



# GRI Standards - Index

LANDSBANKINN HF. | Reg. No. 471008-0280 | [LANDSBANKINN.IS](https://www.landsbankinn.is)

3 February 2022



# GRI content index

Landsbankinn has reported in accordance with the GRI Standards for the period 1 January 2021 to 31 December 2021.

Title of GRI 1 used: GRI 1: Foundation 2021.

Reported disclosures from the GRI Standards, including the disclosure titles, can be found in the index below.

The titles of the GRI Standards that the reported disclosures come from are:

GRI 2 General Disclosures 2021

GRI 3 Material Topics 2021

GRI 201 Economic Performance 2016

GRI 202 Market Presence 2016

GRI 203 Indirect Economic Impact 2016

GRI 204 Procurement Practices 2016

GRI 205 Anti-corruption 2016

GRI 206 Anti-competitive Behaviour 2016

GRI 301 Materials 2016

GRI 302 Energy 2016

GRI 305 Emissions 2016

GRI 306 Waste 2020

GRI 308 Supplier Environmental Assessment 2016

GRI 401 Employment 2016

GRI 402 Labor/Management Relations 2016

GRI 403 Occupational Health and Safety 2018

GRI 404 Training and Education 2016

GRI 405 Diversity and Equal Opportunity 2016

GRI 406 Non-discrimination 2016

GRI 407 Freedom of Association and Collective Bargaining 2016

GRI 408 Child Labor 2016

GRI 409 Forced or Compulsory Labor 2016

GRI 413 Local Communities 2016

GRI 414 Supplier Social Assessment 2016

GRI 415 Public Policy 2016

GRI 417 Marketing and Labeling 2016

GRI 418 Customer Privacy 2016

Financial Sector Supplement

A list of the organizations's material topics is included in the GRI Standards Appendix on pages 3-5.

The GRI Sector Standard disclosures for banks has not been published yet. Material topics were evaluated according to GRI methods as described in GRI 3 Material Topics 2021. As a result, there are no applicable GRI Sector Standard material topics that Landsbankinn has determined to be non-applicable.




GRI index accompanying the 2021 Annual & Sustainability Report	Reporting	Information	Reasons for omissions	UN Sustainable Development Goals	Nasdaq ESG guidelines
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## The company and disclosure

Disclosure					
2-1	About the company	Yes	Landsbankinn hf., registered address Austurstræti 11, 155 Reykjavík, was at year-end 2021 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%. Landsbankinn does not operate outside of Iceland.		
2-2	Entities included in the organization's sustainability reporting	Yes	Landsbankinn's Annual & Sustainability Report includes only the parent Landsbankinn hf.		
2-3	Reporting period, frequency and contact point	Yes	Landsbankinn's Annual & Sustainability Report is for the period 1 January 2021 to 31 December, mirroring the company's Annual Financial Statement. The Annual & Sustainability Report is published annually. This Report is dated 3 February 2022. Queries about the Report should be directed to sjalfbaemi@landsbankinn.is		
2-4	Restatements of information	Yes	Restatements: Landsbankinn's gender benchmarks for management that were measured for the Executive Board, department heads, branch managers and middle managers have been redefined into three groups with three metrics by merging the groups department heads and branch managers. Another change is that statistics about the Bank's employees in banking jobs are now disclosed including all workers with employment contracts with the Bank. Janitorial staff and employees responsible for vacation housing have been added to the figures for 2019 and 2020 in order to create a 3-year base for comparison.		
2-5	External assurance	Yes	Deloitte audits Landsbankinn's GRI Standards report with limited assurance. The auditor's endorsement accompanies the report. This is the second time Landsbankinn's GRI Standards report is audited with limited assurance. Landsbankinn's Sustainability Policy, approved by the Board of Directors and Executive Board, aims to ensure initiative in disclosure on sustainability, and auditing is part of ensuring quality and reliability of information such disclosure. Details about the auditing process and limited assurance endorsement is provided in Deloitte's endorsement statement. The business relationship between Landsbankinn and Deloitte involves and agreement providing for this audit that is paid for in accordance with an accepted offer. Ownership of the two companies is completely separate.		G10



## Activities and organisation

### Disclosure

2-6	Activities, value chain and other business relationships	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. No significant changes were made to Landsbankinn's supply chain, ownership or the company itself in 2021. Information about the size/scope of Landsbankinn is included in an appendix to the GRI index report, p. 6. The Bank's procurement categories describe its supply chain and are provided in the table Proportion of supplier turnover by category that is included as an appendix to the GRI index report, p. 10.			
2-7	Employees	Yes	Appendix p. 6			S4, S5
2-8	Workers who are not employees	Yes	Appendix p. 8			

