


GRI index accompanying the 2020 ESG report	Reporting	Information	Reasons for omissions	The UN's SDGs	Nasdaq ESG guidelines
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Organizational profile

102-1	Name of the organization	Yes	Landsbankinn hf.		
102-2	Activities, brands, products, and services	Yes	Landsbankinn provides traditional lending and deposit service plus market transactions, fund management through subsidiary Landsbréf, corporate finance, private banking and asset management services. Landsbankinn's Covenant of Ethical Conduct stipulates that staff is to act professionally and honestly by seeking information, abiding by law, rules, accepted work procedures and other criteria applying to their work in each instance. In addition to obeying general legislation on consumer protection and marketing, the Bank complies with the guiding ethics of the Society of Icelandic Advertising Agencies and the guidelines of the Consumer Spokesman and Ombudsman for Children on marketing targeting children. Furthermore, Landsbankinn takes note of the regulation on investor protection and the business conduct of financial undertakings No. 995/2007, which purpose it is to ensure that information on investment funds are presented clearly and correctly. No comments or legal complaints were received in 2019.		
102-3	Location of headquarters	Yes	Austurstræti 11, 155 Reykjavík		
102-4	Location of operations	Yes	Landsbankinn does not operate outside of Iceland.		
102-5	Ownership and legal form	Yes	Landsbankinn hf. was at year-end 2020 98.2% owned by the National Treasury of Iceland. Landsbankinn holds 1.56% of own shares and other shareholders, current and former employees of Landsbankinn and former guarantee capital owners of the savings banks Sparisjóður Vestmannaeyja and Sparisjóður Norðurlands (other than the state), hold 0.24%.		
102-6	Markets served	Yes	Landsbankinn provides traditional lending and deposit service plus market transactions, fund management through subsidiary Landsbréf, corporate finance, private banking and asset management services. Landsbankinn is headquartered at Austurstræti 11 in Reykjavík. The Bank does not operate outside of Iceland.		
102-7	Scale of the organization	Yes	Appendix, p.3		
102-8	Information on employees and other workers	Yes	Appendix, p.3		S4, S5
102-9	Supply chain	Yes	Appendix, p.5 Proportion of supplier turnover by category		

102-10	Significant changes to the organization and its supply chain	Yes	No significant changes were made to Landsbankinn's supply chain, ownership or the company itself in 2020. One branch was closed in the year, the branch in Bolungarvík which had been operated by a half position.			
102-11	Precautionary Principle or approach	Yes	Landsbankinn has endorsed the Principles for Responsible Banking which align financial undertakings with the UN's SDGs and the Paris Agreement. The Bank is thereby committed to systematically scaling up positive and addressing any negative impacts on society and the environment and disclose its impact in a transparent way.			
102-12	External initiatives	Yes	Partnership and support			
			Partnership and support			
102-13	Membership of associations	Yes	Appendix, p. 3-4			


Strategy


102-14	Statement from senior decision-maker	Yes	From the Chief Executive Officer			
102-15	Key impacts, risks and opportunities	Yes	From the Chief Executive Officer			


Ethics and integrity

102-16	Values, principles, standards, and norms of behaviour	Yes	Website - Covenant of Ethical Conduct			G5, G6
102-17	Mechanisms for advice and concerns about ethics	Yes	See index items 205-1, 205-2 and 205-3			

Governance






102-18	Governance structure	Yes	Corporate governance statement			
102-19	Delegating authority	Yes	Corporate governance statement			E8, E9
102-20	Executive-level responsibility for economic, environmental, and social topics	Yes	The Board of Directors is responsible for Landsbankinn's policy on social responsibility, the CEO is responsible for implementation and HR handles implementation along with the managing director of each division. Two sustainability officers work within HR.			E8, E9
			Policy on social responsibility			
102-21	Consulting stakeholders on economic, environmental and governance	Yes	Policy on social responsibility Landsbankinn's ESG targets for its operation were set in 2019 in consultation with external stakeholders. For details about the involvement of stakeholders in the development of the methodology of the targets, see the Bank's ESG report for 2019.			
102-22	Composition of the highest governance body and its committees	Yes	Corporate governance statement			G2
102-23	Chair of the highest governance body	Yes	The Chairman of the Board is not an executive of the Bank.			G2

