



Landsbankinn's sustainability goals

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Landsbankinn's sustainability goals

1. Be informed and inform about the Bank's impact on sustainability.
2. Emphasise responsible lending.
3. Achieve a reduction in direct GHG emissions.
4. Achieve a reduction in indirect GHG emissions.
5. Attain a gender ratio of executives that accords with set limits.
6. Measures to counteract discrimination - share information about EKKO.
7. Review sustainability information.
8. Direct business to responsible suppliers.

Landsbankinn updated its Sustainability Policy in 2021, reassessing which of the United Nations' Sustainable Development Goals (SDGs) the Bank's operation impacts most. We will now focus on the following four SDGs in our operation.

- 5. Gender equality
- 8. Decent work and economic growth
- 9. Industrial innovation and infrastructure
- 13. Climate action

Following up on this work, we also reviewed our own sustainability goals. They were originally set in 2019, after we committed to the Principles for Responsible Banking (PRB), and we achieved them in 2020 and 2021. How we achieved our goals is detailed in a progress report to PRB, published with the Bank's sustainability accounting.

Goals are instrumental to achieving success - sustainability is no exception. In order to help stakeholders to follow the Bank's aims and progress on its sustainability journey, we publish our goals, preferably including timing and measurements. Landsbankinn's disclosure is also linked to its sustainability goals and we publish information about our progress there. The goals are also part of the Bank's commitments under various sustainability ventures such as the PRB, the climate project of Festa and the City of Reykjavík, and part of systematic work on the SDGs.

Our eight goals fall into the categories sustainability, environment, social and governance.

Sustainability

1. Be informed and inform about the Bank's impact on sustainability.

We intend to be leading in disclosure on sustainability. This includes:

- Publishing an annual GRI report.
- Including climate risk in the Bank's Pillar III risk report under TCFD.
- We publish figures on GHG emissions and they include emissions from our credit portfolio calculated in accordance with the PCAF methodology.

Disclosure on sustainability issues is likely to become increasingly detailed in the near future and we intend to follow developments closely to respond in a timely manner.

Current status

Annual & Sustainability Report

2. Emphasise responsible lending.

The aim is to issue Landsbankinn’s Sustainable Financing Label to 50 entities for eligible loans in 2022.

Environmental issues

3. Achieve a reduction in direct GHG emissions.

We aim to reduce emissions under Scope 1 by 80% by 2025 compared with 2018 emissions and by 100% in 2030. Landsbankinn will maintain its carbon neutral status under CarbonNeutral from 2020 onwards.

4. Achieve a reduction in indirect GHG emissions.

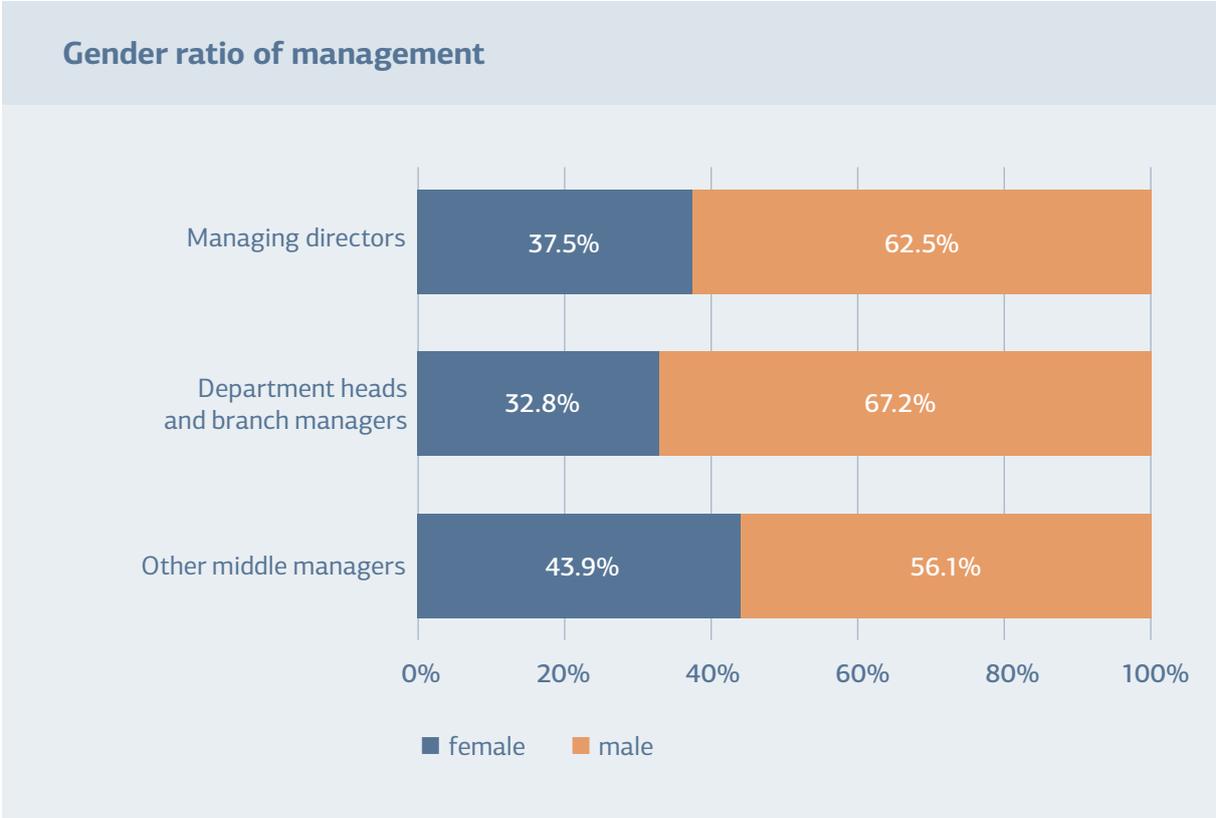
In 2022, Landsbankinn intends to set goals to reduce indirect emissions using the Science Based Targets initiative guide for financial institutions and have it approved.

Social matters

5. Attain a gender ratio of executives that accords with set limits.

We want the gender ratio in our top management levels to maintain a balance of no more than 60% representation by one gender and aim to maintain that ratio once it is achieved. Top management breaks down into three groups: Managing directors, department heads, and branch managers and other middle managers.

Current status



6. Measures to counteract discrimination - share information about EKKO.

We intend to show how we use the Bank's EKKO policy to counteract bullying, sexual or gender-based harassment, and violence. Our sustainability report will contain information about the number of events reported to Human Resources and number of events measured in the Bank's workplace audit.

Current status

EKKO events	2021
Reported to Human Resources	0
Workplace audit	
Ratio of workers who experienced:	
Bullying	0.7%
Sexual harassment	0.1%
Gender-based discrimination	0.6%

Results show that there are workers who experienced EKKO events in 2021 but none of the events were reported to Human Resources.

Corporate governance

7. Review sustainability information.

All financial and sustainability information will be reviewed and analysed by a third party to the proper extent.

Current status

- The Bank's GRI report is audited by a certified public accountant.
- The Bank's climate accounting is audited by a certified public accountant as part of the GRI report and again by a third party for carbon neutralisation purposes.
- Landsbankinn's Sustainable Finance Framework is reviewed by a competent third party.
- The Bank's green bond impact report is reviewed by a competent third party.

8. Direct business to responsible suppliers.

Our aim is that 80% of the cost of purchased services and goods will be paid to suppliers who have committed to the Bank's ethical guidelines by 2025 or who have adopted comparable rules.

Current status

Ethical guidelines for suppliers were adopted towards year-end 2021 and we are in the initial stages of introducing them to our suppliers.