## Governance

### Disclosure

2-9	Organisational structure and committees	Yes	<a href="#">Corporate governance statement</a>			G2
2-10	Nomination and selection of senior management	Yes	<a href="#">Corporate governance statement</a>			G2
2-11	Chairman of the Board	Yes	<a href="#">Corporate governance statement</a>			
2-12	Role of the highest governance body in overseeing the management of impacts	Yes	<a href="#">The shaping, approval and revision of all factors and/or ESG factors is based on Landsbankinn's Sustainability Policy. The Board of Directors approves the Sustainability Policy, the CEO is responsible for its implementation and monitoring during its implementation and the Executive Board is responsible for approval and change to key points and benchmarks of the Policy. The Policy shall be reviewed and updated biennially.</a>			E8, E9
2-13	Delegation of responsibility for managing impacts	Yes	<a href="#">Delegated through the Bank's Sustainability Policy which is approved by the Board of Directors.</a>			

2-14	Role of the highest governance body in sustainability reporting	Yes	The Managing Director of Community reviews the material topics and methodology used to determine the topics. Details on the methodology are included in the chapter on Landsbankinn's material topics. One of the Bank's goals under its sustainability platform is to share sustainability information and all of the Bank's sustainability goals are approved by the Executive Board.			
2-15	Conflicts of interest	Yes	<a href="#">Corporate governance statement</a>			
2-16	Communicating critical concerns	Yes	The Rules of Procedure for the Board of Directors provide for the correct channels to communicate critical concerns to the highest governance body. 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.			
2-17	Collective knowledge of highest governance body	Yes	<a href="#">Corporate governance statement</a> <a href="#">Rules of Procedure for the Board of Directors</a>			
2-18	Evaluating the highest governance body's performance	Yes	<a href="#">Corporate governance statement</a>			
2-19	Remuneration policies	Yes	<a href="#">Remuneration Committee</a> <a href="#">Annual financial statement - Notes to the consolidated financial statement</a>			G3
2-20	Process to determine remuneration	Yes	<a href="#">Remuneration Committee</a> <a href="#">Annual General Meeting of Landsbankinn 2021</a>			
2-21	Annual total compensation ratio	Yes	The ratio of total wages paid to the CEO and median total wages full-time employees is 5.0			S1

## Strategy, strategic goals and work practices


### Disclosure

2-22	Statement on policy for sustainable development	Yes	<a href="#">From the Chairman of the Board</a> <a href="#">From the CEO</a>			
2-23	Obligations according to strategic goals	Yes	The Sustainability Policy of Landsbankinn shall be approved by its Board of Directors.			G5, G6
2-24	Embedding policy commitments	Yes	<a href="#">Landsbankinn's sustainability goals are based on its Sustainability Policy and approved by the Executive Board.</a>			
2-25	Processes to remediate negative impacts	In part	<a href="#">Landsbankinn considers its greatest impact on sustainability to lie in emissions from its credit and asset portfolios. In 2021, emissions from the credit portfolio were calculated using the PCAF methodology for the first time, meaning that the Bank now has a better understanding of its impact.</a>	Data missing		
2-26	Mechanisms for seeking advice and raising concerns	Yes	See indicators 205-1-2-3 in appendix p. 11			

2-27	Compliance with laws and regulations	Yes	There were no incidents of non-compliance with environmental laws and rules in 2021 nor any non-compliance with laws and regulations in the social and economic area in 2021.			
2-28	Memberships and partnerships	Yes	Appendix p. 9			

## Stakeholders' involvement


### Disclosure

2-29	Approach to stakeholder engagement		Appendix p. 2			
2-30	Collective bargaining agreements		All 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.			G4

### Material topics

3-3	Management of material topics	Yes	Appendix p. 2			E7, S6, S8, S9, S10, G5, G6
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### Financial performance

201-1	Direct economic value generated and distributed		Appendix p. 9			
201-2	Financial implications and other risks and opportunities due to climate change	In part	<a href="#">Pillar III</a>			
201-3	Defined benefit plan obligations and other retirement plans		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		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

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		Landsbankinn defines Iceland as its local community and all senior management is Icelandic.			


