



Landsvirkjun

Landsvirkjun's

GRI and UNGC Index 2019



The index table below refers to the GRI report, associated with Landsvirkjun's Annual Report 2019.

Note that the GRI report is only available in Icelandic at the time of UNGC CoP submission (April 2020), under the following link <https://arsskyrsla2019.landsvirkjun.is/media/gri-tilvisunartafla-vid-arsskyrslu-landsvirkjunar-2019.pdf>

The English version of the GRI report will be available on Landsvirkjun's website in the second half of 2020.

GRI Reference	Description	Status	UNGC	Page
	102: General Disclosures			
102-1	Name of the organization: Landsvirkjun.	●		
102-2	Activities, brands, products, and services: Landsvirkjun is an energy company owned by the Icelandic State which produces electricity from renewable energy sources such as hydroelectric power, geothermal energy and wind power. The Company produces over 70% of the country's electricity and is by far the largest producer of electricity in Iceland. Landsvirkjun produces and sells electricity in Iceland and sells guarantees of origin within Europe. The key customers are large international companies. Landsvirkjun therefore operates in an international competitive market, where companies from diverse industries are offered competitive agreements, with a long-term secure delivery of electricity. The Company's share in the world market is negligible.	●		
102-3	Location of headquarters: Háaleitisbraut 68, 103 Reykjavík, see indicator 102-4 .	●		
102-4	Location of operations: See map on page 10 of this report.	●		10
102-5	Ownership and legal form: Public partnership owned by the Icelandic state and Eignarhluti ehf. which is fully owned by the by the Icelandic state.	●		
102-6	Markets served: Customers are mostly international companies operating in energy intensive industry and Icelandic wholesale customers. The customers are divided as follows: 82% industry, 3% datacenters, 15% electricity wholesale customers, see indicator 102-4 . All energy produced by Landsvirkjun is delivered in Iceland and around 85% of the energy is sold to industrial scale users and 15% to the wholesale market. The share of large-scale users that are dependent on emissions permits from the Environment Agency and allowances from the EU Emissions Trading System (ETS) is 92. See indicator 102-4 .	●		
102-7	Scale of the organization: Landsvirkjun's employees are 273 in total. The Company's operations are fully located in Iceland, see indicator 102-4 . The energy production of 2019 was 13,954 GWh. Information on the economic performance of the company can be found in the annual report and under indicator 201-1 .	●		
102-8	Information on employees and other workers: The number of full-time employees was 266 at the end of 2019, thereof 190 men and 76 women. The number of part-time positions at the end of the year was 22, eight women and fourteen men. The total number of permanent employees in full-time positions was 260: 189 men and 71 women; the total number of permanent part-time employees was 13: 4 men and 9 women. During periods of construction, contracts are made with contractors for the building the required structures on behalf of Landsvirkjun. In those contracts there are clauses related to chain responsibility, see indicator 204-1 . During 2019 there were never more than 15 workers working for Landsvirkjun's contractors at the Burfell II project.	●		
102-9	Supply Chain: Landsvirkjun has a procurement policy which is implemented by the procurement department of Landsvirkjun. The procurement department is also in charge of putting out tenders and ensuring that the tender process is implemented in accordance with rules and regulations. Emphasis is put on transparent practices and an effort is made to ensure open communication with suppliers with the aim of economization. The procurement process reflects policies, processes and goals of Landsvirkjun, including in the areas of environment, health and safety and Corporate Social Responsibility. Information on the tenders that are out at any given time and their conclusions can be found on the website of Landsvirkjun. The website also includes Landsvirkjun's code of conduct for suppliers. Interested parties can log in to the website to follow tenders and obtain the relevant information and documents.	●		
102-10	Significant changes to the organization and its supply chain: There were no significant changes in the structure and operations of Landsvirkjun and its supply chain during 2019. This is the first time that Landsvirkjun reports in accordance with the GRI Standards.	●		
102-11	Precautionary Principle of approach: Landsvirkjun puts great emphasis on minimizing the disruption associated with its operations, to preserve biodiversity and restore disturbed areas to their original state, to the extent possible. A priority is put on evaluating environmental impacts at the preparatory stage of power plant projects, e.g. through extensive environmental studies and through defining company priorities in the global design of structures. On an annual basis Landsvirkjun also conducts extensive monitoring and environmental research in impact areas of the company's power plants. The	●		

