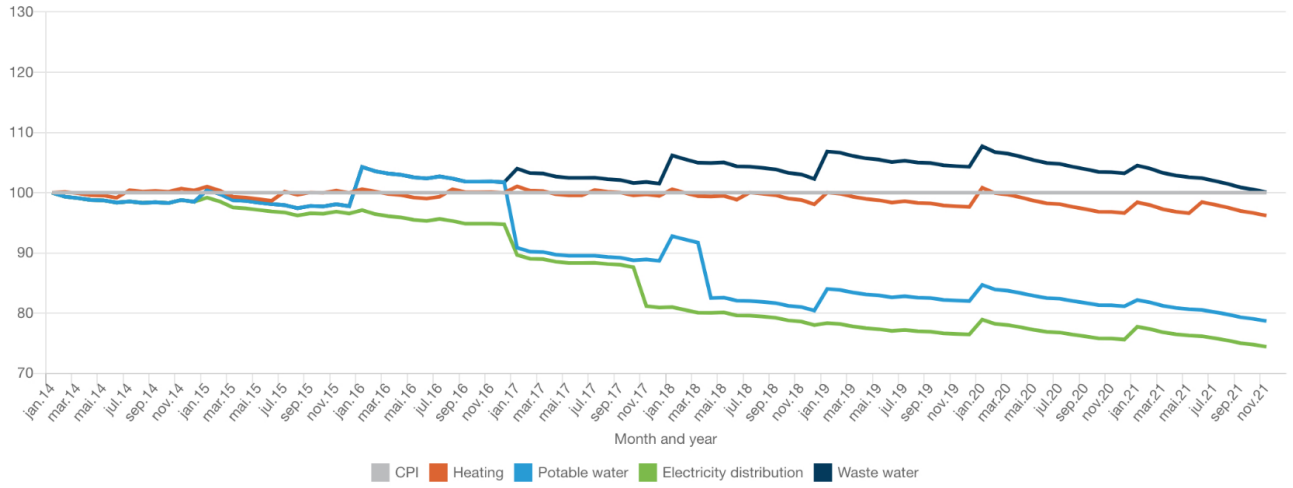


Veitur Utilities uses a tried and tested method for measuring the continuity of supply. The total disruption time for each customer is added up and then divided between all the customers in the utility in question. Veitur Utilities adopted this method for district heating in 2015, and for the water utility in 2016. The graph is calculated on basis of sudden abruptions, when customers cannot be informed in advance. An unprecedented year-on-year increase in the use of hot water reduced its reliability of supply in 2020. In 2021, the reliability of that utility has been restored.

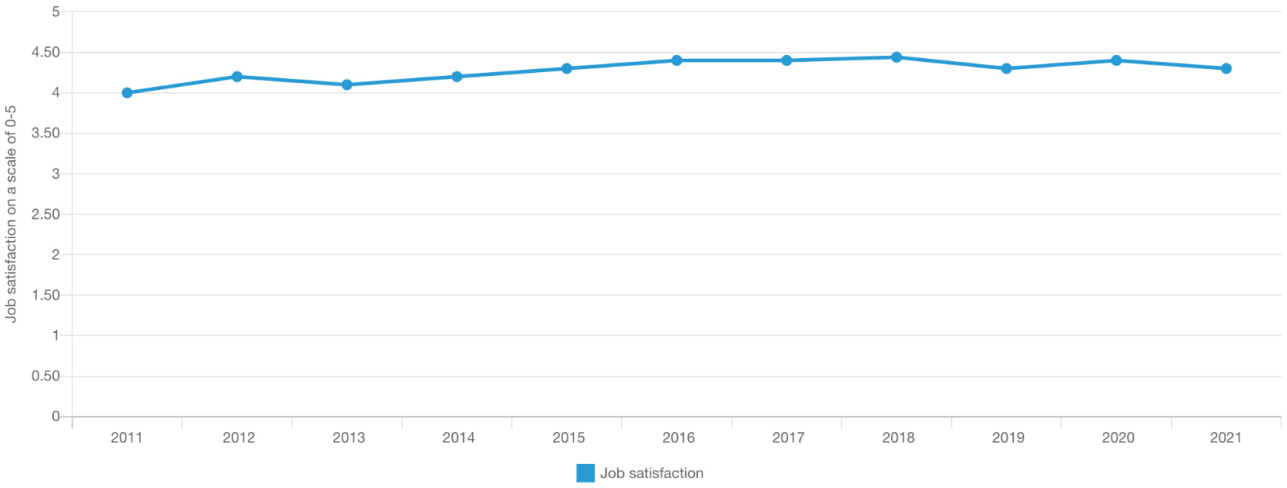
Veitur Utilities' tariffs' development

Since Reykjavik Energy Group was legally obliged to unbundle its operations, at the beginning of 2014, tariffs for licenced services have either fallen considerably or remained virtually unchanged in real terms. On January 1, 2014, the distribution of electricity cost was ISK 4.24/kWh, but on January 1, 2021 it was down to ISK 4.18/kWh. The graph below shows how Veitur Utilities' tariffs have developed since the beginning of 2014 compared to the CPI, which is shown as a horizontal line. The real term reduction in electricity distribution cost is 26%, water tariffs 21%, district heating tariffs 4%, but during the period, sewerage tariffs increased by 0.1% in real terms.

Development of tariffs for licenced services 2014-2021 compares to CPI



Job satisfaction



Reykjavík Energy Group and its subsidiaries have undergone considerable changes in recent years. According to regular workplace analysis, job satisfaction has increased, and has been measured as high since 2014. The year 2020 was unusual, due to the pandemic, and it certainly had an effect on the workplace. Nevertheless, job satisfaction increased from the year before, but a slight decrease is apparent in 2021. Job satifaction at Reykjavík Energy is still high, compared to the Icelandic market and in the year 2019 a target of 4.5 was set to be reached before the end of 2023.

Tax footprint

KPMG has compiled Reykjavik Energy Group's tax footprint for the year 2021. The tax footprint consists of taxes that are charged to the Group's operations and the taxes that the companies within it collect and pay to the state, municipalities and pension funds.

In the year 2021, the Group's tax footprint amounted to ISK 8,699 million. KPMG's report is attached (IS).

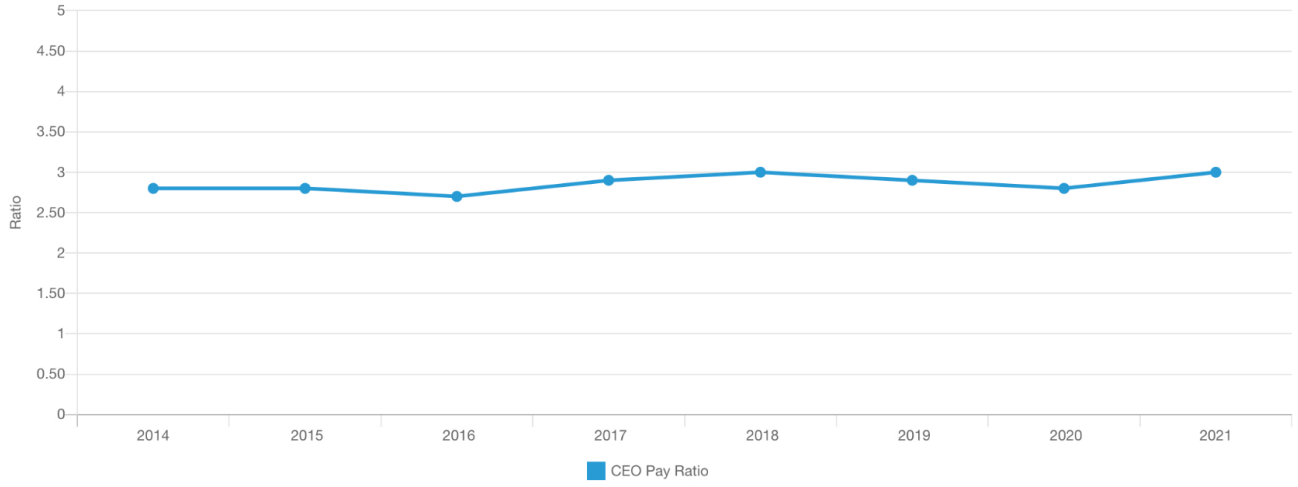
S1 CEO Pay Ratio

The Board of Directors of Reykjavik Energy Group appoints the CEO, determines his or her responsibilities and compensation. The Board of Directors takes into account the provisions of the ownership strategy of Reykjavik Energy Group, which stipulates that the CEO's compensation should be on par with comparable positions, but also mindful of the fact that the company is owned by public entities. The Compensation Committee reviews the CEO's compensation on an annual basis, based on the company's objectives and standards.

The CEO's compensation ratio is measured as the CEO's total compensation divided by the median compensation of permanent employees within the group. Since 2018, the ratio has decreased but reached the same value in 2021.

The monetary amount of compensation to Boards of Directors within the Group, the CEO of Reykjavik Energy Group, and Managing Directors of its subsidiaries, is published in the notes to the Group's Consolidated Financial Statements.

CEO Pay Ratio



S2 Gender-based Pay Ratio

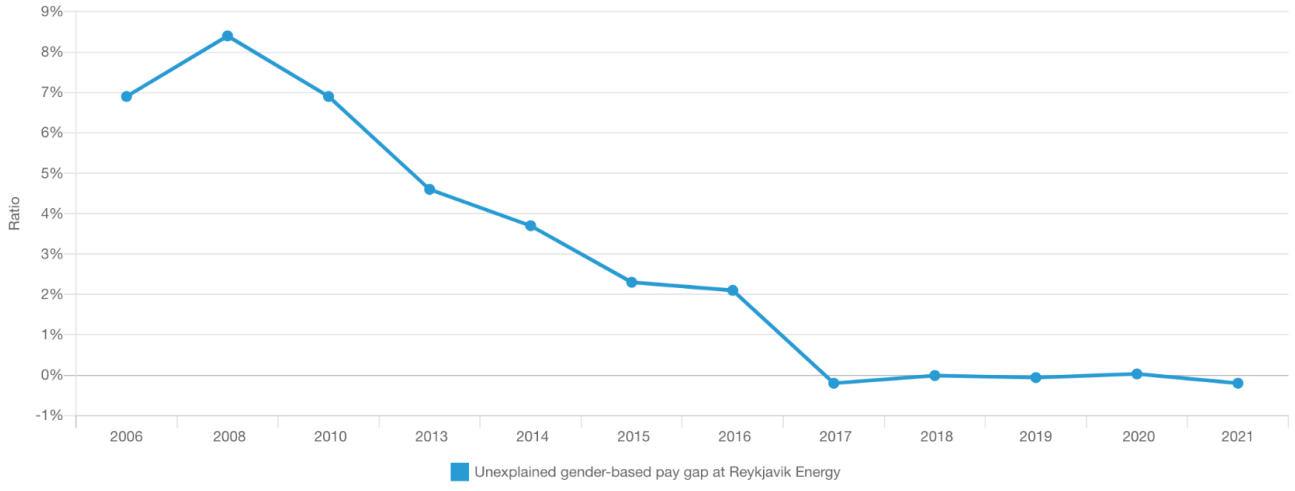
Promotes UN's Sustainable Development Goals

Reykjavik Energy Group places great emphasis on gender equality. The Group received the Equal Rights Award from the Equal Rights Council in 2014, the Motivation Award from the Confederation of Icelandic Enterprise in 2015 and was, in 2021, selected as a Universal Fair Pay Leader.Reykjavik Energy Group is a member of the United Nations Convention on Gender Equality.

In 2017, Reykjavik Energy Group adopted a new model which analyses the impact of every single wage decision on gender-based wage differences. This enabled the Group to eliminate unexplained gender-based pay gap. This milestone was achieved in 2017, and since then, unexplained gender-based wage difference has been statistically insignificant.

Reykjavik Energy Group's Equal Wage Management System received Equal Pay Certification in 2018. This certification confirms that the model, used by the company, fulfils the provisions of Act No. 56/2017 on gender equality. The system is used to ensure that there are no gender-based wage discrepancies within Reykjavik Energy Group.

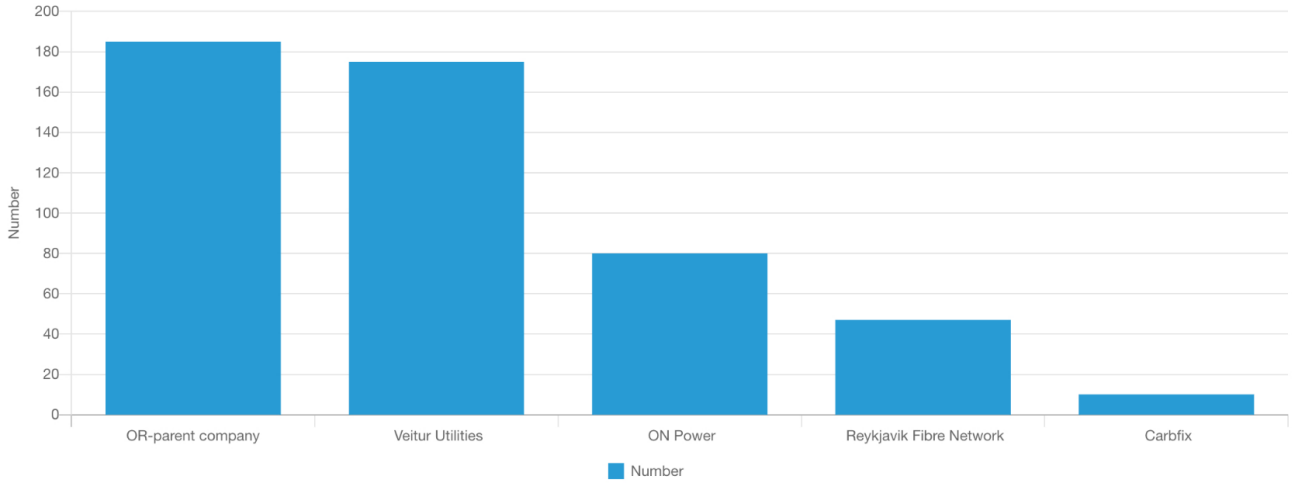
Unexplained gender-based pay gap at Reykjavik Energy 2006-2021



EQUAL PAY CERTIFICATE 2022 - 2025

S3 Employee Turnover

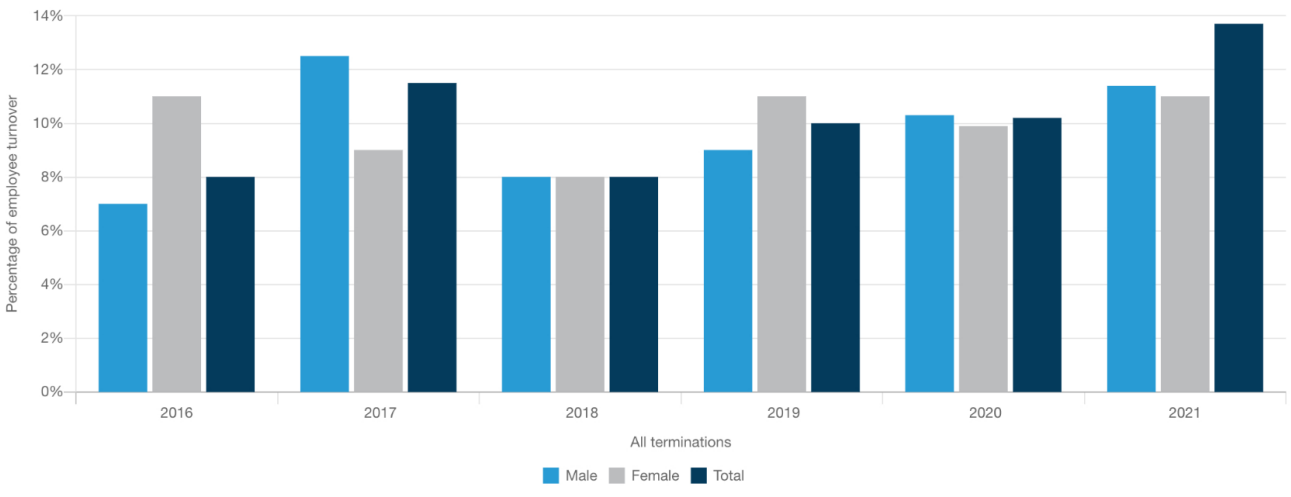
Number of permanent employees at end of 2021