102-24	Nominating and selecting the highest governance body	Yes	Corporate governance statement			
102-25	Conflicts of interest	Yes	Corporate governance statement Hersir Sigurgeirsson tendered his resignation from the Board of Directors of Landsbankinn on 19 November 2020. Hersir had decided to take on a project he considers incompatible with serving on the Board of Directors of Landsbankinn.			
102-26	Role of highest governance body in setting purpose, values, and strategy	Yes	Corporate governance statement			
102-27	Collective knowledge of highest governance body	Yes	Corporate governance statement Rules of Procedure for the Board of Directors			
102-28	Evaluating the highest governance body's performance	Yes	Corporate governance statement			
102-29	Identifying and managing economic, environmental, and social impacts	Yes	Annual report - Risk management Strategy			E8
102-30	Effectiveness of risk management processes	Yes	Corporate governance statement			E8, E9
102-31	Review of economic, environmental, and social topics	Yes	GRI index			E8, E9
102-32	Highest governance body's role in sustainability reporting	Yes	HR Manager			
102-33	Communicating critical concerns	Yes	Rules of Procedure for the Board of Directors			
102-34	Nature and total number of critical concerns	Yes	The Bank makes public information about certain issues submitted to the Board of Directors, such as interim and annual financial results. Other issues handled by the Board of Directors are subject to confidentiality.			
102-35	Remuneration policies	Yes	Remuneration Committee Annual financial statement - Notes to the consolidated financial statement			G3
102-36	Process for determining remuneration	Yes	Remuneration Committee Annual General Meeting of Landsbankinn 2020			
102-37	Stakeholders' involvement in remuneration	Not applicable				
102-38	Annual total compensation ratio	In part	Annual financial statement - Notes to the consolidated financial statement			S1
102-39	Percentage increase in annual total compensation ratio	In part	Annual financial statement - Notes to the consolidated financial statement			




Stakeholders' involvement						
102-40	List of stakeholder groups	Yes				
102-41	Collective bargaining agreements	Yes	Refer to the methodology employed in the chapter on goals in the 2019 report.			G4
102-42	Identifying and selecting stakeholders	In part	Refer to the methodology employed in the chapter on goals in the 2019 report.			
102-43	Approach to stakeholder engagement	In part	Refer to the methodology employed in the chapter on goals in the 2019 report.			
102-44	Key topics and concerns raised	Yes	Refer to the methodology employed in the chapter on goals in the 2019 report.			
	Reporting					
102-45	Entities included in the consolidated financial statements	Yes	Landsbankinn and subsidiaries			
102-46	Defining report content and topic Boundaries	Yes	Landsbankinn now publishes its tenth ESG report based on GRI Standards. The Report also functions as a Communication of Progress report to the UN Global Compact. The report reflects the Bank's knowledge of the subject matter at the time of its publication. Publication of this report does not imply that the Bank is fully cognisant of its social impact nor that sustainability has been fully implemented in the Bank. The report endeavours to provide an insight into accomplishments and identify room for improvement. Information in the ESG report is prepared by the Bank's employees in various divisions. A second sustainability officer was hired to the Bank in 2020 and the Bank now employs two full-time sustainability officers. The sustainability officers are the editors of the report. The index sets out the extent of disclosure on each standard. This report contains detailed discussion of some standards while others are merely reviewed shortly in the index. Where indicators are not discussed in full it is because information is insufficient or has not been available in comparable form. To avoid repetition, the index refers to other media and reports from the Bank as applicable.			
102-47	List of material topics	Yes	Appendix, p. 11 - Materiality Matrix			
102-48	Restatements of information	Yes	Landsbankinn's GHG emissions under scope 1, 2 and 3 was calculated in accordance with the GHG Protocol for the years 2020, 2019 and 2018, and for this report. Previously Landsbankinn's emissions had been calculated based on standards from the Environment Agency of Iceland. It was decided to update all emission calculations using the GHG Protocol to ensure international comparability.			