● Partially reported ● Fully reported

	<p>monitoring and research are conducted to provide data on the state of natural resources and the environment, and is in many cases conducted in partnership with universities, research institutes and independent experts. A large number of reports is issued annually where the results of monitoring and research on the natural environment around Landsvirkjun's operations are presented. These reports are stored in a dedicated database, through which an oversight is gained on what is being monitored in each of the areas of Landsvirkjun's operations.</p> <p>Landsvirkjun has a ISO 14001 certified environmental management system. The Company published an environmental policy in 2006 and works effectively towards preventing and minimizing the environmental impacts of its operations.</p>			
102-12	<p>External Initiatives: Landsvirkjun's management system is certified according to international management standards. These standards are ISO 9001 for quality management, ISO 14001 for environmental management, ISO 45001 for occupational health and safety, ISO/IEC 27001 for information security, IST 85: 2012 for equal salary system and the gold medal for the equal salary survey of PwC in Iceland. The electricity production is certified as 100% renewable according to the TÜV SÜD Standards CMS 83: Generation EE, by the German certification company TÜV SÜD. The certification confirms that the company contributes to the production of renewable energy and that the production fulfills the most stringent requirements.</p> <p>Landsvirkjun has been a member of the UN Global Compact (UNGC) since 2013 and submits a Communication of Progress on the UNGC ten principles in the areas of the environment, human and labour rights and anti-corruption. The Company has submitted the CDP questionnaire on CO2 emissions on an annual basis since 2016. Landsvirkjun supports the UN Sustainable Development Goals (SDGs) and has since 2017 puts key emphasis on three of the SDGs. Those are the SDG 5 on gender equality, 7 on sustainable energy for all and 13 on climate action.</p>	●		
102-13	<p>Membership of associations: Landsvirkjun is a member of, or participant in, the following initiatives: UN Global Compact, Samorka – the Icelandic energy industry association, the Icelandic Chamber of Commerce, Festa – Icelandic Center for CSR, Stjórnvísí (management company), World Energy Council, International Hydropower Association, Icelandic Geotechnical Society, Green Building Council Iceland, Icelandic Glaciological Society, Nordisk hydrologisk forening and WindEurope.</p>	●		
	102: Strategy			
102-14	<p>Statement from senior decision-maker: Landsvirkjun is a member of the UN Global Compact which promotes corporate social responsibility through its ten principles. Landsvirkjun's annual report for 2019 includes information on the Company's progress against the principles. The annual report does not include specific information on progress against principle 4 on the elimination of all forms of forced and compulsory labour and principle 5 on the abolition of child labour. These principles are not considered relevant for Landsvirkjun in light of the fact that the Company operates in Iceland and applies Icelandic law and regulations which ensure the protection of children and workers.</p> <p>This is the first time that Landsvirkjun applies the GRI Standards to its reporting on its sustainability performance. A more detailed statement from Landsvirkjun's CEO can be found in the annual report.</p>	●		
	102: Ethics and integrity			
102-16	<p>Values, principles, standards and norms of behavior: Landsvirkjun's values are progressiveness, prudence and reliability. Landsvirkjun's code of conduct was approved by the Executive Board on 5 December 2013. Emphasis is put on employees adopting the principles of the code of conduct in their everyday business activities, and when representing the company, and generally on responsible business practices. The code of conduct can be found here: https://www.landsvirkjun.com/Media/Landsvirkjun%E2%80%99sCodeofConduct.pdf</p>	●	10	
	102: Governance			
102-18	<p>Governance structure: Information on Landsvirkjun's governance structure can be found in the Company's annual accounts for 2019 under annex I.</p>	●		
	102: Stakeholder engagement			
102-40	<p>List of stakeholder groups: Landsvirkjun considers the following groups to be its stakeholders: The public, communities around power plants, municipalities, membership associations, NGOs, national authorities, customers and employees. See indicator 102-42.</p>	●		
102-41	<p>Collective bargaining agreements: Landsvirkjun's employees are remunerated in accordance with collective bargaining agreements, with the exception of the CEO and the Executive Board.</p>	●	3	
102-42	<p>Identifying and selecting stakeholders: Landsvirkjun's vision and strategy reflects the Company's operating environment and the needs of its stakeholders. The Company's key stakeholder groups have been analyzed and the results of that analysis is a part of the Company's management system, which is regularly reviewed. The stakeholder analysis was supported by previous analyses of stakeholders that had been conducted as part of a stakeholder engagement for environmental impact assessments, during</p>	●		