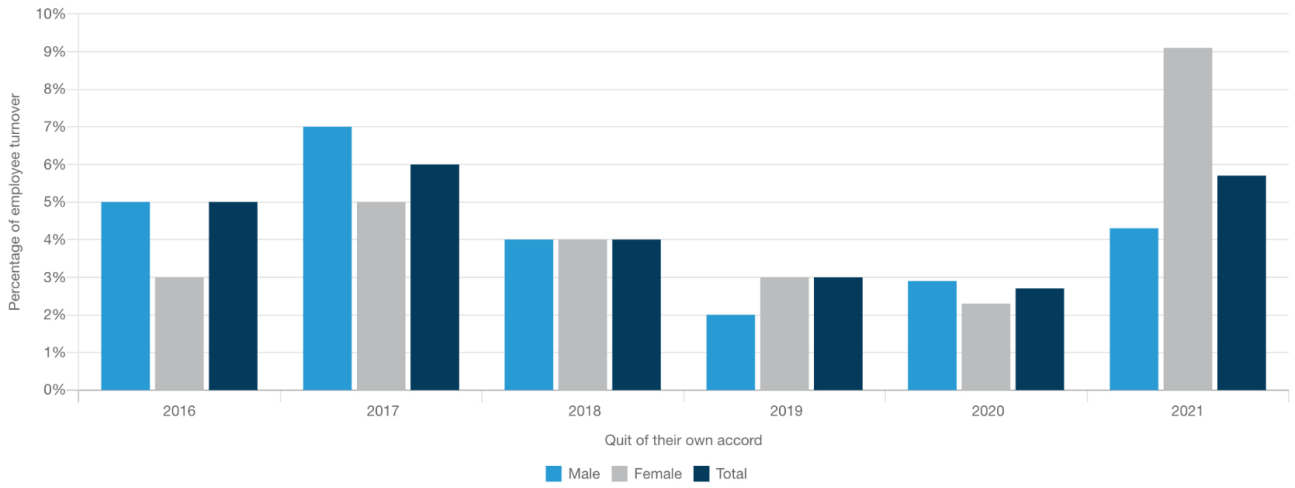
Reykjavik Energy closely monitors staff turnover in the Group with regard to, among other things, age and gender. There has been a correlation between the economic situation and staff turnover, so that in times of crisis the number of people changing jobs decreases. Yet, despite the economic downturn due to the corona virus pandemic, the trend in many parts of the West has been to see an increase in staff turnover. The pandemic and the many absences from the workplace that have accompanied it therefore seem to have a greater impact on staff turnover than the economic downturn. Staff turnover in 2021 was slightly higher in 2020, with a greater rise among women than among men. The pandemic may also have had an impact there, but it has affected domestic life as well, since women are more likely to bear greater responsibility than men. OR does not assume a priori that the pandemic is the principal factor behind this, and has therefore launched a special survey to determine why an unusual number of people chose to retire from the companies in 2021.

A negligible part of Reykjavik Energy Group employees are less than 100% employed. Therefore, staff turnover is not calculated specifically for that group.

Employee turnover



Employee turnover, quit of their own accord

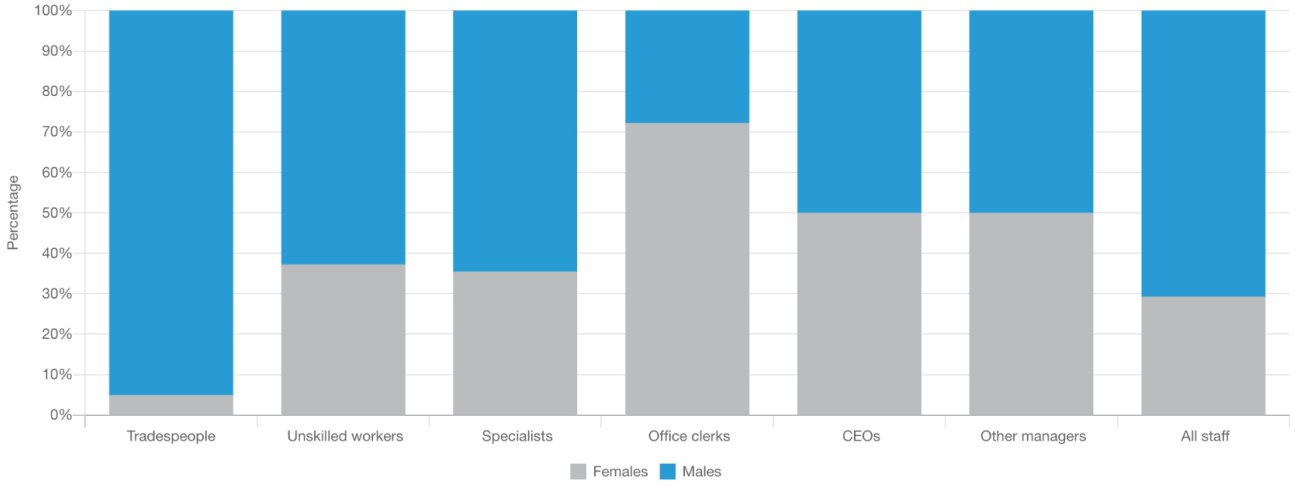


S4 Gender Diversity

Promotes UN's Sustainable Development Goals

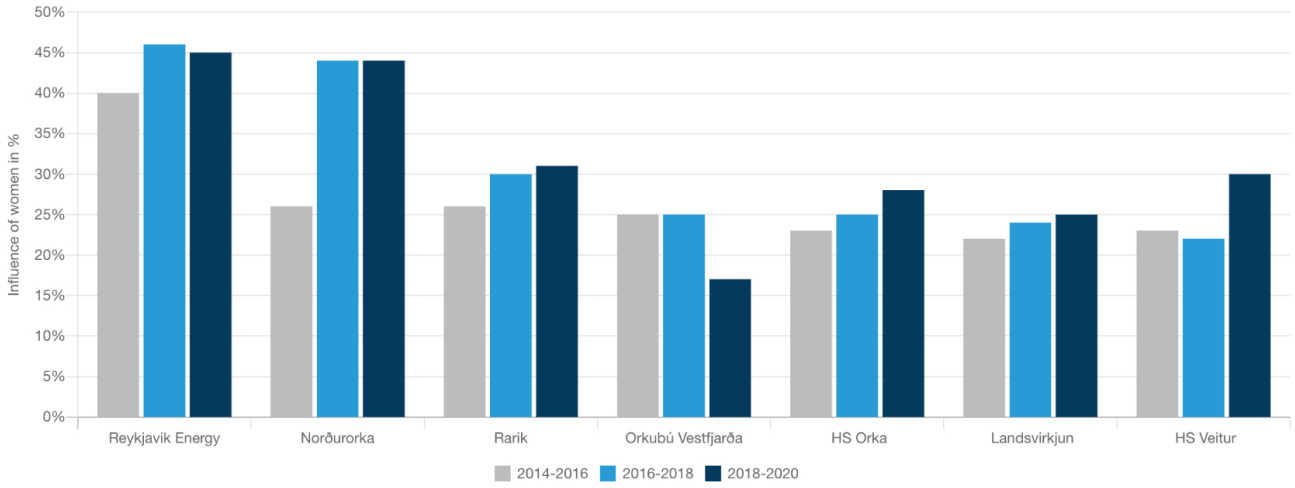
Reykjavik Energy Group has traditionally been a male dominated workplace, and efforts are being made to increase the number of female technicians and specialists, as well as the number of males as clerical workers. At the management level, gender equality has prevailed since 2015. Reykjavik Energy Group does not have figures on gender equality policies from its contractors.

Gender diversity per job category



According to a report, prepared by Ernst & Young for the association Women in Energy, published in December 2021, the influence of women within the energy sector is greatest at the Reykjavik Energy Group. That has been the result of all three reports by the assiciation.

Influence of women with Icelandic energy and utility companies



S5 Temporary Worker Ratio

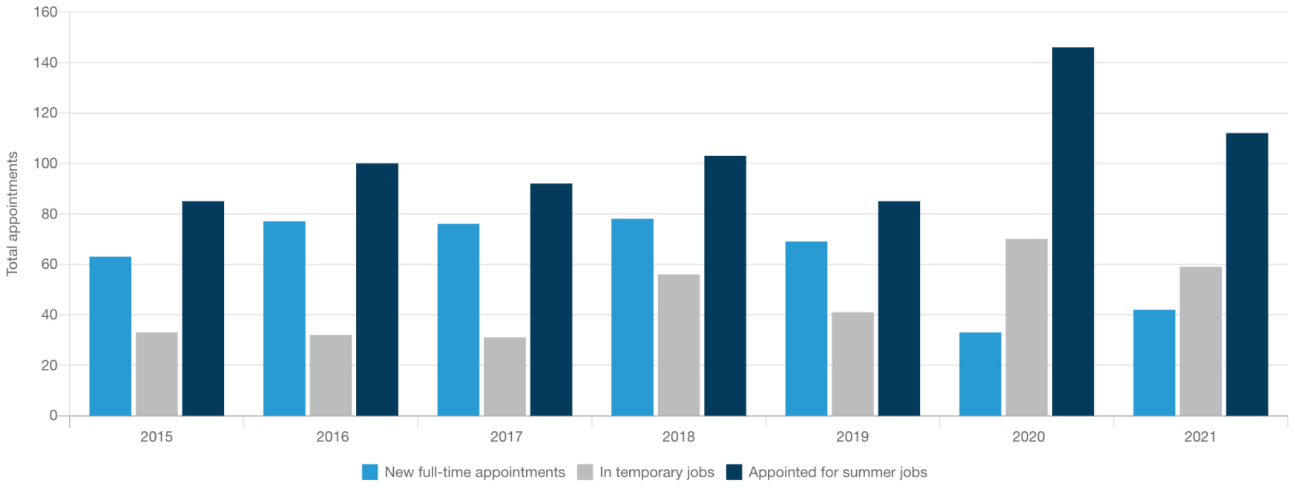
Promotes UN's Sustainable Development Goals

There is a long-established tradition among utility companies to hire young adults for summer jobs, beyond the need for temp jobs. This is in part due to the fact that the utilities own extensive infrastructure and sites, that require maintenance, best done in the summer. By giving young adults summer jobs, they gain insight into the operations which may awake their interest to come back later and work for the Group.

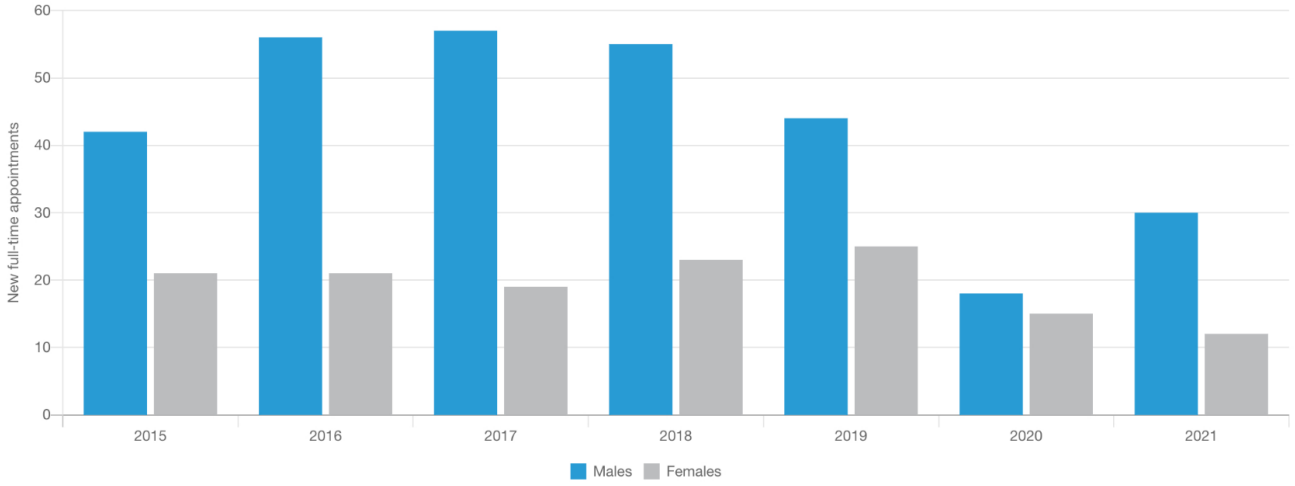
Resilience measures because of the COVID-19 pandemic explain increase in both the number of summer temps and part-time employees in 2020 but these countermeasures were smaller in scope in 2021.

Reykjavik Energy Group and its subsidiaries buy a substantial amount of services from large companies, such as engineering firms and building contractors. Some employees, from both large and small contractors, work for the most part for Reykjavik Energy Group or one of its subsidiaries. That segment of employees has not been defined, and Reykjavik Energy Group does not have any numerical data on its composition.

Temporary Worker Ratio



New full-time appointments by gender



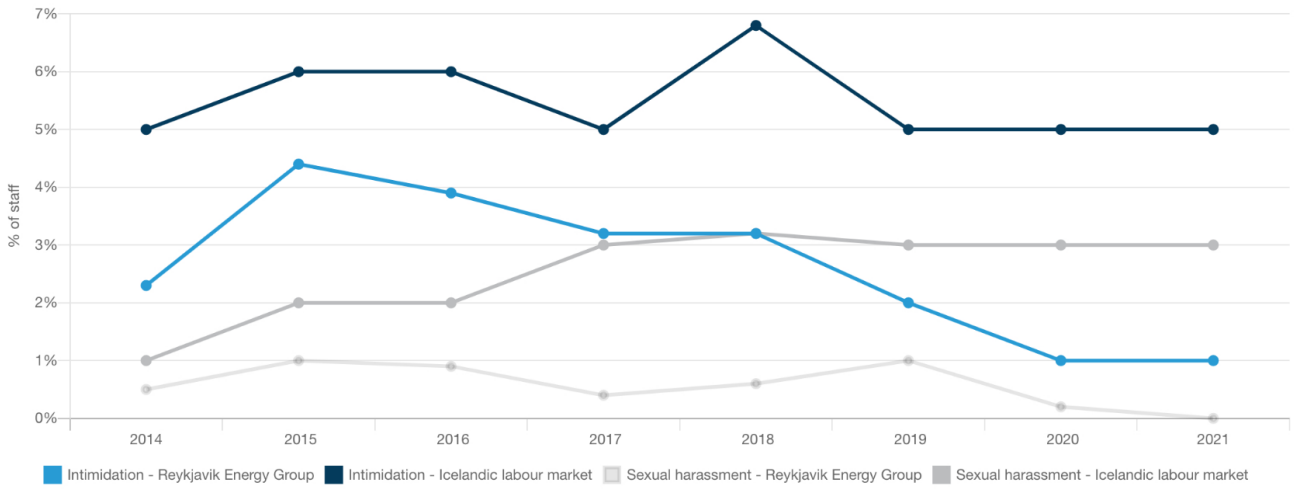
S6 Non-Discrimination

Promotes UN's Sustainable Development Goals

In the annual workplace assessment, employees are asked if they have suffered bullying, sexual harassment, or gender-based violence. Occurrences are getting fewer every year, and it is the Group's policy that such behaviour is simply not tolerated.

In 2021, the proportion of those who said they had been sexually harassed in the workplace in the last 12 months for the first time dropped to 0. Participation in the workplace assessment among employees was 92%.

Percentage of staff who say they have been subject to intimidation or sexual harassment



Equality and diversity in the workplace

During the year, the company conducted electronic courses in eight sections on equality and diversity in the workplace. The courses are supervised by Sóley Tómasdóttir at Just Consulting and by the end of the year about one-third of staff had completed at least a part of the courses. The aim is to create a common base of knowledge to promote a workplace culture with which all employees feel comfortable. In parallel with the courses, so-called *Equality-Confidential* were held, electronic meetings where employees exchange experiences and opinions on various aspects of workplace culture.

Crafts and technology

In 2021, work also continued on the project Idnir - vocational project with boys and girls from Árbæjarskóli. In this project, tenth grade students are offered an optional course designed to arouse their interest in industrial and technical professions by introducing them to the great variety of jobs and professional opportunities which industrial and technical studies have to offer. By giving students, boys and girls, an opportunity to gain some practical experience in industrial and technical jobs we hope that more of them will come to view studies and employment in these sectors as an attractive option.

