

# Sustainability in a challenging year

## Statement from the CEO

Hörður Arnarson



Landsvirkjun's operations and results were inevitably affected by the pandemic in 2020, which significantly impacted both the Icelandic and global economy. Many of our customers reduced production due to declining demand and falling product prices. Energy market prices fell sharply but recovered somewhat in the second half of the year. Some of Landsvirkjun's power contracts are linked to aluminium prices and electricity prices in the Nord Pool market.

Fortunately, our improved financial position enabled us to show our support to our customers. We offered temporary discounts on electricity prices and participated in robust measures to reignite the economy by embarking on various construction projects and other projects all over Iceland.

We want to strike a careful balance between revenue and responsibility. Our goal is to make sustainable development an integral part of the Company's core business; that every aspect of our business reflects sustainability in environmental, economic, and social matters. We achieved a significant milestone this year when the Carbon Disclosure Project (CDP) confirmed Landsvirkjun's leadership in environmental transparency and action on climate-related changes by giving the Company an A- grade on their Climate list. Our climate change strategy assumes that we will become carbon neutral by 2025.

Landsvirkjun is also a UN Global Compact participant, an initiative based on commitments to implement universal sustainability principles. We published our second sustainability performance report this year in accordance with the Global Reporting Initiative (GRI) standards, which detail selected criteria in economic, environmental, and social issues relevant to the Company's operations. Our progress on the initiatives mentioned above is further detailed in our Climate Accounting<sup>1</sup> and GRI Sustainability reports<sup>2</sup> which are part of the Annual Report.

<sup>1</sup> [www.landsvirkjun.com/annualreports/climate-account](http://www.landsvirkjun.com/annualreports/climate-account)

<sup>2</sup> [www.landsvirkjun.com/annualreports/gri](http://www.landsvirkjun.com/annualreports/gri)