● Partially reported ● Fully reported

	construction projects and in the preparation of communication plans for the Company's power plants.			
102-43	<p>Approach to stakeholder engagement: Landsvirkjun puts emphasis on providing support and creating consensus with open stakeholder communication. Regular communication with stakeholders is an important part of the Company's operations. The communication takes place through various means such as through information on the Company's website, annual meetings, surveys, information meetings, communication with the communities around power plants and several collaborative initiatives. Landsvirkjun's employees provide their thoughts and views during staff meetings but also through informal exchanges.</p> <p>Emphasis is put on effective and organized communications, using communication plans, during all construction projects of the Company. Communication plans entail regular reviews of communications and the issues that Landsvirkjun needs to manage at any given time. All of Landsvirkjun's power plants have communication plans for stakeholders from the communities around the plants. Stakeholders of power plants have different communication needs and their views on the power plants also vary. It is important for Landsvirkjun to ensure that all views are heard, as well as designing its communication in line with the demands on the Company. Thus, the Company can convey information concerning the operations of the Company being in line with conditions, promises and expectations and communicate relevant efforts and projects. In parallel, the Company receives comments from stakeholders on what could be done better and issues that need to be resolved.</p>	●		
102-44	<p>Key topics and concerns raised: Landsvirkjun put a special focus on stakeholder engagement during 2019. A full day workshop was held in March where employees got the chance to discuss the corporate responsibility and sustainability and bring forward suggestions on where the Company's focus in these areas should lie. Following up to the meeting a survey was sent to employees regarding 23 topics that are relevant to the area of sustainability in Landsvirkjun's operations. In choosing the topics for the survey, the economic, environmental and social topics included in the GRI Standards were used as a reference. Topics that were raised during the employee workshop were also considered. Employees were asked to rate the materiality of each topic with respect to the communication and strategy of Landsvirkjun.</p> <p>In autumn 2019 the same survey was sent to the public, customers and communities around the Company's power plants. The respondents were asked to rate the relevance of the topics for Landsvirkjun.</p> <p>In total, around 2000 people received the survey and the response rate was around 50%. The respondents also got the opportunity to provide written comments regarding Landsvirkjun's operations.</p> <p>The topics that were considered most important that Landsvirkjun puts emphasis on in its communication and strategy were: good governance, transparency and prudence, employee health and safety, training and education of employees, waste management and anti-corruption measures. Individual responses of each stakeholder group are not discussed specifically. See related material under indicator 102-47.</p>	●		
	102: Reporting practice			
102-45	Entities included in the consolidated financial statements: Landsvirkjun, Landsvirkjun Power ehf., Landsnet, Orkufjarskipti ehf. and Landsvirkjun Power Insurance.	●		
102-46	Defining report content and topic boundaries: For the first time Landsvirkjun's annual report includes information on economic, environmental and social topics in accordance with the GRI Standards. The scope of the report is in line with the requirements set forward for the 'core' option of the GRI Standards. Part of the information is included directly in the annual report and another part is presented in a specific GRI report. The GRI report also includes a comprehensive index of the GRI indicators and where the relevant information is reported. The GRI related information concerns the mother company Landsvirkjun and not other entities of the group that are included in the consolidated financial statements. The key GRI indicators are reported on and the indicator considered most material for Landsvirkjun. In choosing the indicators the views of stakeholders were considered as well as the Company's strategy and focus areas.	●		
102-47	List of material topics: An extensive materiality assessment took place in Landsvirkjun during 2019. The assessment included stakeholder engagement to define what were the most important topics for them and what they felt the Company should put focus on. The engagement took place through a survey and involved a few stakeholder groups, see details under indicator 102-44 . In addition, there were discussions within the Company, both leading up to the surveys and following the results on what topics were considered most material in terms of sustainability focus. Further stakeholder engagement will take place during 2020 as well as work on the Company's sustainability strategy, relevant project definitions, and goal setting for 2020. The annual report for 2019 and GRI report include information on the topics that were considered most material among stakeholders and which concern the topics of the Company's policies and goals. The management approach is covered in the relevant chapters.	●		