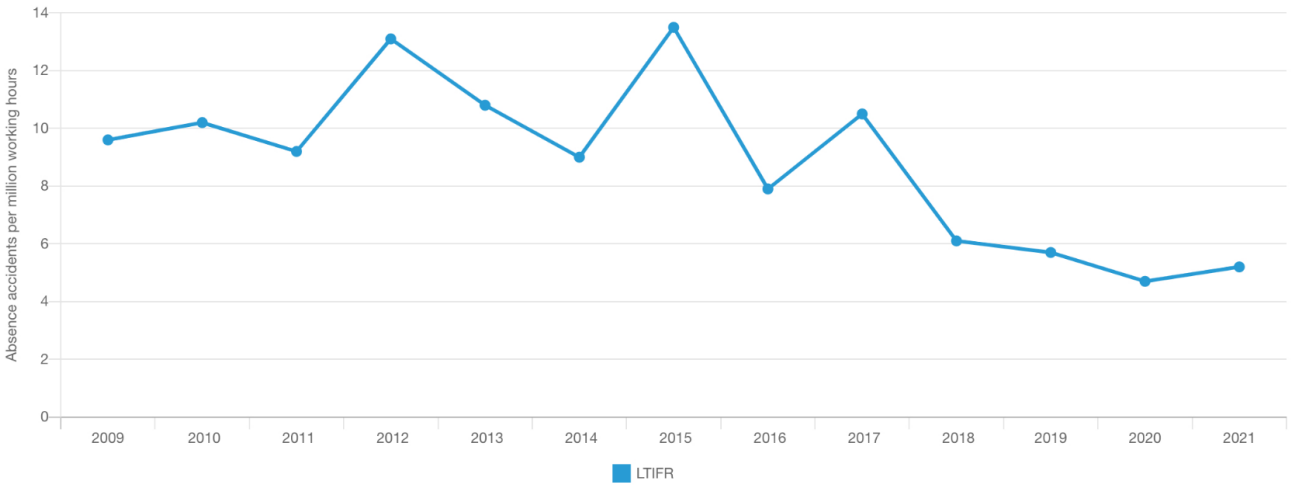
Implementation of Non-discrimination Policy

In 2021, it was decided to make one gender equality plan for the Reykjavík Energy Group. Previously, each company within the group had worked out its plan and monitored its progress.]

S7 Injury Rate

The Lost Time Injury Frequency Rate (LTIFR) is an international measurement unit for the rate of occupational injuries. It is calculated as the number of injuries per million working hours. The term injury is used if a person is absent from work for at least one day. There were five injuries at Reykjavik Energy Group in 2021, the same number as in 2020. Working hours were 959,575 , fewer than in 2020. Thus, the LTIFR increases year-on-year. The number of working hours is calculated by using working hours at the workplace and recorded working hours during telecommuting.

Absence accidents per million working hours



At Reykjavik Energy Group no umdertaking is so important that it is worth putting the safety of employees at risk. The Group's Safety and Health Policy is regularly reviewed by the Boards of Directors within the group. The goal is to achieve an accident-free workplace. That goal was not met in 2021. The Group sets clear safety requirements in all its tenders to ensure that contractors comply with safety regulations. The Group has also issued a Safety Handbook, which is available to all employees and contractors. All contractor employees are required to take certified safety courses.

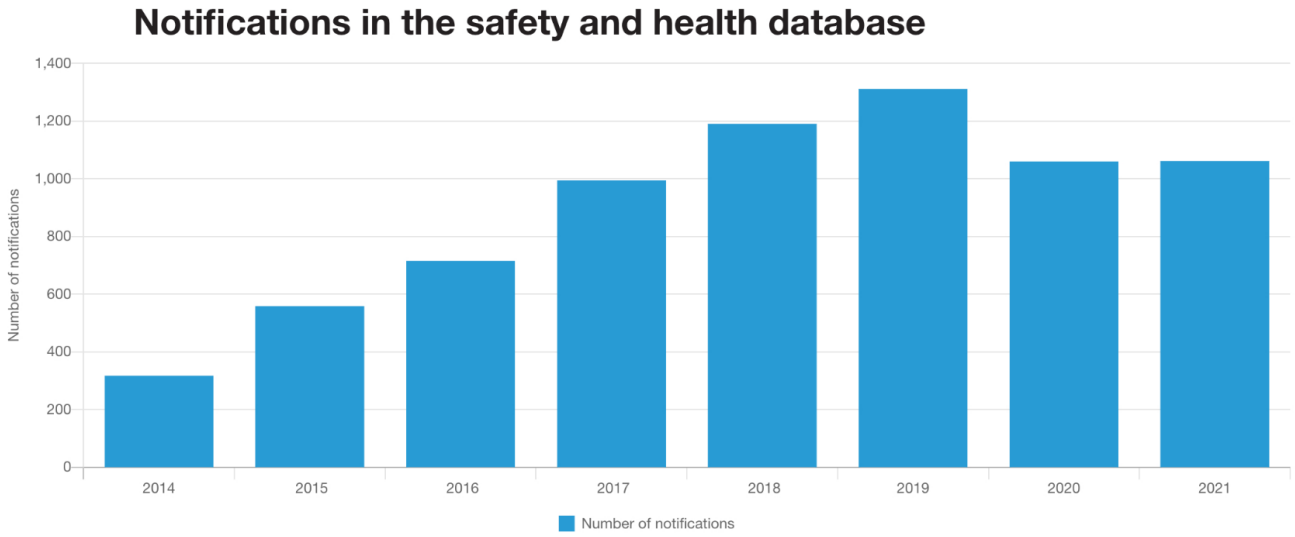
In the supplier's Code of Conduct, the general rule applies that the work environment is to be wholesome, safe, and according to the law, and that the suppliers alert their employees of possible hazards in their workplace environment.

The Golden Rules

In 2020, a safety effort was launched among employees, under the caption: The Golden Rules. The objective is to alert employees to what is most hazardous in their workplace environment.

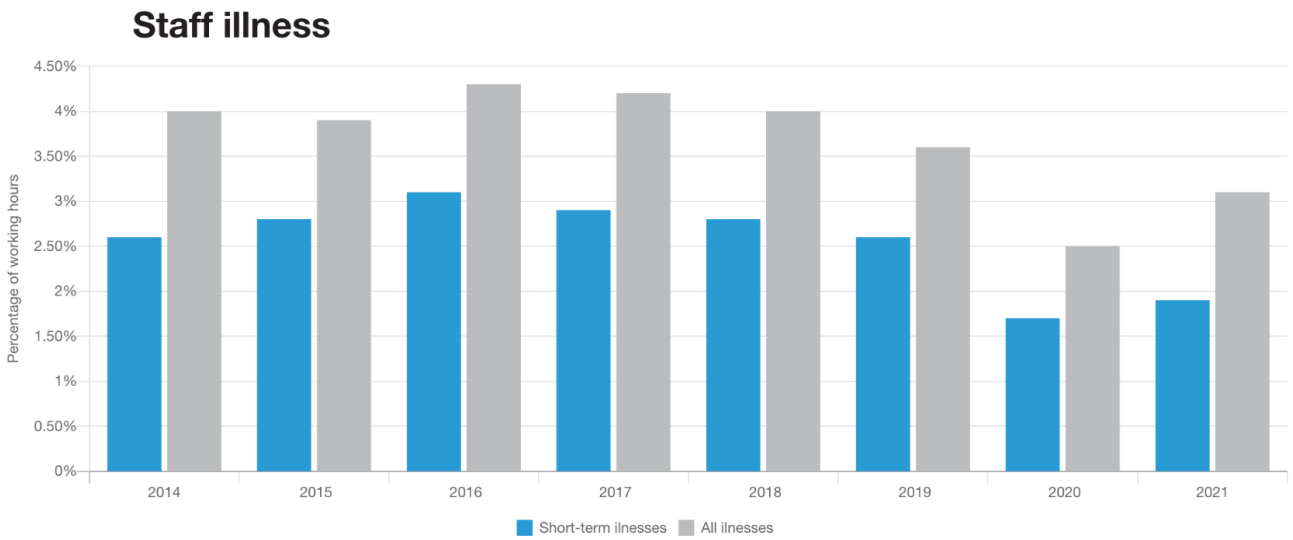
Björg - A Notification Database

Reykjavik Energy Group operates a notification database, where staff can register hazards and ideas for improvement at the workplace. These registered hazards provide the basis for review of health and safety issues. Each notification is reviewed and its resolution has to be confirmed. The increased number of notifications, until the unprecedented 2020, is a sign of increased awareness of safety issues and improved safety culture within the Group. Telecommuting during the year explains fewer notifications of hazards that employees met during working hours.


Notifications in the safety and health database
1,400
1,200
1,000
800
600
400
200
0
Number of notifications
2014
2015
2016
2017
2018
2019
2020
2021
Number of notifications

S8 Global Health and Safety

Promotes UN's Sustainable Development Goals



Reykjavik Energy Group has a Health and Safety Policy, which is annually examined and reviewed by its Board of Directors. One of the Group's objectives is to reduce employees' absence, due to accidents or illnesses, to 3.6% of total hours worked by the end of 2023. This target was already reached in the COVID-19 year of 2020 and stood at 3.1% at the end of 2021.

Employees' absences were notably down during 2020, and no doubt the reason can be traced to effects of the pandemic. To begin with, employees worked mainly from home, and it may be conferred that they did their work even though being sick, but would otherwise have been absent from their workplace. In addition, general disease preventions due to the pandemic meant that various infectious diseases, which would otherwise have resulted in absence, never took hold because of restrictions on gatherings.

These effects were also apparent in 2021 but increased absence due to long-term illnesses may partly be traced to increased stress and strain because of changed working conditions.

Employees are encouraged to take good care of their health, both mental and physical, especially during these unprecedented times, caused by the pandemic. Scheduled courses and lectures of varied topics were offered in order to promote healthy living. Every employee's journal allowed for reserved time and a reminder to regularly take a break and stand up from their work. They were also encouraged to take special care to make a clear division between work and personal life.

S9 Child and Forced Labour

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group endeavours to operate in accordance with Icelandic labour laws, and the Group's policy on Environment, Health and Safety (EHS) issues, and its terms of employment go further than the law dictates in these areas. Reykjavik Energy Group is aware of the risk that contractors, or sub-contractors on their behalf, do not comply with the rules. In response to this, Reykjavik Energy Group has, among other things, taken the following precautionary measures:

- Required that tender documents include clauses regarding Child's & Forced Labour.
- Imposed provisions that authorise termination of contracts with contractors who break Icelandic labour market regulations.
- Imposed a requirement that invoices for outsourced labour may not include longer work periods than seven hours per day, unless licensed to do so by Reykjavik Energy Group (such a licence has not been issued).
- Imposed a requirement that work contracts, wages, and insurance payments must comply with Icelandic law.

No cases requiring measures to be taken under these provisions arose in 2021.

International certification system against Child's & Forced Labour does not exist. Thus, Reykjavik Energy Group cannot easily confirm that this does not happen within the value chain, e.g. when procuring products. Should that be proven, provisions that authorise termination of contracts can be found in all tender documents by Reykjavik Energy Group. Furthermore, final draft for suppliers' Code of Conduct, and a recorded violation, can also lead to termination of business with the respective supplier.

S10 Human Rights

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group's Non-Discrimination Policy is based on human rights definitions in the Constitution of Iceland. The company's Code of Conduct also contains a special chapter dedicated to human rights and equality. Seminars on the subject matter are periodic. The Group held workshops in 2018 to discuss the #metoo movement and its significance for the workplace culture at Reykjavik Energy Group. Attendance was compulsory for every employee. Workshops were held in 2019, to focus on the development of a formal Communication Charter for the Group. The Communication Charter was published in 2020.

Reykjavik Energy Group has written procedures for complaints from employees or employees of contractors, reporting unacceptable behaviour or interaction at the workplace. Communication channels and the resources offered by Reykjavik Energy Group are explained. Employees are informed of these written procedures, which can be found in the Group's contingency plan, regarding bullying, violence, sexual or gender-based harassment. See chapter S6 on Non-Discrimination for results of an annual survey on intimidation and sexual harssment.

In 2021 the company issued a code of conduct for suppliers, based on the procurement policy and the United Nations' Global Compact's ten basic principles, which the Group adheres to. Concurrently, work procedure was established, concerning reaction in case of information of noncompliance.

Requirements, which are at least equivalent to the Code of Conduct for Suppliers, can be found in the terms of all calls for tenders by Reykjavik Energy Group.

The table shows the proportion of purchases by the OR Group that falls under the Code and the proportion of suppliers that have approved them, either by signing them or by participating in tenders.

At the end of 2021 96 suppliers had confirmed their abidance to the Code.

In 2021 56% of all the Group's purchases followed tendering. That portion in 2020 was 61% and the decrease is due to more purchasing of electricity for resale in 2021.

Dissemination of Knowledge

Promotes UN's Sustainable Development Goals

Reykjavik Energy Group's commitment to continuous improvement creates expertise and knowledge which can be of use to others. Some of the contributing factors are:

- Its subsidiaries having leading position in geothermal utilisation.
- Veitur Utilities being the largest company of its kind in the country.
- Reykjavik Fibre Network having the most extensive fibre network in Iceland.

Reykjavik Energy Group considers knowledge dissemination, that can benefit others, as one of its key social responsibilities.

Annually, Reykjavik Energy Group hosts Science Day, where various development projects are presented. Unfortunately, Science Day had to be cancelled in 2020, due to COVID-19. Several employees of the Group regularly teach at universities and the School for Renewable Energy Science (RES) in Iceland, and deliver lectures at professional conferences, domestically and abroad.

Elliðaárstöð - Overview of the area of the upcoming History- and Educational Exhibition.

Geothermal Exhibition and Elliðaárdalur Electric Power Station

For years, the Geothermal Exhibition at the Hellisheidi Power Plant, has received visits from school children. In 2020, in response to the pandemic, online visitations were developed, and a large number of school classes came for a 'visit'. For most of the year, the Geothermal Exhibition was closed to guests.

In 2020, Reykjavik Energy Group announced the development of a history- and educational exhibition at Elliðaárdalur. The name of the project is The Elliðaárdalur Electric Power Station. The exhibition is meant to create a completely new experience for children and adults, where they can learn about history and science in a multi-sensory way. The cluster of houses at Rafstöðvarvegur Road, gain new roles, where groups of schoolchildren, families, hikers, and others can get acquainted with the science and technology that is behind the utilities' projects that revolutionised quality of life in Reykjavik. The plan is to open the exhibition on the old Elliðaárdalur Electric Power Station's centennial, or in the summer of 2021.

Green Business Accelerator

Late in 2020, Reykjavik Energy Group became a member of the Green Business Accelerator, along with the Ministry of Industries and Innovation, Reykjavik City, the municipality of Hvalfjarðasveit, Reykjavík Harbour (Faxaflóahafnir), the waste management companies Sorpa and Terra, as well as Grundartangi Development and Breið Development.

The objective of the Green Accelerator is to encourage the development of large and thriving companies, that base their ethos on the recirculating system, create jobs, and excel in environmental performance, here in Iceland. Sustainable innovation and developments for new solutions in environmental- and climate issues and value of exports based on ingenuity, is supported.

Icelandic Startup manages the Green Accelerator.

Carbfix knowledge

Knowledge of sequestration of geothermal gases in basalt, gained by collaboration of Reykjavik Energy Group's scientists with numerous other scientists, is undoubtedly the most widely recognised product of the Group's research and development activity. A broad variety of media outlets around the globe have covered Reykjavik Energy Group's and ON Power's project at the Hellisheidi Geothermal Power Plant, which is considered unique. Among the media, that covered Carbfix in 2020, are:

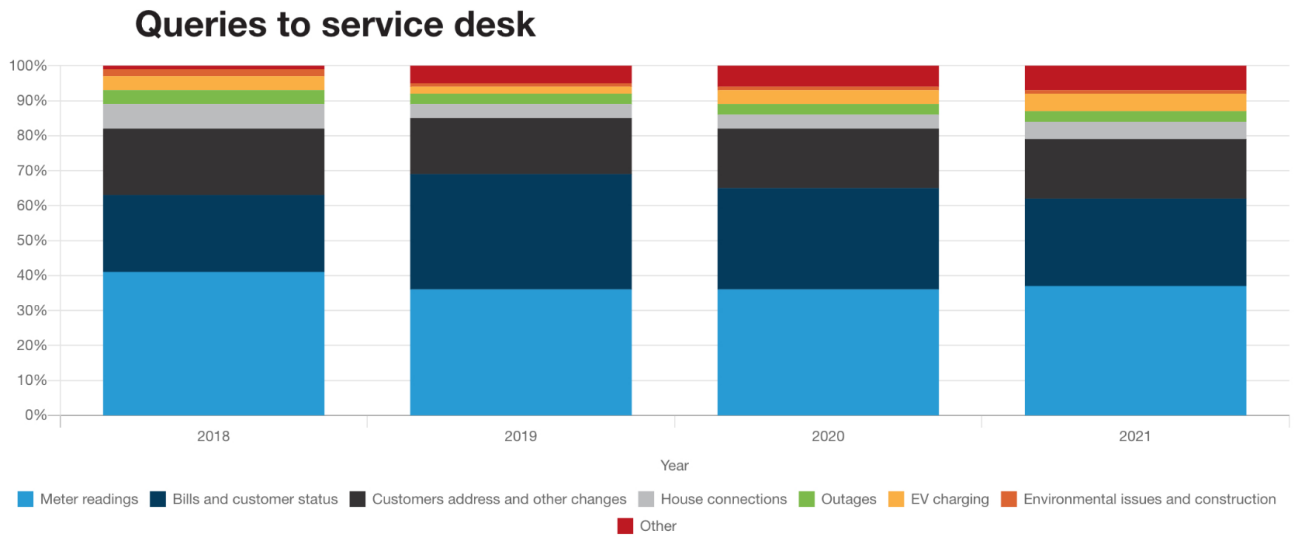
- Nature
- BBC Future
- The Weather Channel
- The Economist
- Netflix
- The Guardian

Queries to Service Desk

In 2021, the shared service centre of Reykjavik Energy Group's subsidiaries Veitur Utilities, ON Power, Reykjavik Fibre Network, and Carbfix, received a little over 148 thousand queries. This was a slight increase from 2020. The majority of the queries were from customers who were remitting their meter readings, followed by inquiries and miscellaneous issues regarding billing. In the graph, inquiries are divided according to subject. Suggestions or complaints regarding environmental issues are presented separately in the annex below. Also included is information regarding notifications, and their reasons, to regulators.

