

LANDSBANKINN HF.

A3 | 90 / 100

A1 - A3	B1 - B3	C1 - C3	D
Excellent	Good	Medium	Poor

RATING

Landsbankinn achieves an excellent score in this ESG rating by Reitun, with 90 out of 100 possible points, placing it in category A3.

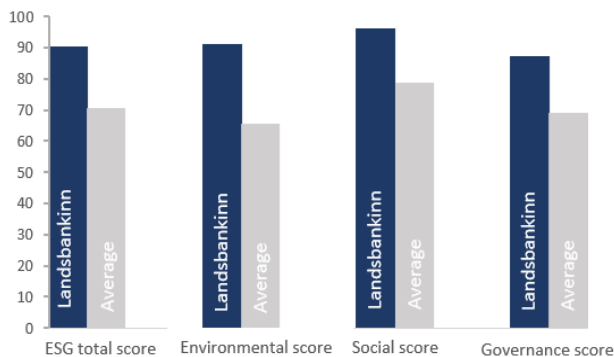
ESG RATING RESULTS

	Weight	Score	Rating
Environmental	11.0%	91	A3
E.1 Eco-Efficiency	5.0%	92	A2
E.2 Environmental Management	6.0%	90	A3
Social	25.0%	96	A2
S.1 Working Environment	7.0%	98	A1
S.2 Employee Welfare & Customer Satisfaction	18.0%	95	A2
Governance	64.0%	87	A3
G.1 Corporate Governance	9.0%	100	A1
G.2 Corporate Practises & Supplier Chain	23.5%	88	A3
G.3 Products & Services	31.5%	83	B1

SHORT SUMMARY OF RESULTS

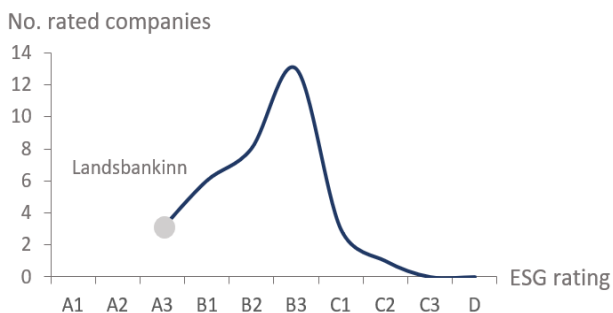
Landsbankinn does extremely well in this ESG rating by Reitun and has achieved good results since last year. The bank has now drawn up and published a detailed sustainability policy, with eight sustainability goals, so setting a clear frame of reference for its goals and how to reach them. Involvement by the board and management in work on sustainability has been increased, demonstrating the bank's commitment to further achievement, which is viewed positively by Reitun. Landsbankinn has undertaken to comply with the UN's Principles of Responsible Banking and is continuing with the integration of sustainability considerations in all aspects of its operations. How ESG considerations are introduced into asset management and credit activities is one of the greatest risk factors for financial undertakings; this is an area where Landsbankinn is continuing to make good progress. A new policy on responsible lending has been drawn up, and the bank has published a first assessment of its loan portfolio's carbon footprint in accordance with PCAF. ESG considerations are included in the banks' credit ratings; formal ESG ratings, with monitoring of their borrowing, offer great opportunities for improvement. Landsbankinn has been committed to the UN's Principles for Responsible Investments since 2013. In 2020 its asset management activities were transferred to its subsidiary, Landsbréf, and Landsbréf is now aiming to adopt PRI formally. It follows a policy on responsible investments and continues to observe sustainability in its operations. Landsbankinn gives attention to sustainability in its product offer; it has introduced a new sustainable savings account and in 2021 it launched a sustainability logo for use by companies and projects that it finances if they meet certain criteria.

COMPARISON



The bank has updated its targets under the UN Sustainability Development Goals and now conforms to four of them: Nos. 5, 8, 9 and 13. Financial undertakings in Iceland operate under an extensive regulatory system and scrutiny by the Central Bank's Financial Supervisory Authority. The bank's data security arrangements are in good order, its management system being certified according to ISO27001. It has issued a code of ethics for suppliers and makes a priority of dealing with responsible suppliers. This is an area where policy is still being implemented, and Landsbankinn seems to be dedicated to observing a high standard. Employee satisfaction is generally high and human resource management is in good order, though there are opportunities for evening up the gender balance in the top managerial level. As it did last year, Landsbankinn offsets carbon emissions from its operations with a carbon account that is certified by a third party. For the third year running it comes out top among Icelandic banks in the Icelandic Customer Satisfaction Survey, earning the highest possible score in this rating for customer satisfaction and community involvement. It is a good role model for the domestic market and receives an excellent ESG rating.

ESG RATING DISTRIBUTION



COMPARISON WITH DOMESTIC ISSUERS

Landsbankinn comes out well above average in all categories compared with other domestic issuers (currently about 35) that have been ESG-rated by Reitun. The market average aggregate score is currently 70 points (out of 100 possible), producing a rating of B2; Landsbankinn's score is 90, the highest that Reitun has ever awarded. This places the bank in category A3, a rating it shares with two other issuers.

DISCLAIMERS

For the purposes of this analysis and ESG rating, it has been assumed that the materials and information to which Reitun has had access are in accordance with the facts. Where Reitun has received photocopies of documents, it is assumed that they correspond with the originals of the documents in question and that no subsequent additions or changes have been made to them. It is also assumed that all signatures on documents and agreements to which Reitun has had access are correct and that they are binding for the company.

The opinions and projections set forth here are based on the general information, and possibly on confidential information, which Reitun has had in its possession at the time of compilation of the rating. The principal sources used are annual financial statements and various materials from the party under examination and other available official information that has been published in the media and in other contexts which the company considers reliable. However, Reitun cannot be held responsible for the reliability or accuracy of this information and accepts no liability for the reliability of the sources of the information used. Data set out in the above discussion appears for the purpose of information only and should not be viewed as an offer of any sort and should not be taken as constituting advice concerning investments in financial instruments. Investors are urged to obtain independent guidance from their own advisors before investing in financial instruments, e.g. as regards their legal standing and tax position. Reitun and its employees can accept no responsibility for transactions based on the information and opinions set forth above.

While particular care has been taken to ensure that the information above is correct and accurate at the time of writing, Reitun and its employees can accept no responsibility for possible errors. The evaluation of this information reflects Reitun's opinions on the date of publication, but these opinions may change without notice. Neither Reitun nor its employees can be held responsible for damage or loss, direct or indirect, resulting from information found in this rating, or for the dissemination of such information.

In particular, attention is drawn to the fact that estimates and forward-looking statements may change without warning in either a positive or a negative way and are subject to external uncertainties and variables that are generally beyond Reitun's control. Reitun and its employees therefore cannot accept responsibility if the ESG rating of an individual issuer that has been assessed and given a rating by the company subsequently changes. Reitun cannot undertake to change the information published in this report if the premises on which it is based change or if it comes to light that it is incorrect or inaccurate.

Reitun, its employees, directors or other parties connected with Reitun may have interests at stake regarding particular companies addressed in its analyses, valuation reports and other publications at any given time. These interests may take various forms, e.g. as shareholders or advisors, or interests connected with other services provided. Issuers of securities that are valued by Reitun pay the company for this service. Valuations and analyses are nevertheless prepared independently by Reitun.

Reitun owns the copyright in all information presented in this report. Information found in this ESG rating may not be disseminated or utilised in any other manner without permission