102-49	Changes in reporting	Yes	Landsbankinn's GHG emissions under scope 1, 2 and 3 was calculated in accordance with the GHG Protocol for the years 2020, 2019 and 2018, and for this report. Previously Landsbankinn's emissions had been calculated based on standards from the Environment Agency of Iceland. It was decided to update all emission calculations using the GHG Protocol to ensure international comparability.			
102-50	Reporting period	Yes	Calendar year 2020			
102-51	Date of most recent report	Yes	Calendar year 2019			
102-52	Reporting cycle	Yes	Annually			
102-53	Contact point for questions regarding the report	Yes	samskipti@landsbankinn.is			
102-54	Claims of reporting in accordance with the GRI Standards	Yes	Appendix p. 2			
102-55	GRI content index	Yes	GRI index			
102-56	External assurance	Yes	Deloitte			G10

Management approach


103-1	Explanation of the material topic and its boundary	Yes	Appendix, p. 11 - Materiality Matrix			
103-2	The management approach and its components	Yes	GRI 103		  	E7, S6, S8, S9, S10, G5, G6
103-3	Evaluation of the management approach	Yes	GRI 103			

Financial performance



	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
201-1	Direct economic value generated and distributed	Yes	Appendix, p. 4		 	
201-2	Financial implications and other risks and opportunities due to climate change	Yes	The Bank has assessed its credit portfolio for ESG risk and the exposure of borrowers to such risk. The assessment was based on analysis of ESG risk factors on a sector-by-sector level in the Bank's credit portfolio and reviewed diversification of the portfolio with regard to ESG risk. As this work progresses, the Bank will have regard for guidelines issued by international regulators and ESG risk reviewers, such as EBA and the Task Force for Climate Related Disclosures (TCFD), and sharpen its focus on climate-related risk.			
			The PRBs and PRIs were established with the aim of encouraging investors and banks to engage with the challenges posed by climate change. Landsbankinn is a member of both.			

201-3	Defined benefit plan obligations and other retirement plans	Yes	In addition, Landsbankinn pays the equivalent of 5.5% of employee wages to a personal pension fund for the first three years of employment and 7% for subsequent years. The right to this payment is subject to the same rule as other seniority rights for employment at other financial undertakings. No other future liabilities due to pension plans are on the Bank's books. No future liabilities due to incentive systems are on the Bank's books.			
201-4	Financial assistance received from government	Yes	The State Treasury is the Bank's largest owner with a 98.2% share and the endowment capital has not been considered a government grant.			

Market presence

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	No				
202-2	Proportion of senior management hired from the local community	Yes	All of Landsbankinn's senior management is from the local community.			

Indirect economic impact

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
203-1	Infrastructure investments and services supported	Yes	Partnership and support			
203-2	Significant indirect economic impacts	No		Data missing		

Procurement impact

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
204-1	Proportion of spending on local suppliers	Yes	Appendix, p. 5			

Anti-corruption

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				

205-1	Operations assessed for risks related to corruption	In part	<p>Landsbankinn has a policy on measures against bribery and corruption. The policy provides for effective organisational and managerial processes to minimise the risk of corruption and bribery in Landsbankinn's operation and in relations with customers, employees, regulators and other authorities, shareholders, auditors, competitors and other stakeholders.</p> <p>This policy reflects the United Nations Convention against corruption, enacted in Iceland in March 2011, Article 264 (a) of the General Penal Code No. 19/1940, Landsbankinn's Rules of Procedure and its Covenant of Ethical Conduct.</p> <p>In 2020, Landsbankinn began work on updating risk assessment based on the risk of fraud and bribery at the operating segment level. A risk assessment was carried out on the Bank's customers and operation, including all products, services and distribution channels, for the risk of money laundering and terrorist financing.</p>	Missing data for percentage of business segments evaluated in the year.		
205-2	Communication and training about anti-corruption policies and procedures	In part	<p>New employees at Landsbankinn receive special instruction and training about the Bank's main rules, including rules on conflict of interest, notification of misconduct and actions to combat money laundering and terrorist financing.</p> <p>The Board of Directors and the CEO receive special instruction and training at the outset of employment as part of preparation for their eligibility assessment, carried out by the Financial Supervisory Authority of the Central Bank of Iceland.</p> <p>Landsbankinn's policy against bribery and corruption extends to the duty of superiors to inform and instruct, as such instruction shall aim to increase employee awareness of measures against bribery and corruption and information about how to respond to suspicion of bribery and corruption.</p> <p>Employees receive regular instruction in measures to combat money laundering and terrorist financing, which includes information about measures against bribery and corruption. Such instruction takes place through visits to the Bank's various units, information posted to Workplace, and electronic instruction and testing on the Bank's education platform.</p>	Adequate data on employees and partners who have received instruction in the year is not available.		