Probably, the implemetation of smart-metering, which began in 2021, will significantly reduce the need for customer inquiries regarding their respective use. These were 37% of communication with customer service in 2021. Systematic efforts are being made, in parallel with the replacement of older meters, to ensure that customers' self-service is responsive and effective.

Collaboration with regulators, stakeholders, and customers of Reykjavik Energy Group is important to its employees, as it draws attention to, and puts emphasis on, the most important issues. An example of that would be regular meetings with regulators, and Reykjavik Energy Group's use of social media.



COVID-19

Promotes UN's Sustainable Development Goals

In 2020 and 2021, the COVID-19 pandemic had a profound effect on Reykjavik Energy Group and its subsidiaries' operations. Society's essential services, e.g. utilities and energy production, must be protected. The pandemic, and the response to it, also clearly demonstrated, that a reliable fibre optic network is a fundamental infrastructure for society's resilience. Reykjavik Energy Group is responsible for these public interests, and thus the response to COVID-19 was decisive and successful.

No instances are known of infection in the workplace and no group infections occurred in the years 2020 and 2021. There were no service failures during these years due to the pandemic.

Crisis Management Committee and Dissemination to Employees

Reykjavik Energy Group's Crisis Management Committee held its first meeting in January 2020, in preparation for the imminent pandemic. Members of the Crisis Management Committee are the CEO, Managing Directors, Director of Environmental Affairs, Chief Communications Officer, and a member of the Health and Safety team.

The following is an example of steps taken:

- Requesting disclosure in case of travel abroad, early on in the pandemic and before border screenings.
- Requesting that employees do not report to work if they or a family member are suffering flu-like symptoms.
- Specific precautions for the operational control room, e.g. complete separation of shifts.
- Specific precautions for work teams and specialist staff, e.g. by securing complete separation of groups.
- Continuous education, dissemination of information and motivation.
- Mandatory working from home.
- Gathering restrictions.
- General disease prevention measures.
- Mandatory mask wearing where social distancing is not possible.
- Rules and restrictions on conduct in employees' cafeteria.
- Temporary ban on meetings with third parties, other than video conferencing and later restrictions on meetings with third parties on Reykjavik Energy Group's premises.
- Recommendations sent to employees regarding general disease prevention measures outside work hours.

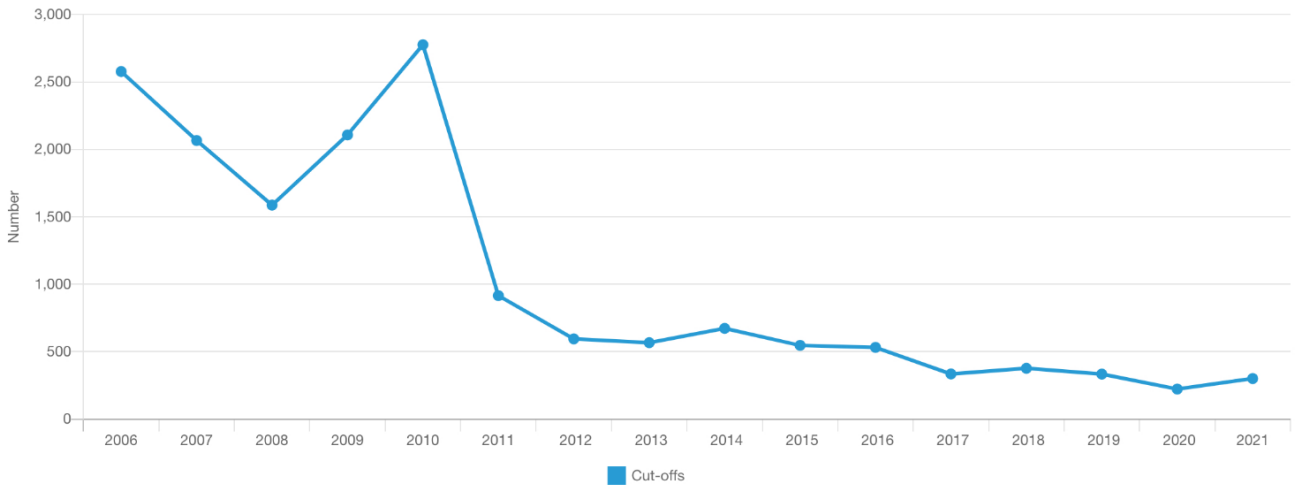
The pandemic will leave some lasting changes to the workplace. After the homework and hybrid-work of employees became more common – which many employees liked – teleworking agreements have been made with about a quarter of the group's employees.

Fewer cut-offs in 2020, but then increase

In recent years, Reykjavik Energy Group has systematically worked on improving utility bill services. Emphasis is now put on assisting those who are in arrears. Service representatives have a wider range of solutions at their disposal, and the billing process has been streamlined. This has resulted in fewer bills being in arrears, and cut-offs due to nonpayment decreased substantially.

In early 2020, when it was foreseeable that COVID-19 would deal an economic blow, a decision was made to further increase flexibility when collecting, and cut-offs due to nonpayment reduced significantly between the years 2019 and 2020, though the number of companies in arrears increased. In 2021, the number of cut-offs increased mainly because of defaulting companies that didn't survive the pandemic despite various governmental remedies.

Number of cut-offs 2006-2021



Effect on Carbon Footprint

COVID-19 and responses to the pandemic has had conflicting effect on the Reykjavik Energy Group's carbon footprint. Many of the changes imposed decreased emissions, others increased it. Flight emissions were almost completely wiped out during the years 2020 and 2021. For considerable portions of these years, large number of employees telecommuted. Therefore, less actual commuting. In addition, commuting to meetings, either in the capital or outside it, was significantly reduced, thanks to telecommuting.

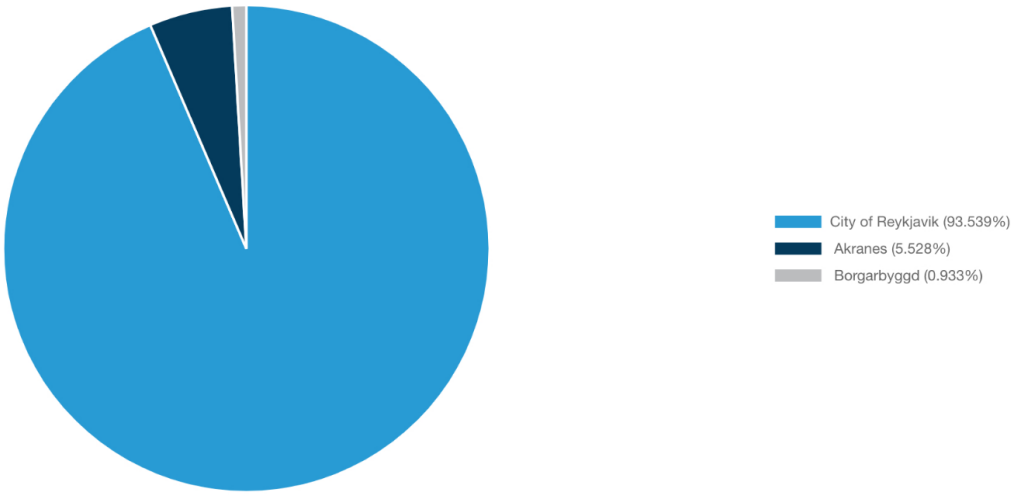
On the other hand, many employees work in constructions, and in order to safeguard their disease prevention, they were split into groups. Each group was assigned a vehicle for commuting purposes, from the Group's vehicle fleet. This meant more mileage was incurred by employees.

Governance

Reykjavik Energy Group's corporate governance strategy is designed to ensure professionalism, efficiency, cost effectiveness, transparency and responsible management. The principal operations of Reykjavik Energy Group are governed by Act no.136/2013. In 2014, the collective ownership contract on operations were renewed by the owners of the company. The ownership strategy was also revised. The strategy dictates corporate governance. In drafting these documents, accepted for all the subsidiaries, and Rules of Procedure for all the Boards, account guidelines, as established by the Chamber of Commerce in collaboration with SA the Confederation of Icelandic Enterprise and Nasdaq, were taken into account.

Reykjavik Energy Group's corporate governance strategy is considered to be in compliance with these guidelines.

Owners of Reykjavik Energy Group



The basic structure of Reykjavik Energy Group

Veitur Utilities operate electric, heating, potable water, and sewer utilities, mainly exclusively licenced operations. ON Power generates electricity and heat in power stations, and sells electricity in a competitive market. Reykjavik Fibre Network operates a fibre optic telecommunications network, serving homes and businesses. Carbfix is a start-up company, established for the dissemination of the carbon dioxide mineralisation method. The parent company – Reykjavik Energy – is a serving parent company, supporting the subsidiaries with various central services.

G1 Board Diversity

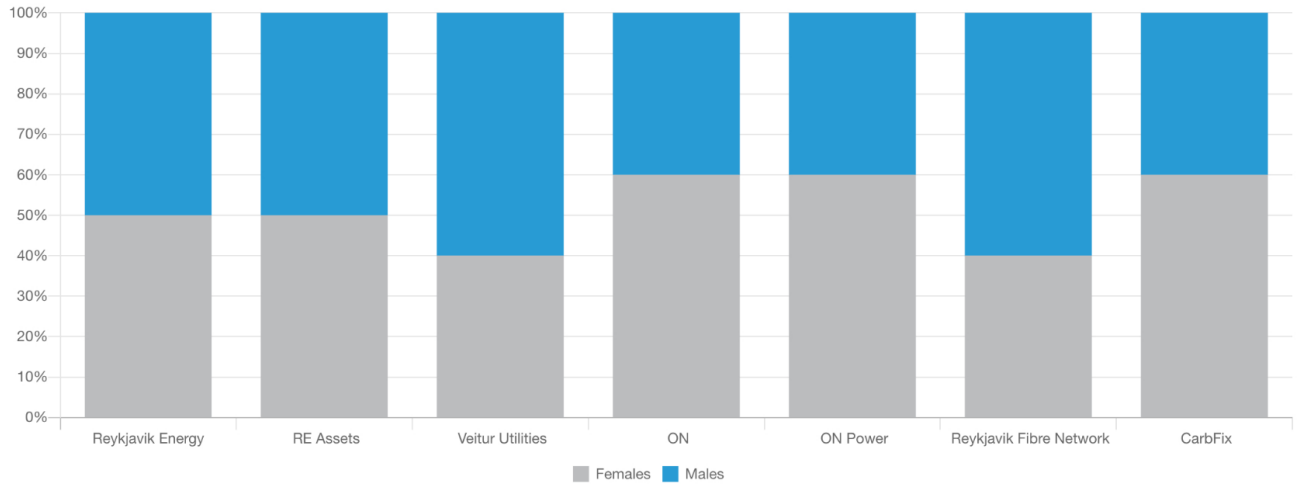
Promotes UN's Sustainable Development Goals

Reykjavik Energy Group comprises seven companies, each governed by a Board of Directors. Reykjavik Energy Group's Board members are required, among other things, to possess knowledge, skills, and experience necessary for performing their duties. Members of the Boards of Directors of the Group's subsidiaries are also expected to fulfill equivalent requirements.

Reykjavik Energy Group's Board commissions two committees, the Compensation Committee and the Audit Committee. The Chairperson of the Compensation Committee is female. The Audit Committee is joint with Reykjavík City, and the Board of Reykjavik Energy Group appoints a representative for the committee. That representative is female.

There are a total of 37 seats on various boards of the consolidation. The Boards of Reykjavik Energy Group and OR Assets (Eignir), ON and ON Power, are appointed the same representatives. Appointed for these 37 seats are 18 women and 19 men. Women act as Chairpersons in six of seven boards: the Board of Reykjavik Energy, and thereby Reykjavik Energy Assets, Veitur Utilities, ON, and thereby ON Power and the chairperson of Reykjavík Fibre Network is female. Two observers are appointed to the Board of Reykjavik Energy Group, both are female.

Diversity on boards of directors within Reykjavik Energy Group



G2 Board Independence

The board of directors of Reykjavik Energy Group consists of six members. Five of them, including the Chairperson and Vice-Chairperson, are appointed by the Reykjavík City Council and one is appointed by the Municipal Council of Akranes. The local authority of Borgarbyggð nominates one observer to the Board, and the association of employees of Reykjavik Energy Group another.

The Chairperson of the Board may not take on any other positions at Reykjavik Energy Group.

Reykjavik Energy Group's Board of Directors appoints the CEO of the company, defines the position's duties and responsibilities, and handles termination of employment. The CEO is responsible for daily management of the company and manages holdings in Reykjavik Energy Group's subsidiaries. The CEO cannot be a member of the board of directors of Reykjavik Energy Group and its Board members cannot sit on Boards of subsidiaries.

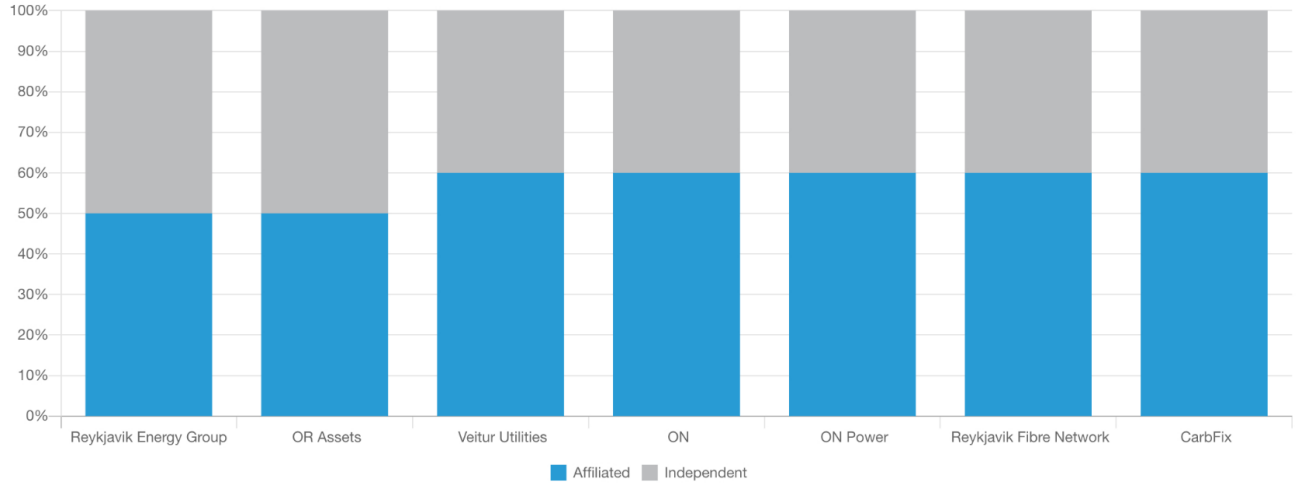
The Rules of Procedure of the Board and the duties and responsibilities of the CEO dictate a division of tasks. The CEO of Reykjavik Energy Group cannot be a member of Board committees.

