



Landsbankinn's sustainability goals

15 February 2024



Sustainability Policy of Landsbankinn

Landsbankinn's Sustainability Policy extends to all divisions of the Bank, sets out our key focus areas as regards sustainability and describes how we will implement sustainability in our operation. The policy addresses the UN SDGs, climate concerns, social issues, governance, ESG risk rating, responsible investment and responsible lending.

Landsbankinn's sustainability goals

Goals are instrumental to achieving success and sustainability is no exception. We have challenged ourselves with ambitious goals which we review regularly and are based on the Bank's Sustainability Policy. Landsbankinn's disclosure is also linked to its sustainability goals and we publish information about our progress, both in order to promote transparency and to share information. Our eight goals fall into the categories sustainability, environment, social and governance.

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

We intend to be leading in disclosure on sustainability. This requires that we:

- Comply with the regulatory environment for sustainability as and when it enters into force with appropriate disclosure, i.e. SFDR, the EU Taxonomy and CSRD.
- Publish an annual GRI report.
- Discuss our climate risk in our Pillar III risk report according to the guidelines of the Task Force for Climate related Financial Disclosure (TCFD).
- Publish our emission figures, including emissions from our loan book under the PCAF methodology.

Sustainability related disclosure is likely to increase in the near future, including under the Science Based Targets initiative (SBTi), our obligations as a PBAF member and with audited sustainability accounts, including the GRI report and emission accounts, both of which are audited with reasonable assurance by Deloitte.

2. Emphasise responsible lending

Landsbankinn will measure its green asset ratio (GAR) in accordance with its obligations and, when reliable information has been obtained, the Bank will set targets for responsible lending.

3. Achieve a reduction in direct GHG emissions

The Bank aims to reduce emissions under Scope 1, i.e. its direct emissions, by 80% by 2025 compared with 2018 emissions and by around 100% in 2030. Landsbankinn shall also maintain its carbon neutral status under CarbonNeutral® from 2020 onwards.

As of 1 January 2025, the Bank will cease purchasing vehicles solely fuelled by fossil fuels.

As of 1 January 2027, the Bank will only purchase vehicles that are fuelled by renewable energy sources, such as electricity.

4. Achieve a reduction in indirect GHG emissions

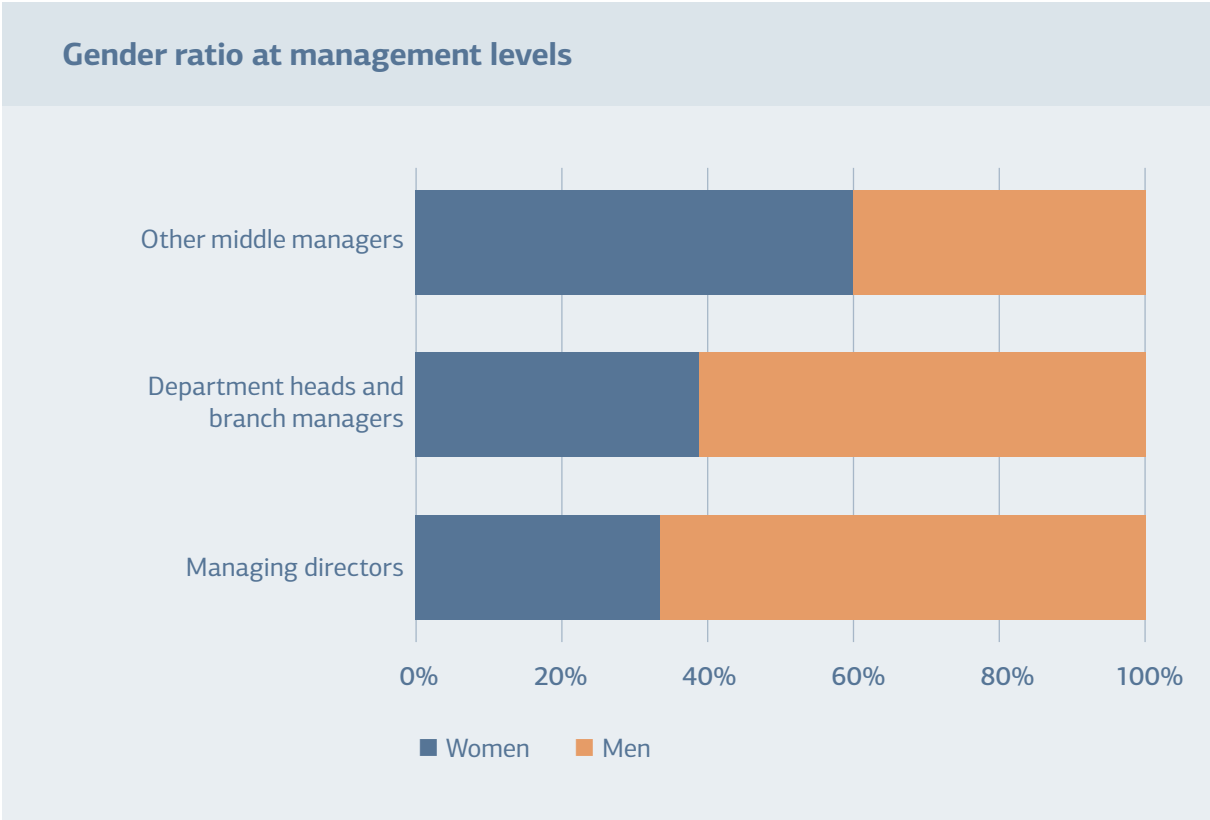
In 2022, we applied to join SBTi.

In 2023, Landsbankinn adopted goals to reduce indirect emissions using the SBTi guide for financial institutions and applied to have them approved. The approval process is expected to conclude in the first quarter of 2024. The key goal applies to financed emissions under PCAF and we are also adopting goals to reduce indirect emissions from the Bank's operation.

The goal the Bank adopted for own operations was to reduce indirect emission by 50% before 2030 as compared with 2019.

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

By 2030, we want the gender ratio in our top management levels to maintain a balance of no more than 60% representation by any 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.



6. Measures to counteract discrimination - share information about EKKO

We intend to do more 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 events reported to Human Resources and number of events measured in the Bank's workplace audit.

EKKO incidents	2023
Number of incidents reported to Human Resources	0
Workplace analysis	
Percentage of employees who experienced:	
Bullying	2,16%
Sexual harassment	0,72%
Gender-base discrimination	1,57%
Violence	0,86%

The results show that employees have experienced EKKO events in 2023. Some of these events were reported to Human Resources and were handled appropriately yet no formal process was initiated, as per the reporters' wishes.

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 GRI report and emission accounts are audited with reasonable assurance by Deloitte.
- The Bank's PRB report is audited with limited assurance.
- The Bank's PCAF report is audited with limited assurance.
- 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:

A code of conduct for suppliers was implemented at year-end 2021 and the goal for the extent of spending with responsible suppliers was reached in 2022 and 2023. We will continue to direct our business to responsible suppliers and again aim to ensure that 80% of the cost of purchased services and goods will be paid to responsible suppliers.

Sustainable Development Goals

We are focused on four of the UN Sustainable Development Goals (SDGs).



These goals all directly correlate with the Bank’s operation and work to achieve them maximises the Bank’s positive impact on the environment and society. We also follow the Principles for Responsible Banking (PRB) which guide banks in their work on the SDGs and the Paris Agreement.