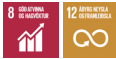
205-3	Confirmed incidents of corruption and actions taken	Yes	<p>Landsbankinn takes suitable measures to reduce the risk of bribery and corruption in its operation. Suitable measures refers to the relevant organisational and managerial action taken at Landsbankinn, involving the following:</p> <p>The Board of Directors has set policies intended to support the Bank's measures against bribery and corruption, including a policy on conflict of interest, a policy on actions to combat money laundering and terrorist financing and a compliance risk policy.</p> <p>There are in place rules, work procedures and work descriptions that are intended to impede bribery and corruption, including rules on gifts and invitational trips, and rules on notification of misconduct. Landsbankinn's rules include a ban against donating funds or conferring other benefits that have monetary value to political parties, candidates or election campaigns.</p> <p>Employees receive regular instruction about bribery and corruption. Such instruction shall aim to increase employee awareness of measures against bribery and corruption and information about how to respond to suspicion of bribery and corruption.</p> <p>Landsbankinn's rules provide for the obligation of employees to notify without delay of any suspicion of bribery and/ or corruption to the Compliance Officer or Chief Audit Executive, cf. Landsbankinn's rules on employee notices about misconduct, including the rights of whistle blowers. Employees may also submit anonymous concerns through the in-house mail service to the Compliance Officer or Internal Auditor.</p> <p>There were no corroborated instances of bribery or corruption in Landsbankinn's operation in 2020.</p>			
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Anti-competitive behaviour

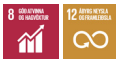




	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Yes	No instances in 2020			
	Environmental issues					

Materials

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
301-1	Materials used by weight or volume	Yes	<u>Carbon footprint</u>		 	

301-2	Recycled input materials used	Not applicable				
301-3	Reclaimed products and their packaging materials	Not applicable				

Energy

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
302-1	Energy consumption within the organization	Yes	Carbon footprint			E3, E5
302-2	Energy consumption outside of the organization	Yes	Carbon footprint			E3
302-3	Energy intensity	Yes	Carbon footprint			E4
302-4	Reduction of energy consumption	No		Data missing		
302-5	Reductions in energy requirements of products and services	No		Data missing		

Water and waste water








	Management approach disclosures	Not applicable				
	Topic-specific disclosures	Not applicable				
303-1	Water withdrawal by source	Not applicable				
303-2	Water sources significantly affected by withdrawal of water	Not applicable				
303-3	Water recycled and reused	Not applicable				
303-4	Water discharge	Not applicable				
303-5	Water consumption	Not applicable				E6

Biodiversity




	Management approach disclosures	Not applicable				
	Topic-specific disclosures	Not applicable				



304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable				
304-2	Significant impacts of activities, products, and services	Not applicable				
304-3	Habitats protected or restored	Not applicable				
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable				

Emissions


	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
305-1	Direct (Scope 1) GHG emissions	Yes	Carbon footprint			E1
305-2	Energy indirect (Scope 2) GHG emissions	Yes	Carbon footprint			E1
305-3	Other indirect (Scope 3) GHG emissions	Yes	Carbon footprint			E1
305-4	GHG emissions intensity	Yes	Carbon footprint			E2
305-5	Reduction of GHG emissions	Yes	Landsbankinn is a certified Carbon-Neutral® company Appendix, p. 7			
305-6	Emissions of ozone-depleting substances (ODS)	Yes	No cooling agents were used in 2020 and therefore no emissions to report			
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emission	Not applicable				

Effluents and waste

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
306-1	Water discharge by quality and destination	Not applicable				
306-2	Waste by type and disposal method	Yes	Carbon footprint			
306-3	Significant spills	Not applicable				

306-4	Transport of hazardous waste	Not applicable				
306-5	Water bodies affected by water discharges and/or runoff	Not applicable				

Environmental compliance


	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
307-1	Non-compliance with environmental laws and regulations	Yes	No fines or violations			

Supplier environmental assessment

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
308-1	New suppliers that were screened using environmental criteria	No		Data not available		
308-2	Negative environmental impacts in the supply chain and actions taken	No		Data missing		

Social

Employment

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
401-1	New employee hires and employee turnover	Yes	Appendix, p. 7		 	S3