Reykjavik Energy Group's CEO cannot sit on subsidiaries' Boards, but three of their members must be Reykjavik Energy Group's employees, one of whom shall be at the executive level. All Boards comprise five members, three who are employees of Reykjavik Energy Group, and two members shall be external experts in fields pertaining to the line of business of the company in question.

Here, members of municipalities' councils, that own part of Reykjavik Energy Group, are not presumed independent, neither are employees of the group that are members of Boards of subsidiaries. In Moody's rating of OR in September 2021, is however stated that "...we view the independence of OR's board as relatively weak. However, a published "ownership strategy" and well-defined financial policies, and the shareholders' track record of appointing nonpolitical external experts to the board, moderate the risk of political interference in the company's operations."

The ratio of independent representatives among Board members at Reykjavik Energy Group, has been unchanged since 2010.

Independent of the company or its owners



All the meetings of Reykjavík Energy's Board of Directors in the Covid-year 2021 were hybrid. Therefore, a group photograph of the BoD was not taken. A drawing by Hlíf Una Bárudóttir of the Board and the CEO bathing in the Snorralaug in Reykholt is in line with the Annual Report's swimming pool theme.

At the end of year 2021, these sat on Reykjavík Energy's Board of Directors:

- Dr. Brynhildur Davíðsdóttir, chair, Professor of Environment and Resources Programme at the University of Iceland.
- Dr. Gylfi Magnússon, Vice Chair, Professor of Finance and Economics at the University of Iceland.
- Vala Valtýsdóttir, Chair of the Board's Compensation Committee, lawyer and specialist in corporate law.
- Eyþór Arnalds, city councillor from Reykjavík.
- Hildur Björnsdóttir, city councillor from Reykjavík.
- Valgarður Lyngdal Jónsson, municipal councillor from Akranes.

Borgarbyggð Municipality and OR's Employee Organisation have observers at board meetings. These are:

- Halldóra Lóa Þorvaldsdóttir, chairwoman of the municipal executive committe, from Borgarbyggd.
- Unnur Líndal Karlsdóttir, chairwoman of OR's Empoyee Organisation.

The CEO of Reykjavik Energy is Bjarni Bjarnason, geologist and engineer.

The Board of Directors of Reykjavik Energy Group places emphasis on transparency. The minutes from Board meetings and meeting documents, which are not confidential, can be accessed by the public on the Group's website. The minutes from Board meetings contain, among other things, a record of all the decisions made by the Board, and Board members have the right to have their positions on specific issues briefly noted in the minutes.

G3 Incentivized Pay

Promotes UN's Sustainable Development Goals

Employment agreements, between Reykjavik Energy Group and management or employees, do not include provisions for direct correlation between salaries and specific yardsticks in operations, financial or otherwise. It is the stance of Reykjavik Energy Group that such arrangements could possibly favour short term objectives, while jeopardising long term ones, but the company's beacon is always on long term objectives.

The ownership strategy of Reykjavik Energy Group stipulates that management compensation should be on par with other comparable businesses, but take into consideration the fact that the company is in public ownership. Compensation of management and other employees at Reykjavik Energy Group should be competitive, but not leading.

Compensation for Board members, the CEO, and other top executives, is specified in Reykjavik Energy Group's Consolidated Financial Statements.]

G4 Collective Bargaining

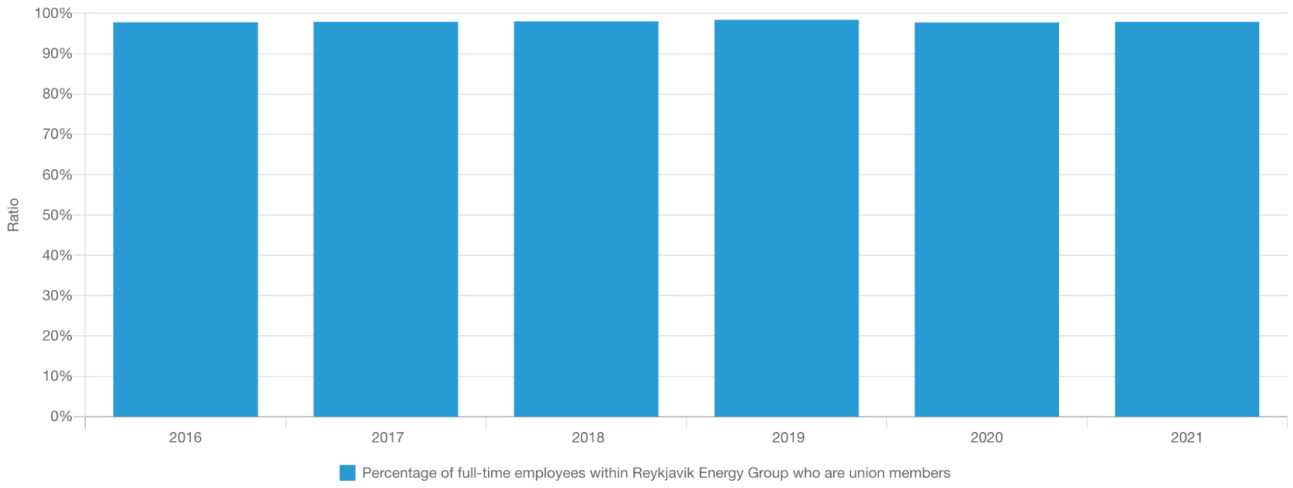
Promotes UN's Sustainable Development Goals

Reykjavik Energy Group is a member of the SA Confederation of Icelandic Enterprise through its membership of Samorka, the Federation of Energy and Utility Companies in Iceland. Reykjavik Energy Group negotiates directly with labour unions, in collaboration with SA. Furthermore, the Group has continuous dialogue with labour unions. Employees are members of a labour union of their choice, or they can opt not to join a union, according to labour market regulations.

The company makes individual employment contracts with all its full-time employees, based on collective wage agreements with unions. The contracts specify salaries, among other things.

Reykjavik Energy Group is a comprehensive buyer of products and services from numerous companies of various sizes.

Union membership



G5 Supplier Code of Conduct

Promotes UN's Sustainable Development Goals

When it comes to procurement, Reykjavík Energy aims to:

- Use open procedures for the purchase of goods, services, and construction projects. When evaluating tenders, to account for sustainability considerations and accept the most favorable bid. In other cases, different procedures shall be applied in accordance with applicable law and regulations.
- Provide clear and transparent procurement rules and methods.
- Ensure equality, transparency, and efficiency in all procurement.
- Account for sustainability considerations, e.g. quality, health, human rights, environment, information security, and safety considerations in all procurement processes and contracts.

Supplier Code of Conduct

Further emphasis was placed on the sustainability goals of this policy in 2020 and in 2021 the company issued a code of conduct for suppliers, based on the procurement policy and the United Nations' Global Compact's ten basic principles, which the Group adheres to. Concurrently, work procedure was established, concerning reaction in case of information of noncompliance.

Requirements, which are at least equivalent to the Code of Conduct for Suppliers, can be found in the terms of all calls for tenders by Reykjavik Energy Group.

The table shows the proportion of purchases by the OR Group that falls under the Code and the proportion of suppliers that have approved them, either by signing them or by participating in tenders.

At the end of 2021 96 suppliers had confirmed their abidance to the Code.

In 2021 56% of all the Group's purchases followed tendering. That portion in 2020 was 61% and the decrease is due to more purchasing of electricity for resale in 2021.

Carbon footprint of purchased goods and services

In evaluating bids, OR takes into account more factors than price, and in 2021 work continued on calling for a carbon footprint of purchased goods or services. This is especially important when tendering for the services of contractors, as a significant part of the carbon footprint of the companies in the Group is due to combustion of machinery during construction work. This effort to reduce carbon footprint is certainly a challenge.

Joint liability

The Reykjavik Energy Group has laid down joint liability in its work contracts with regard to protecting the rights of employees of contractors and their sub-contractors. Evaluations of contractors are based on their performance on safety and environmental issues, as well as the quality of their work and reporting. If a contractor's performance is deemed unsatisfactory in the evaluation, business with them is halted, at least temporarily.

There was no instance in 2021 of an offer being rejected due on a suspicion of an abusive change of social security number , but one offer in a price survey by OR was rejected year due to an unacceptable result from the contractor's assessment. The tenderer then awaited imprisonment following a verdict for a violation of the Penal Code.

G6 Ethics & Anti-Corruption

Promotes UN's Sustainable Development Goals

The Code of Conduct of Reykjavik Energy Group is founded on integrity, which is one of the company's values. The Code of Conduct is registered and public and should help employees be governed by integrity, respect, and non-discrimination, with regard to customers, colleagues, management, contractors, or other stakeholders. This list is not exhaustive and does not exonerate employees from the responsibility of following their own conscience when ethical issues arise.

The Code of Conduct was established by the management of Reykjavik Energy Group in 2000. The Code was assessed, reviewed and approved by the Board of Directors of Reykjavik Energy Group in 2017. The Board regularly reviews the Code, last time in May 2021. It forms part of the Board's Rules of Procedure. The Code of Conduct is presented to new employees, accessible to all staff, and is especially referred to in employment contracts, which are signed by employees. If an employee thinks that the Code of Conduct has been breached, or is confronted with an ethical issue, he/she can approach a supervisor, or a colleague he/she trusts. If an employee thinks there has been a violation of the Code, such as bullying or harassment, he/she can also directly approach an external counsellor, and the established procedure will then take over, anonymously if requested.

At Reykjavik Energy Group, procedures are registered for complaints processing, if an employee or executive is alleged to have violated company rules or committed fraud at work. The rules of procedure are accessible to all employees. Suspected violations should be made known to the next supervisor, or internal auditor of the company, who has the responsibility to report the subject matter. The information is treated as confidential to protect the anonymity of the informer.

The management of Reykjavik Energy Group, Managing Directors, and Managers are responsible for the internal supervision of their specific divisions. Quality Control is responsible for ensuring that Reykjavik Energy Group's internal monitoring system is effective. Reykjavik Energy Group's quality control system is independently certified by external entities. Reykjavik Energy Group complies with the standards of the Institute of Internal Auditors, when conducting internal audits. The Internal Audit Division of the City Council of Reykjavík acts as internal auditors of Reykjavik Energy Group. Within the Group, compliance officers supervise the disclosure of information to the Iceland Stock Exchange (ICEX), and the Financial Supervisory Authority.

G7 Data Privacy

A new act on Data Protection and the Processing of Personal Data came into effect in 2018. The nature of Reykjavik Energy Group's operations means, that business and communication involves a large number of people. Thus, it is imperative that procedures are in place and conform with increased requirements, regarding data storage and processing. The Group began its preparations for the implementation of the new law in 2016. The procedure was completed in 2018, when Data Protection Policy was approved by all subsidiaries within the Group. This was preceded by extensive revision of work procedures. Courses, attended by the majority of employees, were also held on the topic.

Since the new law took effect, no verdict has fallen against any subsidiary of Reykjavik Energy Group by the Data Protection Authority (DPA). One complaint from 2020 is still pending.

In 2021, Veitur Utilities sought an opinion by DPA regarding a data request from Statistics Iceland relating to a census. The data was delivered following DPA's decision.

G8 ESG Reporting

Promotes UN's Sustainable Development Goals

Multiple factors determine whether the operations of Reykjavik Energy Group and its subsidiaries - Veitur Utilities, ON Power and the Reykjavik Fibre Network - are sustainable. The integrated ESG report expounds the factors, which the Group considers to be imperative. Thus, the Annual Report also serves as a sustainability report. The ESG Report is a component of Reykjavik Energy Group's Consolidated Financial Statements, which are publicly reported to the stock exchange. And further, the regularly updated websites of Reykjavik Energy Group and its subsidiaries, contain information on environmental, financial and personnel issues.

In addition to Reykjavik Energy Group's Annual Report, the Group submits multifarious documents to official regulators, in accordance with subsidiaries' licences. The most comprehensive part of these documents is on the utilisation of natural resources each year. Reykjavik Energy Group's various affiliations mean that reports are made on many sustainability factors in its operations. These are some of the reports:

- Interim reports on green bonds issuance.
- Reports to the Climate Disclosure Project.
- Interim reports on the Group's UN's SDGs, listed on sdgs.un.org/goals.
- Reports to Global Compact.

A report was published in 2018 on international evaluation of the sustainability of the Hellisheidi Geothermal Power Plant. The evaluation was based on standards for geothermal power plants, or the Geothermal Sustainability Assessment Protocol (GSAP), which is being developed on behalf of the Icelandic government and geothermal energy companies in Iceland. The Hellisheidi Geothermal Power Plant is the first operating power plant to be assessed using the Protocol. The main conclusion of the sustainability evaluation was, that the Plant has a negligible negative effect on the environment and community, and has an important positive socio-economic impact, particularly in the production of clean and low cost electricity and hot water, to meet the needs of the capital area. However, the evaluation revealed one deviation from best practice, and ON Power is currently working on improvements.

ESG rating

Two rating agencies evaluate Orkuveita Reykjavíkur's performance in terms of environmental, social and governance aspects of its operations. Such an assessment is part of Moody's credit rating and Icelandic investors have asked the rating agency Reitun to make such an assessment of the group's performance. The companies' evaluation reports are attached.

G9 Disclosure Practices

Reykjavik Energy Group's sustainability report is prepared in accordance with guidelines from Nasdaq in Iceland and the Nordic Countries, published in March 2017, and updated in May 2019. These instructions are based on recommendations from the United Nations, the Sustainable Stock Exchange Initiative, and a steering group at the World Federation of Exchanges. In addition, a reference to the United Nations' Sustainable Development Goals (SDG's), and changes in directives regarding annual financial statements, No. 3/2006, with later amendments.

The Board of Directors of Reykjavik Energy Group has decided to place emphasis on five of the UN Sustainable Development Goals. The presentation of the SDG's in this report is based on their highlights. The goals are:

- #5 Gender Equality.
- #6 Clean Water and Sanitation.
- #7 Sustainable Energy.
- #12 Responsible Consumption and Production.
- #13 Climate Action.

The main authors of Reykjavik Energy Group's Annual Report of 2020 are: Eiríkur Hjálmarsson, Head of Sustainability, Hólmfríður Sigurðardóttir, Director of Environmental Affairs, Ólöf Snæhólm Baldursdóttir, Communications Specialist, Þorsteinn Ari Þorgeirsson, Geoscientist, Snorri Jökull Egilsson, environmental specialist, Ása Björk Jónsdóttir, analysis specialist, and Davíð Örn Ólafsson, Treasury and Planning Manager.

Web design: Overcast

Videos in the report are from Jón Karl Helgason's forthcoming documentary "Swimming Pool Stories".

G10 External Audit

The social and governance components in this Annual Report were audited by Versa vottun, see attached certificate, signed by Gná Guðjónsdóttir.

The environmental components in this Annual Report were audited by VSÓ Consulting, see attached certificate, signed by Guðjón Jónsson.

Grant & Thornton are external auditors of Reykjavik Energy Group.

Finance

Efficiency is one of Reykjavik Energy Group's core values, and one that is particularly applicable to the company's finances. Financial objectives are pursued to ensure the following for Reykjavik Energy Group and its subsidiaries:

- Solid finances.
- Operation with an acceptable level of risk.
- Provision of services at a fair price.
- Ability to pay dividends to their owners.

On the basis of its sound finances, Reykjavik Energy Group, which is entirely owned by municipalities, supports the UN's Sustainable Development Goal No. 11: Sustainable Cities and Communities.

Tax footprint

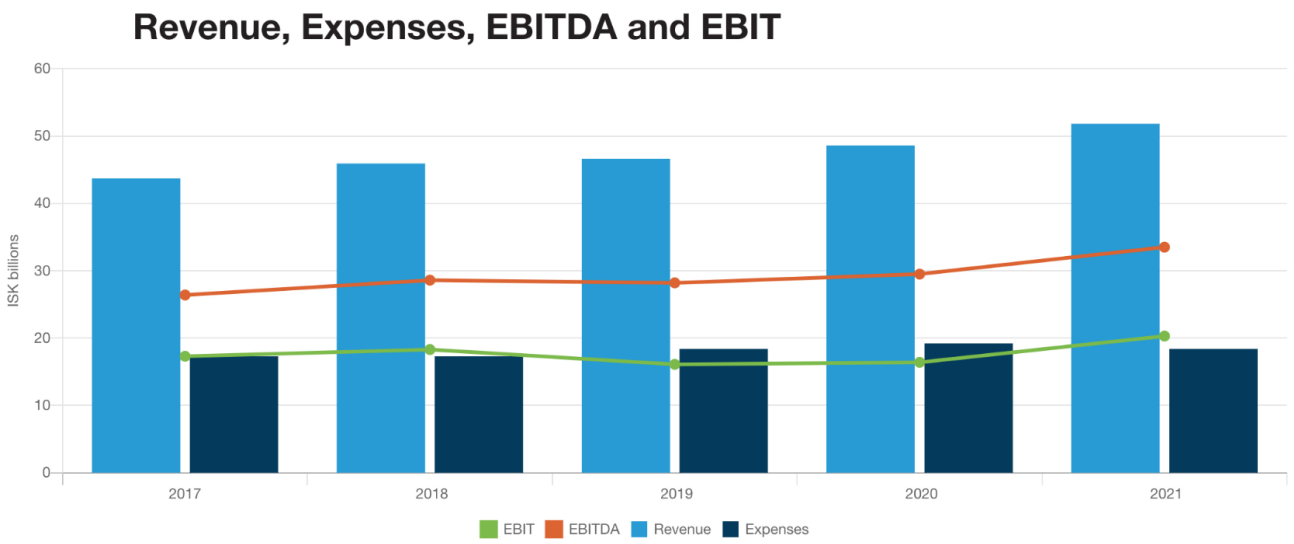
KPMG has compiled RE Group's tax footprint for the year 2021. The tax footprint consists of taxes that are charged to the Group's operations and the taxes that the companies within it collect and pay to the state, municipalities and pension funds.