### Indirect economic impact

203-1	Infrastructure investments and services supported		<a href="#">Collaboration, support and instruction</a>			
203-2	Significant indirect economic impacts	No				





Procurement impact						
204-1	Proportion of spending on local suppliers	Yes	Appendix p. 10			
Anti-corruption						
205-1	Operations assessed for risks related to corruption	Yes	Appendix p. 11			
205-2	Communication and training about anti-corruption policies and procedures	Yes	Appendix p. 11			
205-3	Confirmed incidents of corruption and actions taken	Yes	Appendix p. 12			
Anti-competitive behaviour						
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Yes	No instances in 2021			
Environmental						
Materials						
301-1	Materials used by weight or volume	Yes	<a href="#">Climate issues</a>			
Energy						
302-1	Energy consumption within the organization	Yes	<a href="#">Climate issues</a>		 	E3, E5
302-2	Energy consumption outside of the organization	Yes	<a href="#">Climate issues</a>		 	E3, E5
302-3	Energy intensity	Yes	<a href="#">Climate issues</a>		 	E4
302-4	Reduction of energy consumption	No			 	
302-5	Reductions in energy requirements of products and services	No			 	
Emissions						
305-1	Direct (Scope 1) GHG emissions	Yes	<a href="#">Climate issues</a>			E1
305-2	Energy indirect (Scope 2) GHG emissions	Yes	<a href="#">Climate issues</a>			E1
305-3	Other indirect (Scope 3) GHG emissions	Yes	<a href="#">Climate issues</a>			E1
305-4	GHG emissions intensity	Yes	<a href="#">Climate issues</a>			E2
305-5	Reduction of GHG emissions	Yes	Appendix p. 12			
305-6	Emissions of ozone-depleting substances (ODS)	Yes	No cooling agents were used in 2021 and therefore no emissions to report			

<b>Effluents and waste</b>						
306-2	Waste by type and disposal method	Yes	<a href="#">Climate issues</a>			
<b>Supplier environmental assessment</b>						
308-1	New suppliers that were screened using environmental criteria	No				
308-2	Negative environmental impacts in the supply chain and actions taken	No				
<b>Community</b>						
<b>Employment</b>						
401-1	New employee hires and employee turnover	Yes	Appendix p. 13		 	S3
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Yes	Appendix p. 15			
401-3	Parental leave	Yes	Appendix p. 15			
<b>Labour/Management relations</b>						
402-1	Minimum notice periods regarding operational changes	Yes	The general notice period is as follows: Trial employees – 2 months Permanent employees – 3 months Permanent employees with more than 10 years' work experience at a financial undertaking or at least 45 years of age - 6 months			
<b>Occupational health and safety</b>						
403-1	Governance of health and safety	In part	Landsbankinn has a 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				





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.			
403-8	Workers covered by an occupational health and safety management system	Yes	100%			



#### Training and education

404-1	Average hours of training per year per employee	Yes	Appendix p. 16		 	
404-2	Programs for upgrading employee skills and transition assistance programs	Yes	Appendix p. 16			
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 2021.			


#### Diversity and equal opportunity







405-1	Diversity of governance bodies and employees	Yes	<a href="#">Human resources and equality</a>		 	S4, G1
405-2	Ratio of basic salary and remuneration of women to men	Yes	Appendix p. 19			S2

#### Equality

406-1	Incidents of discrimination and corrective actions taken	Yes	No violations of the equity policy were reported in 2021		 	
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#### Freedom of association and collective bargaining

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	No				
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<b>Child labour</b>						
408-1	Operations and suppliers at significant risk for incidents of child labour	No				
<b>Forced or compulsory labour</b>						
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No				
<b>Local communities</b>						
413-1	Operations with local community engagement, impact assessments, and development programs	No				
413-2	Operations with significant actual and potential negative impacts on local communities	No				
<b>Supplier social assessment</b>						
414-1	New suppliers that were screened using social criteria	No			 	
414-2	Negative social impacts in the supply chain and actions taken	No			 	
<b>Public policy</b>						
415-1	Political contributions	Yes	No donations were made			
<b>Marketing and labelling</b>						
417-1	Requirements for product and service information and labelling	No				
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			
<b>Customer privacy</b>						
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Yes	Appendix p. 20			
<b>Financial sector supplement</b>						
<b>Community</b>						
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	Yes	Appendix p. 20			

G4-FS14	Initiatives to improve access to financial services for disadvantaged people	Yes	Appendix p. 20			
<b>Product responsibility</b>						
G4-DMA (FS15)	Policies for the fair design and sale of financial products and services	Yes	<a href="#">Covenant of Ethical Conduct</a>			
G4-DMA (FS16)	Action to improve financial literacy by target group	Yes	Appendix p. 20			
Products						
G4-DMA (FS1)	Policies with specific environmental and social components applied to business lines	Yes	<a href="#">Landsbankinn Sustainability Policy includes a dedicated chapter on responsible lending.</a>			
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	<a href="#">Landsbankinn Sustainability Policy includes a dedicated chapter on responsible lending.</a>	Data missing		
G4-DMA (FS1)	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>			

Review						
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>			
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.	Data missing		
G4-FS11	Ratio of assets analysed to determine environmental or social impact	In part	Landsbankinn Sustainability Policy includes a dedicated chapter on responsible lending. It states that all assets are analysed with regard for the ESG factors provided for in the Policy. No statistical data has been gathered to date.	Data missing.		