401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	<p>Landsbankinn employees receive benefits under the collective bargaining agreement between the Confederation of Icelandic Bank and the Confederation of Icelandic Employers, from the Landsbankinn Employee Association and Landsbankinn hf. The terms vary depending on whether employment is trial or permanent. In some instances, trial employees can enjoy the same benefits as permanent employees.</p> <p>All employees, both trial and permanent, have access to a consulting physician, lunch, accident insurance, parental leave as well as a sickness fund.</p> <p>All permanent employees have life assurance, receive disability payments if needed and are paid a part of the difference between wages and payments from the parental leave fund.</p> <p>In addition to the above, employees enjoy various benefits, such as access to summer cottages, sports grants, transportation grants, study grants and hobby grants. Further information about benefits available to employees is available on the Bank's website.</p>			
401-3	Parental leave	Yes	Appendix, p. 9			

Labour/Management relations



	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
402-1	Minimum notice periods regarding operational changes	Yes	<p>The general notice period is as follows:</p> <p>Trial employees – 2 months</p> <p>Permanent employees – 3 months</p> <p>Permanent employees with more than 10 years' work experience at a financial undertaking or at least 45 years of age - 6 months</p>			



Occupational health and safety

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				





403-1	Governance of health and safety	In part	Landsbankinn has an occupational health and safety committee as provided for in Act No. 46/1980 on Facilities, Health and Hygiene Procedures and Safety in the Workplace. The Bank appoints two persons and the employees' association elects two other persons to the committee. The committee meets regularly and participation by representatives of the employees' association ensures collaboration with union representatives throughout the country.	Data missing		
403-2	Hazard identification, risk assessment, and incident investigation	In part		Data missing		
403-3	Occupational health services	In part		Data missing		
403-4	Worker participation, consultation, and communication on occupational health and safety	In part		Data missing		
403-5	Employee health and safety training	No		Data missing		
403-6	Promotion of worker health	Yes	Employees can apply for a sports grant that accords with limits set by the Directorate of Internal Revenue, currently ISK 60,000 per calendar year. Every other year, all employees are offered detailed health checks by the consulting physician or at a health care centre. Further details on Landsbankinn's human resources and health policies are available here on the Bank's website.			
403-7	Action and measures to mitigate occupational illnesses and increase safety in business relationships	Not applicable				
403-8	Workers covered by an occupational health and safety management system	Yes	100%			
403-9	Occupational injuries	Not applicable				S7
403-10	Occupational illnesses	Not applicable				

Training and education



	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
404-1	Average hours of training per year per employee	Yes	Human resources and equality		 	
404-2	Programs for upgrading employee skills and transition assistance programs	Yes	Human resources and equality			

404-3	Percentage of employees receiving regular performance and career development reviews	No	Performance interviews at Landsbankinn are carried out by individual managers in line with the Bank's policy of boosting management independence. Performance interviews are carried out by each employee's immediate superior who is the responsible party. As a general rule, there are three performance interviews per annum, each focusing on a different area. The number and focus of interviews may vary depending on the manager and job in question and may be combined in one comprehensive annual interview. The Bank does not have information about how many employees participated in performance interviews in 2020.	Data missing	 	
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Diversity and equal opportunity

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
405-1	Diversity of governance bodies and employees	Yes	Human resources and equality		 	S4, G1
405-2	Ratio of basic salary and remuneration of women to men	Yes	Appendix, p. 10		 	S2


Equality

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
406-1	Incidents of discrimination and corrective actions taken	No		Data missing	 	

Freedom of association and collective bargaining

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	In part	414-1 in appendix, p. 10	Data missing		

Child labour

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
408-1	Operations and suppliers at significant risk for incidents of child labour	No		Data missing		
	Forced or compulsory labour					

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No		Data missing		

Security practices

	Management approach disclosures	Not applicable				
	Topic-specific disclosures	Not applicable				
410-1	Security personnel trained in human rights policies or procedures	Not applicable				

Rights of indigenous peoples

	Management approach disclosures	Not applicable				
	Topic-specific disclosures	Not applicable				
411-1	Incidents of violations involving rights of indigenous peoples	Not applicable				

Human rights assessment



	Management approach disclosures	Not applicable				
	Topic-specific disclosures	Not applicable				
412-1	Operations that have been subject to human rights reviews or impact assessments	Not applicable				
412-2	Employee training on human rights policies or procedures	Not applicable				
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not applicable				