In the year 2021, RE's tax footprint amounted to ISK 8,699 million. KPMG's report (in Icelandic) is attached.

Revenue, Expenses, EBITDA and EBIT

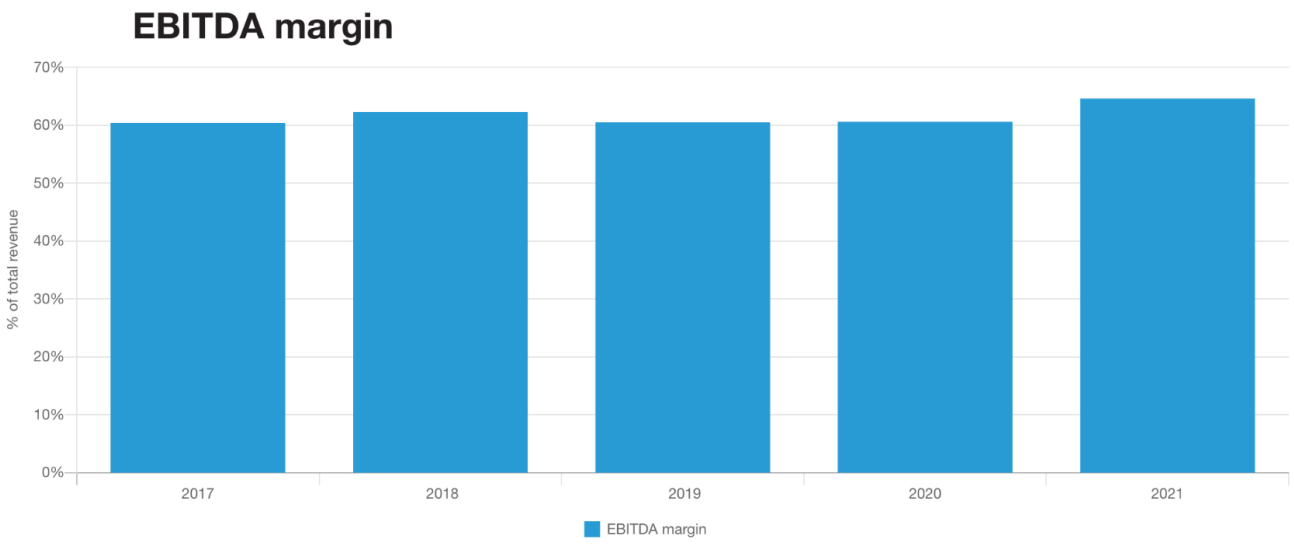
Stability characterises the main metrics in Reykjavik Energy Group's finances over the past few years. The rise in revenues is primarily due to electricity sales linked to aluminium price. For 2021, Reykjavik Energy Group is Iceland's largest energy and utility company, based on turnover.

EBITDA stands for earnings before interest, taxes, depreciation and amortisation. EBIT stands for earnings before interest and taxes.



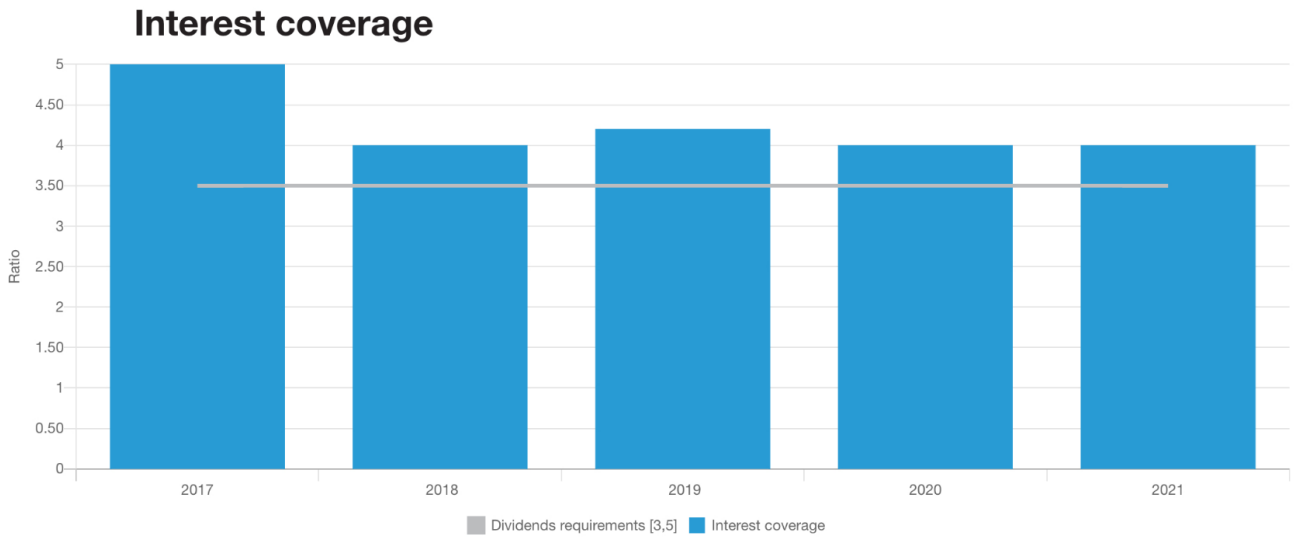
EBITDA Margin

Reykjavik Energy Group's operational margin has been stable and sound over the past years. The operational margin must, among other things, support investments by the Group's subsidiaries and servicing of loans. Operations require substantial investments to be able to maintain the utility systems and power plants, tend to new customers, and meet increased demands placed on operations. Here the margin is shown as a percentage of total revenue.



Interest Coverage

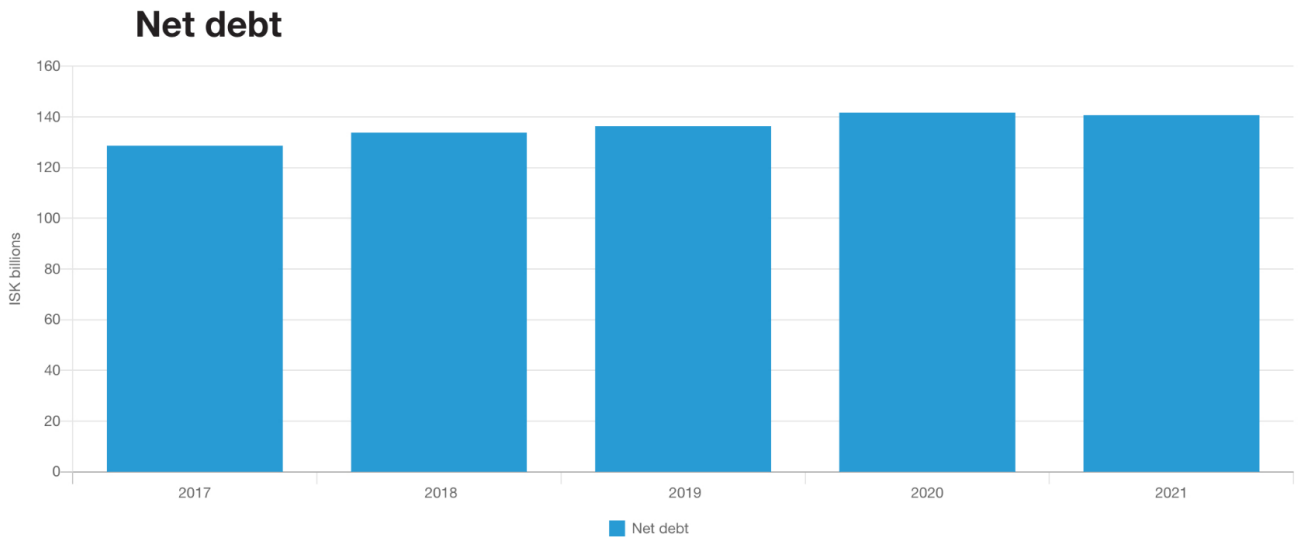
Interest coverage is a performance indicator that demonstrates how capable the company is of honouring its interest expense obligations. The Group's owners have stipulated as conditions for dividends to be paid to them, that cash from operations, plus interest income, shall be at least 3.5 times higher than interest expenses. Reykjavik Energy Group fell short of that target in the immediate aftermath of the financial crisis, but has exceeded it from 2010 and onwards.



Net Debt

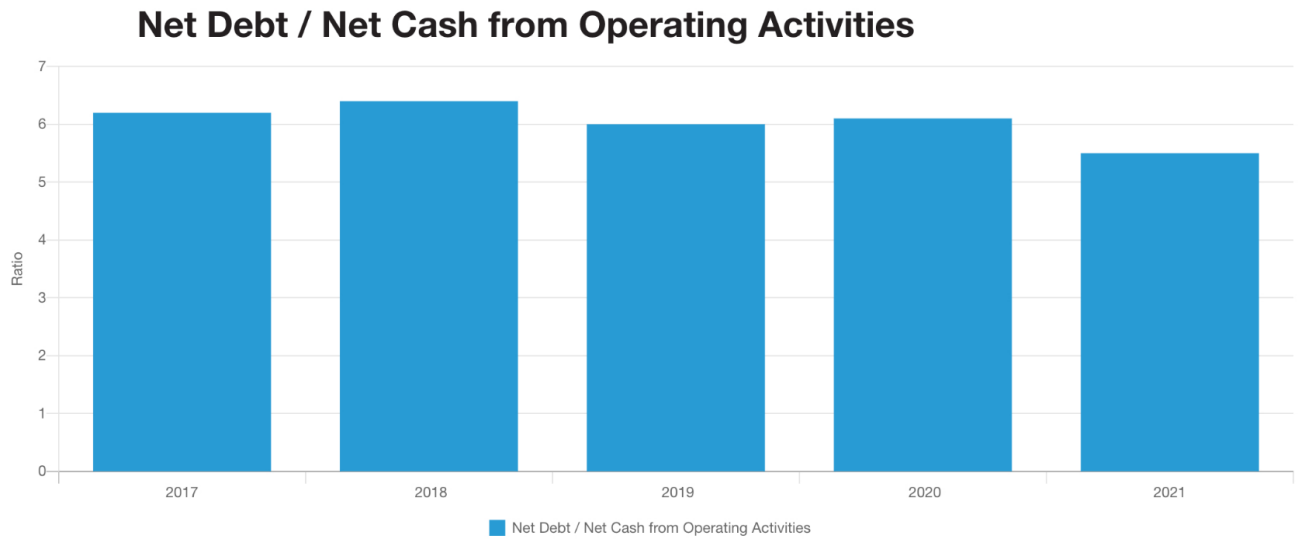
Net debt is interest-bearing debt excluding interest-bearing assets.

The heaviest debt load was at the end of 2009. At that time, net debt amounted to ISK 226.4 billion. By year end 2021, net debt had been reduced by ISK 86 billion. Increased investments in recent years have primarily been financed by issuance of ISK denominated bonds. That decreases currency risk, but indexation affects the principle amount of these financial obligations.



Net Debt / Net Cash from Operating Activities

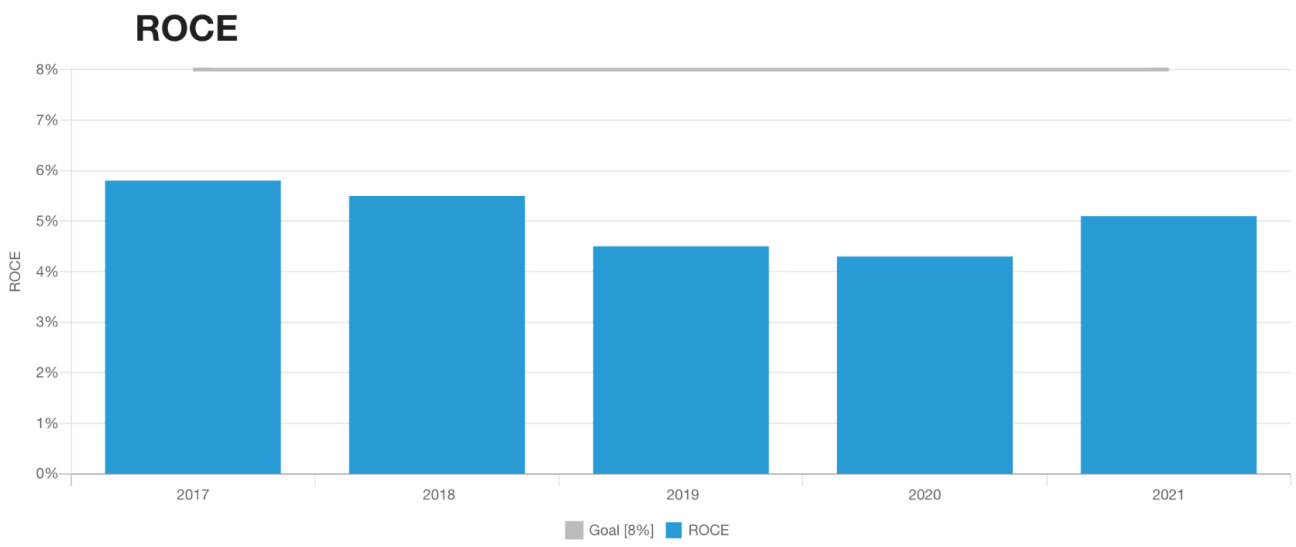
This performance indicator shows the ratio between net debt and cash at hand, at the end of the year. The indicator shows how many years it would take for the company to pay net debt with cash at hand, if it were only used to reduce debt. This metric is stable in Reykjavik Energy Group's finances.



ROCE

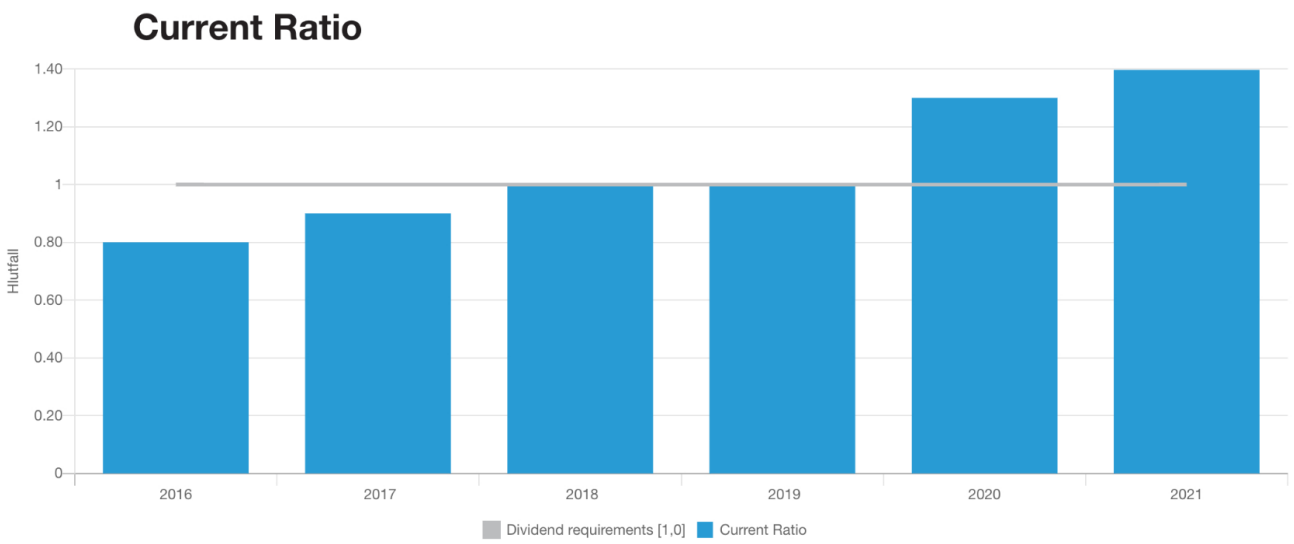
Reykjavik Energy Group's Ownership Policy dictates implementation of yardsticks that display returns on the capital employed by owners (ROCE). At minimum, it should exceed the cost of borrowing, plus a reasonable risk premium.