● Partially reported ● Fully reported

102-50	Reporting period: 1 January – 31 December 2019	●		
102-52	Reporting cycle: Yearly	●		
102-53	Contact point for questions regarding the report: Jóhanna Harpa Árnadóttir, tel: 00354 515 9000, email: landsvirkjun@landsvirkjun.is	●		
102-54	Claims of reporting in accordance with the GRI Standards: This report has been prepared in accordance with the GRI Standards: Core option	●		
102-55	GRI content index: The GRI Index is located at the beginning of this report.	●		
102-56	External assurance: See introduction at the beginning of this report.	●		
	103: Management Approach			
103-1	Explanation of the material topic and its Boundary: See indicator 102-46 .	●		
103-2	The management approach and its components: Information on policies can be found under the different topics, such as equality, climate change and health and safety.	●		
103-3	Evaluation of the management approach: Landsvirkjun's policies are part the Company's management system. The management system is certified against international management standards. These standards apply to quality management, environmental management, occupational health and safety and information security.	●		
	200: Economy			11
	201: Economic Performance			11
201-1	Direct economic value generated and distributed	●		11
201-2	Financial implications and other risks and opportunities due to climate change	●		12
201-3	Defined benefit plan obligations and other retirement plans	●		13
201-4	Financial assistance received from government	●		13
	202: Market Presence	●		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	●		13
202-2	Proportion of senior management hired from the local community	●		13
	203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	●		13
203-2	Significant indirect economic impacts	●		13
	204: Procurement Practices			13
204-1	Proportion of spending on local suppliers	●	8	13
	205: Anti-Corruption			14
205-3	Confirmed incidents of corruption and actions taken	●	10	14
	206: Anti-Competitive Behavior			14
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	●		14
	300 Environment			14
	301: Materials			
301-1	Materials used by weight or volume	●		14
	302: Energy			16
302-1	Energy consumption within the organization	●		16
302-2	Energy consumption outside the organization	●		16
302-3	Energy intensity	●		16
302-4	Reduction of energy consumption	●	8, 9	16
302-5	Reduction in energy requirements of products and services	●	8, 9	16
	303: Water			16
303-1	Water withdrawal by source	●		16
303-2	Water sources significantly affected by withdrawal of water	●	7, 8	17
303-3	Water recycled and reused	●		17
	304: Biodiversity			17

● Partially reported • Fully reported

304-1	Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	●		17
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	◐		20
	305: Emissions			
305-1	Direct (Scope 1) GHG emissions	●	7	21
305-2	Energy indirect (Scope 2) GHG emissions	●	7	22
305-3	Other indirect (Scope 3) GHG emissions	●	8	22
305-4	GHG emissions intensity	●		23
305-5	Reduction of GHG emissions	●	8, 9	24
305-6	Emissions of ozone-depleting substances (ODS)	●	7, 8	24
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	●	7, 8	24
	306: Effluents and Waste			25
306-1	Water discharge by quality and destination	●		25
306-2	Waste by type and disposal method	●	8	27
306-3	Significant spills	●		27
306-4	Transport of hazardous waste	●	8	28
306-5	Water bodies affected by water discharges and/or runoff	●		28
	307: Environmental Compliance			28
307-1	Non-compliance with environmental laws and regulations	●		28
	308: Supplier Environmental Assessment			28
308-1	New suppliers that were screened using environmental criteria	●	8	28
308-2	Negative environmental impacts in the supply chain and actions taken	●		28
	400: Social			
	401: Employment			
401-1	New employee hires and employee turnover	●	6	28
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	◐		29
401-3	Parental leave		6	29
	402: Labour/Management Relations			29
402-1	Minimum notice periods regarding operational changes	●		29
	403: Occupational Health and Safety			29
403-1	Workers representation in formal joint management-worker health and safety committees		1	29
403-2	Types of injuries and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities			29
403-3	Workers with high incidence or high risk of diseases related to their occupation		1	29
403-5	Worker training on occupational health and safety			30
403-6	Promotion of worker health	●		30
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	◐		30
403-8	Workers covered by an occupational health and safety management system	●		30
403-9	Work-related injuries	●		
403-10	Work-related ill health	●		31
	404: Training and Education			32
404-1	Average hours of training per year per employee	●		32
404-2	Programs for upgrading employee skills and transition assistance programs	●	6	32
404-3	Percentage of employees receiving regular performance and career development reviews	●		32

◐ Partially reported ● Fully reported

	405: Diversity and Equal Opportunity			32
405-1	Diversity of governance bodies and employees	●	6	33
405-2	Ratio of basic salary and remuneration of women to men	●	6	33
	412: Human Rights Assessment			34
412-1	Operations that have been subject to human rights reviews or impact assessments	◐	1	34
	413: Local Communities			34
413-1	Operations with local community engagement, impact assessments, and development programs	◐		34
	415: Public Policy			34
415-1	Political contributions	●		34
	417: Marketing and Labeling			34
417-1	Requirements for product and service information and labeling	●		34

◐ Partially reported ● Fully reported