Local communities

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				

413-1	Operations with local community engagement, impact assessments, and development programs	No		Data missing		
413-2	Operations with significant actual and potential negative impacts on local communities	No		Data missing		


Supplier social assessment

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
414-1	New suppliers that were screened using social criteria	In part	Appendix, p. 10	Data missing		
414-2	Negative social impacts in the supply chain and actions taken	No		Data missing		

Public policy

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
415-1	Political contributions	Yes	No donations were made			

Customer health and safety

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
416-1	Assessment of the health and safety impacts of product and service categories	Not applicable				
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable				
	Marketing and labelling					
	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
417-1	Requirements for product and service information and labelling	No		Data missing		
417-2	Incidents of non-compliance concerning product and service information and labelling	Yes	No known violations			

417-3	Incidents of non-compliance concerning marketing communications	Yes	No known violations			
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Customer privacy



	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Yes	<p>In 2020, Landsbankinn received 27 complaints from customers regarding searches for their Id. Nos. in the Bank's systems, and that of the Bank's partner, Creditinfo. All searches were made for objective reasons and for business purposes. Three customers submitted complaints about processing of their personal data to the Data Protection Authority. In three cases, private individuals had been put on the bad credit registry or their Id.Nos. monitored in with Creditinfo through system or human error. Monitoring was ceased and registration rescinded as soon as the Bank has been informed of the error.</p> <p>In once instance, the processing of personal data by Landsbankinn was found to be in violation of the provisions of Act No. 90/2018, on Data Protection and the Processing of Personal Data, when the Bank processes an individual's request for access to own data. Landsbankinn objected to the conclusion of the Data Protection Authority and the case is up for review. The final conclusion is pending. Landsbankinn notified of four personal data breaches in the processing of personal data to the Data Protection Authority, involving the transmission of a customer's personal data to a third party. These were not the result of data leaks, but rather operating incidents and cases of human error. The Data Protection Authority did not see reason to take action or reprimand the Bank for these notifications. In addition, the Bank notified a third party of a security breach in its operation to enable action to protect the privacy of the third party's customers.</p> <p>No other confirmed deviations from customer privacy were recorded.</p>			G7

Socioeconomic compliance

	Management approach disclosures	Yes				
	Topic-specific disclosures	Yes				
419-1	Non-compliance with laws and regulations in the social and economic area	Yes	No known violations			

Financial sector supplement

Society

G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Yes	<p>The Bank's customers have access to around the clock banking service through Landsbankinn's app and online banking which offer all general banking services any time and anywhere in three languages. Customers can apply for credit cards in the app, alter their credit limit, apply for loans or overdrafts, create accounts in online banking and regular savings, or become customers and apply for housing loans through an electronic process all in the space of a couple of minutes. Self-service is not restricted to the app or online banking. ATMs and other self-service equipment can be used to deposit and withdraw cash, purchase foreign currency, purchase gift cards, view account balance and pay invoices. Emphasis is placed on around the clock access to self-service equipment.</p> <p>Landsbankinn operates the largest branch and ATM network in Iceland, with 36 branches and outlets and 90 ATMs in 63 locations throughout Iceland. Landsbankinn offers service visits to several rural regions. Customers mainly seek service in branches for financial advice, corporate services and to seek assistance in learning to use self-service solutions.</p>			
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	Yes	<p>We are here to help</p> <p>In 2020, Covid-19 directed customers to online and phone service channels to an increasing degree. More customers contacted the Customer Service Centre over the phone, email and web chat, electronic signatures tripled and appointments for branch services, an innovation introduced in late 2019, became an important service under access restrictions. The option to request a consultation call was added in 2020, with employees in branches all around the country tending to this services. The entire Bank jumped into action to provide service through alternative channels when access to branches was restricted.</p>			