In October 2018, the Board of Directors of Reykjavik Energy Group approved a policy on ROCE, which was ratified at an owners' meeting in November 2018.



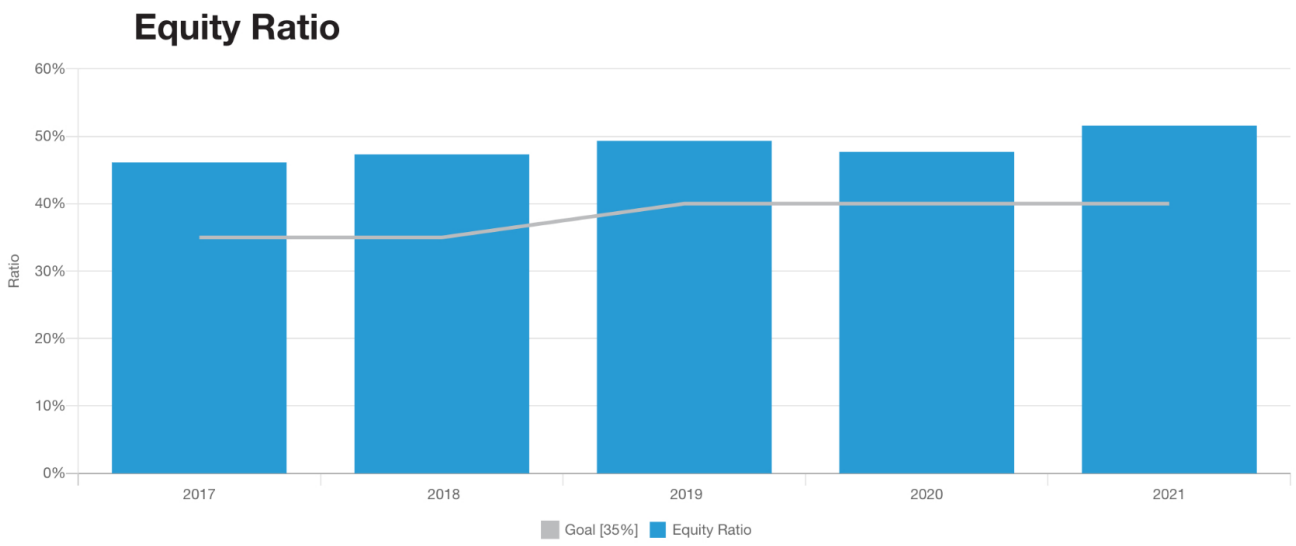
Current Ratio

One of Reykjavik Energy Group's conditions for dividends to be paid, is to have a current ratio no lower than 1. This means that the Group must have sufficient cash on hand to meet obligations for the next 12 months.



Equity Ratio

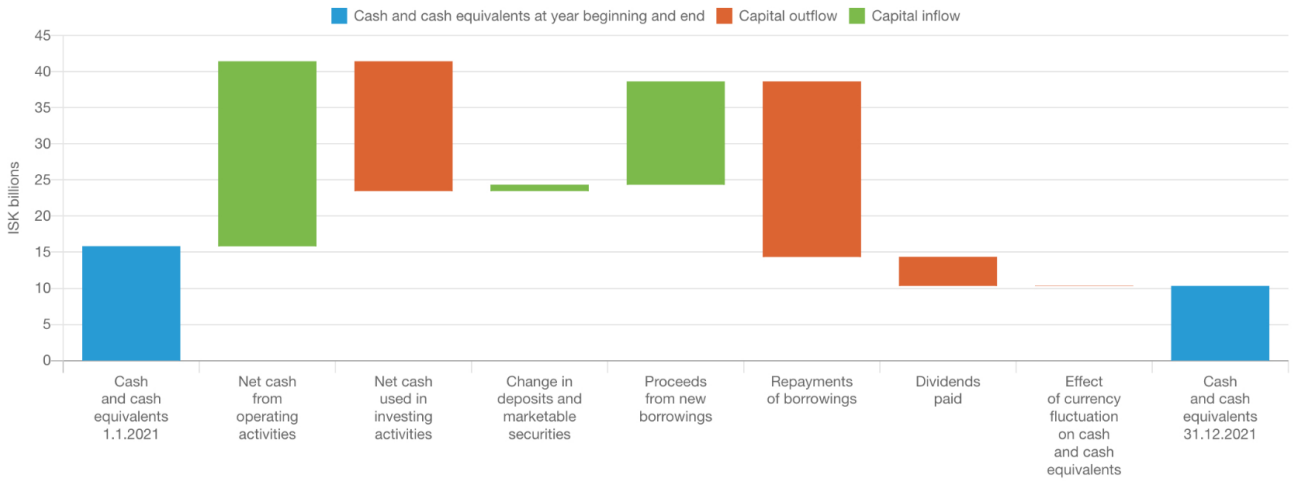
The equity ratio indicates how much debt a company has compared to its assets. Total assets of Reykjavik Energy Group were valued at ISK 413.9 billion at the end of 2021. Reykjavik Energy Group's objective is to ensure that the equity ratio does not go below 35%, and the long term target is 40%.



Cash Flow

In the income statement and balance sheet of each company contain many calculated figures, intended to give a clear picture of its operations during a specific period and financial position at the end of it. However, the cash flow statement provides a clearer view of the real cash flow, and which factors have an impact on the company's cash position in the period. Cash at hand, at the beginning of 2021, is on the left, and the year end position to the right.

Cash Flow



Credit Rating

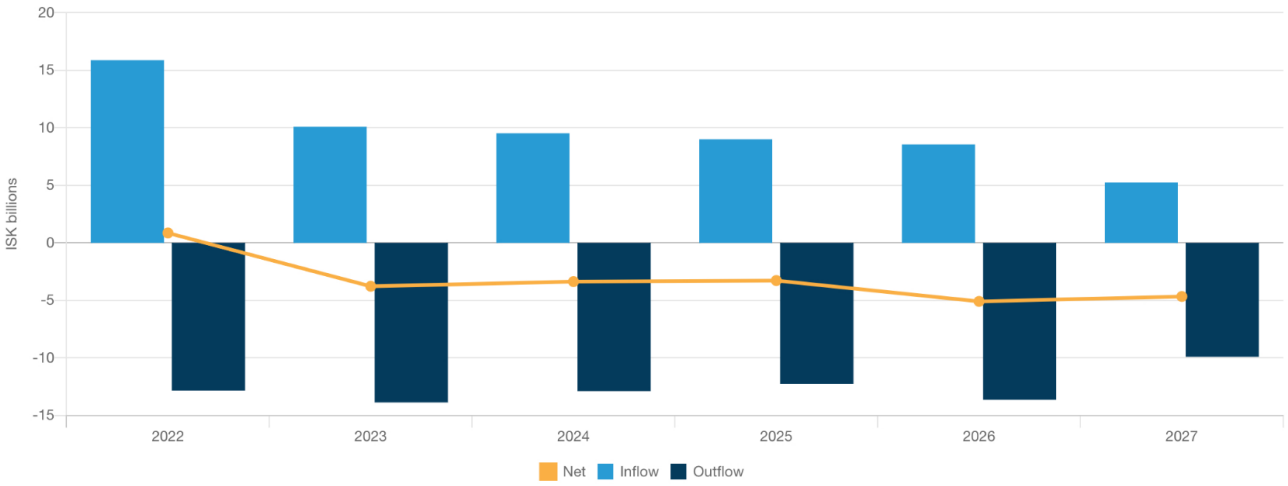
Credit rating is important for companies that do business with international financial institutions and are publicly traded. The purpose of the rating is to give creditors an objective assessment of a company's financial standing and future prospects. The credit rating of Reykjavik Energy Group, and other Icelandic companies, can never surpass the sovereign rating of Iceland. The owners' guarantee on Reykjavik Energy Group's loans have a positive impact on its credit rating. Reykjavik Energy Group is currently rated by three agencies: Moody's, Fitch Ratings, and Reitun, an Icelandic rating company.

	Moody's	Fitch	Reitun
Long-Term Issuer	Baa3	BBB-	i.AA3
Outlook	Stable	Stable	Positive
Validation	September 2021	April 2021	August 2018

Currency risk

Reykjavik Energy Group's currency risk is mainly due to borrowing in foreign currencies and foreign revenues from Reykjavik Energy Group's subsidiary, ON Power, due to electric sales in USD. Reykjavik Energy Group's Risk Policy includes limits on possible currency imbalance in the income statement and the balance sheet. Forward contracts are used to reduce the risk from unfavourable exchange rate fluctuations. The graph shows the estimated cash flows of foreign currencies for the next few years.

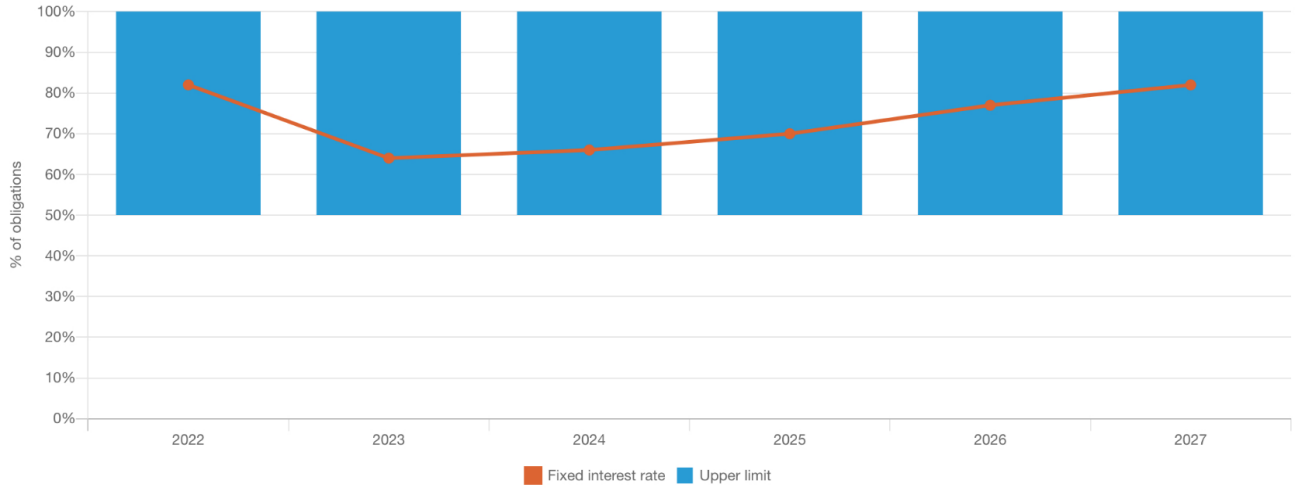
Estimated currency flow



Interest rate risk

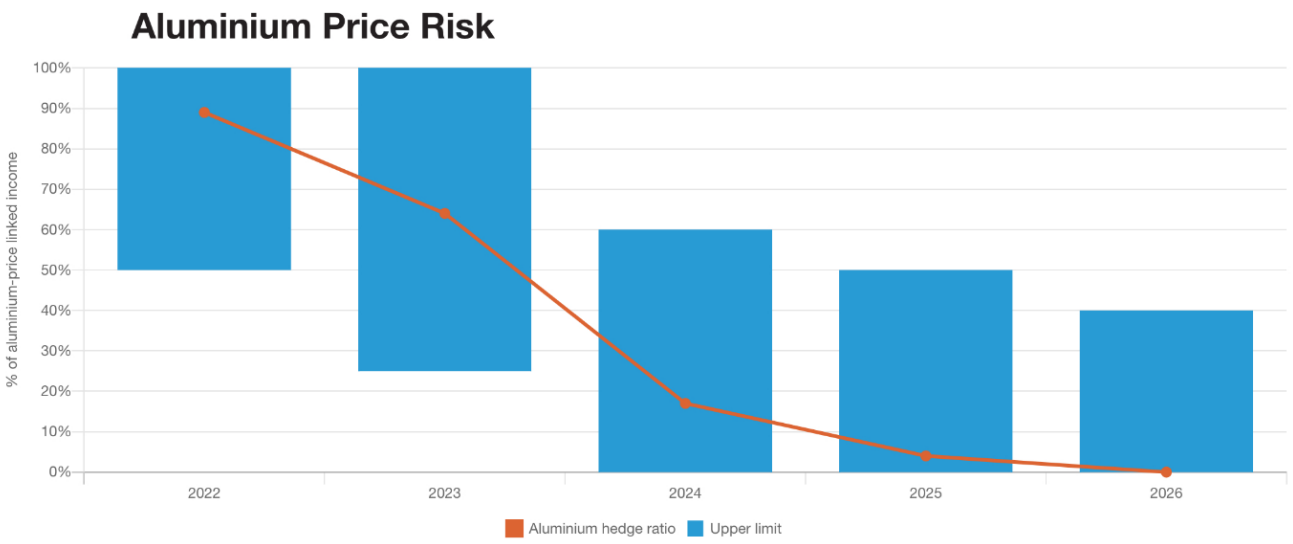
Higher interest rates pose a risk for Reykjavik Energy Group's operations and balance sheet. This risk has been mitigated in the past few years by fixing interest rates with interest rate swaps. The columns show to what degree the overall liabilities for each year have fixed rates. Reykjavik Energy Group's risk of higher interest is now insubstantial.

Interest rate risk



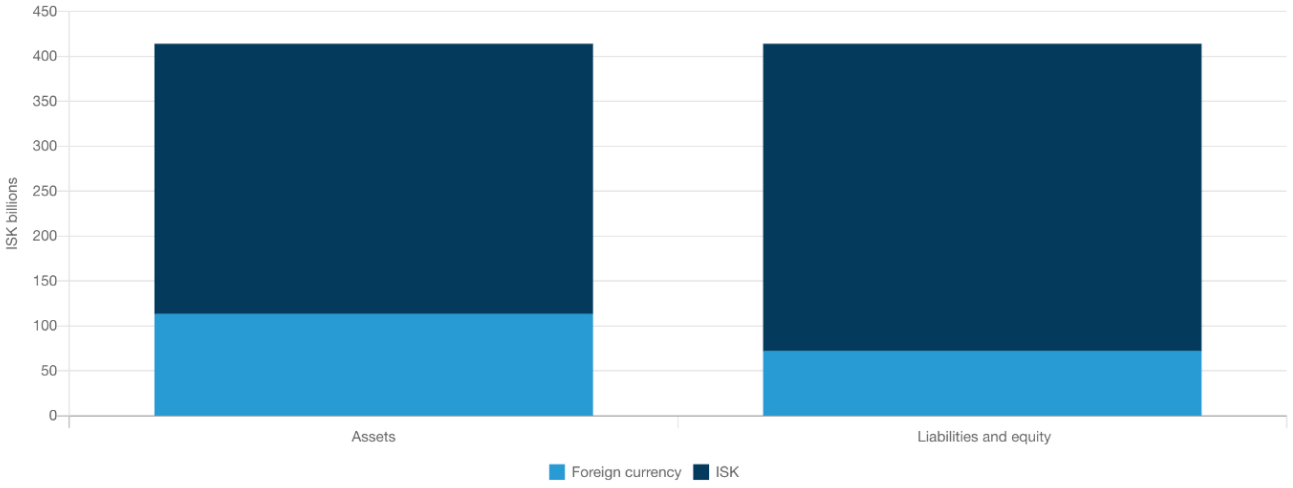
Aluminium price risk

Reykjavik Energy Group executes aluminium hedge contracts to hedge aluminium linked revenues against sharp declines in aluminium prices. Hedges are executed for a few years ahead and the graph shows to what extent revenues have been hedged. Reykjavik Energy Group's Board of Directors decides the upper and lower limit of the aluminium hedge ratio.



Currency risk on balance sheet

Reykjavik Energy Group‘s foreign assets exceeded the company‘s foreign debt at year end 2021. The reason is that the operational currency of the Group's subsidiary, ON Power, is in USD. ON Power assets are greater than all Reykjavik Energy Group’s liabilities in foreign currency.

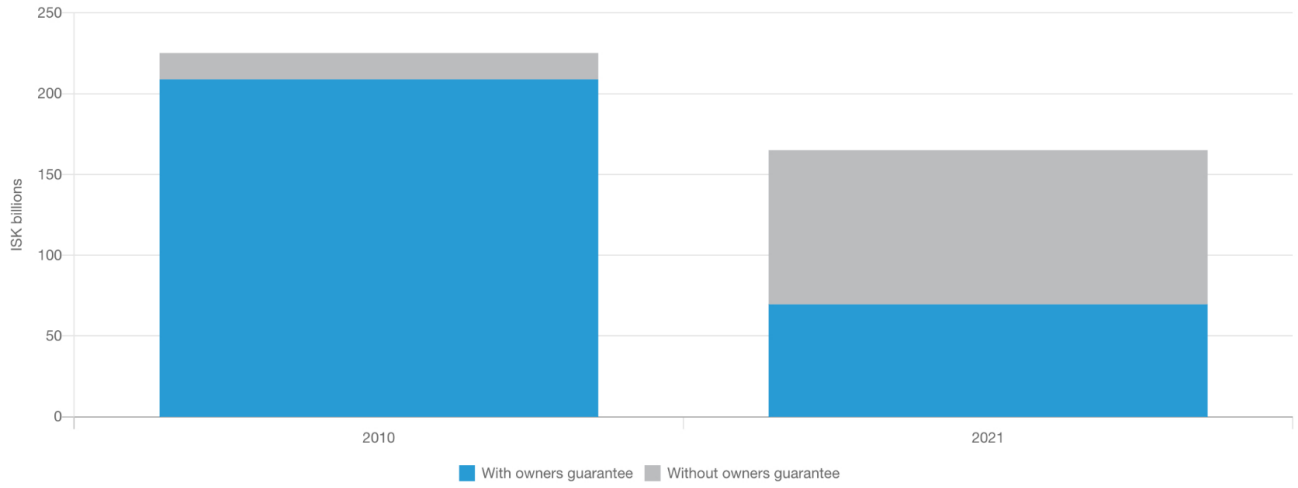


Owner Guaranteed Loans

With Reykjavík Energy Group's strengthened finances, loans for investments or refinancing, without owners' guarantees, have become more readily available to the Group. This reduces the risk from ownership to the municipalities that own Reykjavik Energy Group - the City of Reykjavík, and the municipalities of Akranes and Borgarbyggð.

From the end of 2010 to the end of 2021, the ratio of Reykjavik Energy Group's outstanding loan obligations, with owners' guarantee, has decreased from 93% to 42%, and the amount from ISK 209 billion to ISK 69.5 billion, which is a 66.7% drop.

Loans with and without owners' guarantee



United Nations Sustainable Development Goals

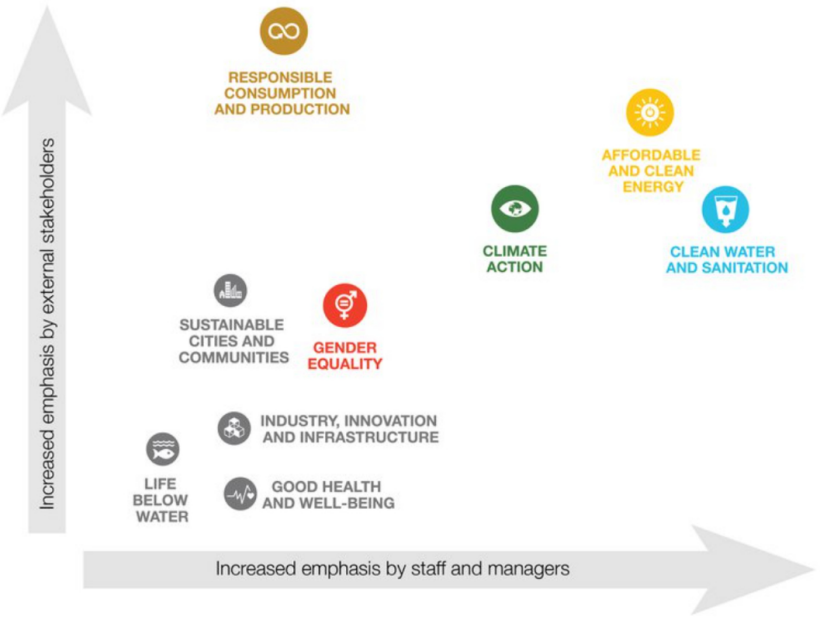
How OR works to promote them

In accordance with the guidelines of the United Nations and recommendations of the Icelandic government, Reykjavik Energy Group has prioritised the United Nation's Sustainable Development Goals (SDGs), and emphasises five of them in its operations.

The five SDGs were discussed in four steering committees: One with managers from the Group, two with employees from the Group, and one with external stakeholders. The last one included representatives from public institutions, large suppliers of goods and services, large customers, contractors and trade unions.

The steering committees ranked the SDGs, both with respect to where Reykjavik Energy Group could positively impact the progress of these goals, and where its operations could possibly impede them. The Board of Directors of Reykjavik Energy Group agreed that the Group's policy, that emphasis social responsibility, would take note of the conclusion of the steering committees, resulting in the focus being on these five SDGs.

Reykjavik Energy Group's Board of Directors' regular review of all mutual policy documents will use these five SDGs as a frame of reference



Strategic initiatives relating to the SDGs

The main emphases and changes of emphasis in the work of the Reykjavík Energy Group appear in so-called strategic initiatives. The strategic initiatives' purpose is to develop the companies within the group and are a driving force behind changes in operations. They can reach more than one company within the group and it is specifically monitored whether these support one or more of the United Nations Sustainable Development Goals.

Now, five strategic initiatives are underway related to SDG 12, three related to SDG 13, two strategic initiatives related to Global Goal 6, two related to Global Goal 7 and one related to Global Goal 5.

5 Gender equality

Gender equality is a human rights issue that aims to value individuals on merit, which is fundamental for sustainable operations.

6 Clean water and sanitation

Acquisition and distribution of water for consumption, fire fighting and the operation of sewerage are part of Reykjavik Energy Group's core activities.

7 Affordable and clean energy

Sustainable generation and distribution of electricity and heat are part of Reykjavik Energy Group's core activities.

12 Responsible consumption and production

Responsible procurement and reduction of waste are crucial for Reykjavik Energy Group to be able to fulfil its core activities.

13 Climate action

Focused climate action is an essential part of all business activities.

Subsidiaries' prioritisation

The Boards of Directors of two of RE's subsidiaries have prioritised UN's SDGs with respect to each company's operations.

ON Power's Prioritisation

- #5 Gender Equality.
- #7 Affordable and Clean Energy.
- #9 Industry, Innovation and Infrastructure.
- #11 Sustainable Cities and Communities.
- #12 Responsible Consumption and Production.
- #13 Climate Action.

Carbfix' Prioritisation

- #3 Good Health and Well-being.
- #5 Gender Equality.
- #9 Industry, Innovation, and Infrastructure.
- #13 Climate Action.
- #17 Partnerships for the Goals.

Goal 1 | End poverty

1.5 Reykjavik Energy works to promote SDG 1's Target 1.5, which is: By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

1.5.1 Number of deaths, missing people, injured, relocated or evacuated due to disasters per 100,000 people.

Environment | Responsible Management and Production at Low-Temperature Fields

1.a Reykjavik Energy works to promote SDG 1's Target 1.a, which is: Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions.

3.4 Reykjavik Energy works to promote SDG 3's Target 3.4, which is: By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being. This indicator is prioritized by the Icelandic government..

3.4.1 Probability of dying of cardiovascular disease, cancer, diabetes, or chronic respiratory disease

Society | S8 Global Health and Safety

Society | COVID-19

Governance | G5 Supplier Code of Conduct

Governance | G6 Ethics & Anti-Corruption

Goal 4 | Quality Education

4.1 Reykjavik Energy works to promote SDG 4's Target 4.1, which is: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. This indicator is prioritized by the Icelandic government..

4.1.1 Percentage of children/young people at the end of each level of education achieving at least a minimum proficiency level in (a) reading and (b) mathematics. (Disaggregations: sex, location, wealth (and others where data are available))

Society | S9 Child and Forced Labour

4.4 Reykjavik Energy works to promote SDG 4's Target 4.4, which is: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. This indicator is prioritized by the Icelandic government..

4.4.1 Percentage of youth/adults with ICT skills by type of skill

Environment | Reclamation of the Elliðaárdalur Valley

Society | S5 Temporary Worker Ratio

Society | S9 Child and Forced Labour

Society | Dissemination of Knowledge

Goal 5 | Gender equality

5.1 Reykjavik Energy works to promote SDG 5's Target 5.1, which is: End all forms of discrimination against all women and girls everywhere. This indicator is prioritized by the Icelandic government..

5.1.1 Whether or not legal frameworks are in place to promote equality and non-discrimination on the basis of sex

Society | S6 Non-Discrimination

Society | S9 Child and Forced Labour

Society | S10 Human Rights

5.5 Reykjavik Energy works to promote SDG 5's Target 5.5, which is: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life. This indicator is prioritized by the Icelandic government..

5.5.1 Proportion of seats held by women in national parliaments and local governments

Society | S4 Gender Diversity

5.5.2 Proportion of women in managerial positions

Society | S4 Gender Diversity

Governance | G1 Board Diversity

5.c Reykjavik Energy works to promote SDG 5's Target 5.c, which is: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

5.c.1 Percentage of countries with systems to track and make public allocations for gender equality and women's empowerment

Society | S2 Gender-based Pay Ratio

Society | Dissemination of Knowledge

Governance | G3 Incentivized Pay

Goal 6 | Clean water and sanitation

6.1 Reykjavik Energy works to promote SDG 6's Target 6.1, which is: By 2030, achieve universal and equitable access to safe and affordable drinking water for all. This indicator is prioritized by the Icelandic government..

6.1.1 Percentage of population using safely managed drinking water services

Society | COVID-19

Goal 7 | Affordable and clean energy

7.1 Reykjavik Energy works to promote SDG 7's Target 7.1, which is: By 2030, ensure universal access to affordable, reliable and modern energy services.

7.1.1 Percentage of population with electricity access (%)

Climate Issues | E1 Greenhouse Gas Emissions

7.2 Reykjavik Energy works to promote SDG 7's Target 7.2, which is: By 2030, increase substantially the share of renewable energy in the global energy mix. This indicator is prioritized by the Icelandic government..

7.2.1 Renewable energy share in the total final energy consumption (%); or Renewable energy share in the total primary energy consumption (%)

Climate Issues | E2 Emission Intensity

Climate Issues | E3 Energy Usage

Climate Issues | E4 Energy Intensity

Climate Issues | E5 Energy Mix

Environment | Responsible Management and Production at Low-Temperature Fields

Society | Dissemination of Knowledge

Goal 8 | Decent work and economic growth

8.5 Reykjavik Energy works to promote SDG 8's Target 8.5, which is: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. This indicator is prioritized by the Icelandic government..

8.5.1 Average hourly earnings of female and male employees by occupations (Wages/Gender wage gap)

Society | S2 Gender-based Pay Ratio

8.8 Reykjavik Energy works to promote SDG 8's Target 8.8, which is: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

8.8.2 Number of ILO conventions ratified by type of convention

Governance | G4 Collective Bargaining

Goal 9 | Industry, innovation and infrastructure

9.4 Reykjavik Energy works to promote SDG 9's Target 9.4, which is: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

9.4.1 Carbon emission per unit of value added

Climate Issues | E1 Greenhouse Gas Emissions

Climate Issues | E2 Emission Intensity

Climate Issues | E3 Energy Usage

Climate Issues | E4 Energy Intensity

Climate Issues | E5 Energy Mix

Environment | Responsible Management and Production at Low-Temperature Fields

9.5 Reykjavik Energy works to promote SDG 9's Target 9.5, which is: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending. This indicator is prioritized by the Icelandic government..

9.5.1 R&D expenditure as a percentage of GDP

Society | Dissemination of Knowledge

Goal 10 | Reduced inequalities

10.1 Reykjavik Energy works to promote SDG 10's Target 10.1, which is: By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average.

10.1.1 Growth rates of household expenditure or income per capita among the bottom 40 percent of the population and the total population

Governance | G3 Incentivized Pay

10.2 Reykjavik Energy works to promote SDG 10's Target 10.2, which is: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. This indicator is prioritized by the Icelandic government..

10.2.1 Proportion of people living below 50% of median income disaggregated by age and sex

Society | S2 Gender-based Pay Ratio

Society | S9 Child and Forced Labour

Society | S10 Human Rights

Goal 11 | Sustainable cities and communities

11.6 Reykjavik Energy works to promote SDG 11's Target 11.6, which is: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management. This indicator is prioritized by the Icelandic government..

11.6.1 Percentage of urban solid waste regularly collected and with adequate final discharge with regards to the total waste generated by the city.

Climate Issues | E3 Energy Usage

Climate Issues | E4 Energy Intensity

Climate Issues | E5 Energy Mix

11.6.2 Annual mean levels of fine particulate matter (i.e. PM2.5 and PM10) in cities (population weighted)

Society | Dissemination of Knowledge

11.a Reykjavik Energy works to promote SDG 11's Target 11.a, which is: Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning. This indicator is prioritized by the Icelandic government..

11.a.1 Cities with more than 100,000 inhabitants that implement urban and regional development plans integrating population projections and resource needs

Environment | Responsible Management and Production at Low-Temperature Fields

Goal 12 | Responsible consumption and production

12.6 Reykjavik Energy works to promote SDG 12's Target 12.6, which is: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

12.6.1 Number of companies publishing sustainability reports

Governance | G8 ESG Reporting

12.7 Reykjavik Energy works to promote SDG 12's Target 12.7, which is: Promote public procurement practices that are sustainable, in accordance with national policies and priorities. This indicator is prioritized by the Icelandic government..

12.7.1 Number of countries implementing Sustainable Public Procurement policies and action plans

Society | S9 Child and Forced Labour

Society | S10 Human Rights

Governance | G5 Supplier Code of Conduct

Goal 13 | Climate action

13.1 Reykjavik Energy works to promote SDG 13's Target 13.1, which is: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

13.1.1 Number of deaths, missing people, injured, relocated or evacuated due to disasters per 100,000 people.

Climate Issues | E10 Climate Risk Mitigation

Society | Dissemination of Knowledge

13.2 Reykjavik Energy works to promote SDG 13's Target 13.2, which is: Integrate climate change measures into national policies, strategies and planning. This indicator is prioritized by the Icelandic government..

13.2.1 Number of countries that have formally communicated the establishment of integrated low-carbon, climate-resilient, disaster risk reduction development strategies (e.g. a national adaptation plan process, national policies and measures to promote transition to environmentally-friendly substances and technologies).

Climate Issues | E1 Greenhouse Gas Emissions

Climate Issues | E2 Emission Intensity

Climate Issues | E3 Energy Usage

Climate Issues | E4 Energy Intensity

Climate Issues | E5 Energy Mix

Climate Issues | E8 Climate Risk Supervision / BoD

Environment | Responsible Management and Production at Low-Temperature Fields

Society | Dissemination of Knowledge

13.3 Reykjavik Energy works to promote SDG 13's Target 13.3, which is: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

13.3.1 Number of countries that have integrated mitigation, adaptation, impact reduction and early warning into primary, secondary and tertiary curricula

Climate Issues | E10 Climate Risk Mitigation

Goal 14 | Life below water

14.1 Reykjavik Energy works to promote SDG 14's Target 14.1, which is: By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution. This indicator is prioritized by the Icelandic government..

14.1.1 Nitrogen use efficiency composite indicator

Environment | E7 Environmental Operations

Environment | Wastewater System Discharge

Environment | Use of Hazardous Chemicals

Goal 15 | Life on land

15.1 Reykjavik Energy works to promote SDG 15's Target 15.1, which is: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. This indicator is prioritized by the Icelandic government..

15.1.1 Forest area as a percentage of total land area

Environment | Reclamation of the Elliðaárdalur Valley

15.3 Reykjavik Energy works to promote SDG 15's Target 15.3, which is: By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world. This indicator is prioritized by the Icelandic government..

15.3.1 Percentage of land that is degraded over total land area

Climate Issues | Innovation and Development Climate Projects

Environment | Restoration of Disturbed Areas

Goal 17 | Partnerships for the goals

17.6 Reykjavik Energy works to promote SDG 17's Target 17.6, which is: Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism.

17.6.1 Access to patent information (WIPO Patent Database) and use of the international IP system

Climate Issues | Innovation and Development Climate Projects

Society | Dissemination of Knowledge