Product responsibility



Product and service labelling

G4-DMA (FS15)	Policies for the fair design and sale of financial products and services	Yes				
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G4-DMA (FS16)	Action to improve financial literacy by target group	Yes	<p>The department Business Solutions in Private Banking handles financial instruction to private individuals and supports increased financial literacy. Extensive coverage and education of economic and financial issues takes place through Umræðan, Landsbankinn's content and news site.</p> <p>Over a span of several years, Landsbankinn has emphasises providing financial instructions to young people in upper secondary school, both younger students just embarking on their course of study and those about to finish school. This instruction is intended to contribute to increased financial literacy and prepare students for the future. This instruction is available to all upper secondary schools and is carried out in collaboration with the schools' representatives.</p> <p>Covid-19 put its mark on these instruction efforts in 2020, with a mere 8 visits made to 5 schools in the first few months of the year. As the year progressed, the instruction took place via remote conferencing equipment in a total of 8 remote visits to 117 students. A total of 551 students received financial instruction. The Bank does not promote its products or services in financial instruction visits to school, only providing general financial advice. Employees in the Bank's Customer Service Centre have handled financial instruction in the capital area and employees in rural Iceland handle instruction in their area. An effort is made to ensure that younger employees of Landsbankinn handle instruction to upper secondary school students in order to take advantage of peer mentoring.</p> <p>Landsbankinn is an active participant in the project Fjármálavit, education material in financial literacy for older elementary school students. The project is under the auspices of the Icelandic Financial Services Association and the National Association of Pension Funds in collaboration with members and their employees throughout Iceland. The same applies to Fjármálavit, with only a few visits made early in the year which then ceased following restrictions on gatherings.</p>			
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Products

G4-DMA (FS1)	Policies with specific environmental and social components applied to business lines	Yes	A general sector policy for lending through the Bank's Corporate Banking division was approved by the Board of Directors in 2017 and general sustainability principles in lending to corporates were approved by the Board of Directors in 2018. Landsbankinn's sector policies contains guidelines on sustainability and ESG factors, including climate risk. Sector policies are in place for the following industries: fisheries and seafood, real estate companies, construction companies, holding companies, the travel industry, commerce, services, IT and telecommunications. Landsbankinn supports customers' efforts to reduce GHG emissions in order to have a positive impact on their environment. Support from the Bank is primarily in the form of lending to investors.			
G4-DMA (FS2)	Procedures for assessing and screening environmental and social risks in business lines	No				
G4-DMA (FS3)	Processes to monitor customer implementation of and compliance with the environmental and social provisions of contracts or in business transactions	In part	Asset Management & Capital Markets - Clear policy on responsible investment			
G4-DMA (FS4)	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	In part	No processes are in place			
G4-FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	No				

G4-FS6	Per (e.g. Micro/SEM/large) and by sectorcentage of the portfolio for business lines by specific region, size	No				
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	No				
	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Yes	<p>Landsbankinn and the Nordic Investment Bank (NIB) signed a 7-year loan agreement in October 2018 under which Landsbankinn borrows USD 75 million to finance small and medium sized enterprises (SMEs) and environmental projects in Iceland.</p> <p>NIB is an international financial institution owned by eight member countries: Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden. The Bank finances private and public projects in and outside the member countries.</p>			

Audit

G4-DMA (FS9)	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	Yes	<p>Landsbankinn has a documented process to assess operational risk. All divisions undergo annual operational risk assessment. Operational risk is subsequently mapped on the group level. Where risk is higher than provided for in the Bank's current risk appetite, mitigating and preventative measures are applied and monitored. Assessment of operational risk extends to all components of operational risk, including insufficient or failing internal processes, human or systemic factors or external events. The assessment is not adjusted to specifically assess environmental or sustainability policies.</p> <p>Internal Audit is part of the Bank's risk management platform and of its internal monitoring system. Internal Audit assesses the Bank's operational efficiency, compliance with external and internal rules, and presents its findings to the Board of Directors. Internal Audit covers all divisions of the Bank, including operational risk and the audit process. International standards body BSI group reviewed the Bank's compliance with ISO 27001, an international standard for information security management. The Bank also regularly performs internal checks to monitor compliance with the standard. The Bank's external auditors adhere to standardised practices in their information gathering for audits of the Bank's consolidated financial statements. This includes review of internal control that applies to the preparation and credible presentation of accounts.</p>			
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Active ownership

G4-DMA (FS12)	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting	Yes	Landsbankinn has not adopted a voting policy that applies to environmental or social concerns at AGMs where the Bank holds voting rights or advises on voting.			
G4-FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	In part	This has been done in some cases but no figures have been collected.			
G4-FS11	Ratio of assets analysed to determine environmental or social impact	Yes	Asset Management & Capital Markets - Clear policy on responsible investment			